



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

October 30, 2019
AGENDA ITEM #9

Discuss and consider modifying the annual toll rate escalation becoming effective on January 1, 2020

Strategic Plan Relevance: Deliver on commitments to our customers and investors

Department: Finance

Contact: Bill Chapman, Chief Financial Officer

Associated Costs: N/A

Funding Source: Toll Revenues

Action Requested: Consider and take such action as necessary

Background - Section 301.002(a) of the Policy Code states that “the authority shall establish toll rates for each tolled facility operated by the authority. Each toll established by this section is subject to an adjustment on January 1 of each year under the procedure set forth in Section 301.003 (Annual Toll Rate Escalation). The executive director is authorized and directed to edit a toll established by this section to update and certify any change to a toll made pursuant to Section 301.003.”

Non-variable toll rates - Section 301.003 of the Policy Code provides that, each October, Mobility Authority staff must calculate a percentage increase in toll rates charged on non-variable rate Mobility Authority toll facilities using the formula established by that section. The formula is based on changes to the most recently published non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment, as published by the Bureau of Labor Statistics of the U.S. Department of Labor. Each year, this Toll Rate Escalation Percentage is reported to the Board.

Previous Actions - The non-variable toll rates for the CTRMA Turnpike System have increased annually. The increases for each of the last five years are shown below.

Year	2015	2016	2017	2018	2019
CPI-U	1.51%	-0.04%	1.46%	2.23%	2.27%
Increase/gantry	\$0.01-\$0.03	\$0.01-\$0.04*	\$0.01-\$0.02	\$0.01-\$0.03	\$0.01-\$0.03

*The board adopted a modified 2% increase effective January 2016

2020 Increase for non-variable toll rates - The Toll Rate Escalation Percentage calculated based on the September 2019 CPI-U is 1.71%. This percentage increase in toll rates will automatically become effective on January 1, 2020 unless the Board affirmatively votes to modify the percentage. If the percentage is not modified, this increase will result in an additional \$0.01 to \$0.03 toll charged at each gantry for a customer in a two-axle vehicle who uses a TxTAG or other transponder account.

Since 45SW and the first phase of 183 South have been open to tolling less than a year, the toll rate escalations set to take effect in January 2020 will not be applied to these two corridors.

Backup Provided: January 2020 Toll Rate Calculation 183A, 290E, 71E with CPI calculation

January 2020 Toll rate Calculation 183A , 290E, 71E, 45SW, 183S

			CPI			CPIu Increase	New Toll rates 1/1/2020	2015		2020	
			Current Rate	CPI base Rate Sep 2018	CPI current Rate Sep 2019			(CPI ^t -CPI ^{t-12})/CPI ^{t-12} CPI Adjustment effective 1/1/2020	Original 183A Toll Schedule	Original 183A Toll Schedule	
183A	Crystal Falls ramps	ETC	\$ 0.43	252.439	256.759	1.71130%	\$ 0.01	\$ 0.44			
	Crystal Falls Main Lane	ETC	\$ 1.09	252.439	256.759	1.71130%	\$ 0.02	\$ 1.11			
	Scottsdale Ramp	ETC	\$ 0.61	252.439	256.759	1.71130%	\$ 0.01	\$ 0.62			
	Park Street mainlane	ETC	\$ 1.54	252.439	256.759	1.71130%	\$ 0.03	\$ 1.57	\$ 2.00	\$ 2.25	
	Brushy Creek Ramps	ETC	\$ 0.61	252.439	256.759	1.71130%	\$ 0.01	\$ 0.62	\$ 0.75	\$ 1.00	
	Lakeline Main Lane	ETC	\$ 0.57	252.439	256.759	1.71130%	\$ 0.01	\$ 0.58	\$ 0.70	\$ 0.90	
Manor	183 Direct Connectors	ETC	\$ 0.58	252.439	256.759	1.71130%	\$ 0.01	\$ 0.59			
	Springdale ramps	ETC	\$ 0.58	252.439	256.759	1.71130%	\$ 0.01	\$ 0.59			
	Giles ramps	ETC	\$ 0.58	252.439	256.759	1.71130%	\$ 0.01	\$ 0.59			
	Giles Main Lanes	ETC	\$ 1.18	252.439	256.759	1.71130%	\$ 0.02	\$ 1.20			
	Harris Branch Parkway ramps	ETC	\$ 0.58	252.439	256.759	1.71130%	\$ 0.01	\$ 0.59			
	Parmer Main Lanes	ETC	\$ 0.58	252.439	256.759	1.71130%	\$ 0.01	\$ 0.59			
71E		ETC	\$ 0.91	252.439	256.759	1.71130%	\$ 0.02	\$ 0.93			
45SW	Main Lanes	ETC	\$ 1.00	Opening Toll Rate				\$ 1.00			

TRAFFIC CONSULTANT CERTIFICATION
(October 2019 Toll Modification)

The undersigned is a duly authorized officer of Stantec Consulting Services Inc. serving as traffic consultant (the "Traffic Consultant") to the Central Texas Regional Mobility Authority ("Authority") pursuant to that certain Master Trust Indenture, dated as of February 1, 2005, between the Authority and Regions Bank, as successor in trust to JPMorgan Chase Bank, National Association, as Trustee (the "Master Trust Indenture"), relating to the issuance of Obligations thereunder. Any capitalized terms not otherwise defined herein have the respective meaning given to such terms in the Master Trust Indenture.

1. In accordance with Section 502 of the Master Trust Indenture, the Authority has provided us the proposed change to the Toll Rate Schedule set forth in Exhibit "A" attached hereto. In our opinion, the adoption of such proposed Toll Rate Schedule set forth in Exhibit "A" will not adversely affect the ability of the Authority to comply with its covenants in this Section 502.

2. Our certification herein is based upon our opinion as to Revenues to be derived by the Authority from the ownership and operation of the System (which Revenues include investment and other income not related to Tolls that constitute the Revenues of the System as estimated by an Authorized Representative), and a certificate of the Authorized Representative filed with the Trustee, stating the opinion of the Authority as to the amount of Operating Expenses paid or accrued during any pertinent Annual Period, assuming the proposed Toll rate schedule had been in effect during such pertinent Annual Period.

EXECUTED THIS 14th day of October, 2019.

STANTEC CONSULTING SERVICES INC.

By: William Ihlo
Name: William Ihlo
Title: Principal