

**WRITTEN TESTIMONY OF DENNIS BURLESON, CHAIRMAN OF
THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**

APRIL 29, 2008

CHAIRMAN CARONA AND MEMBERS:


Good Morning, my name is Dennis Burleson, and I am Chairman of the Hidalgo County Regional Mobility Authority. Thank you for allowing me to be here today to represent Hidalgo County, one of the fastest growing areas and economies in the state. The Hidalgo County Regional Mobility Authority was created to be a proactive partner empowering our community to address our congestion and mobility concerns through local means with local leadership.

The Hidalgo County RMA is an independent governmental agency created by the Texas Transportation Commission and the Hidalgo County Commissioners Court on November 17th, 2005, to accelerate needed transportation projects in Hidalgo County. Overseen by a seven member Board of Directors, the Hidalgo County RMA is committed to finding ways to empower our local community to take charge of our transportation future.

Hidalgo County has some unique transportation challenges to overcome resulting from our tremendous population and economic growth and from the explosive increase in NAFTA truck traffic crossing the international border and traveling through our population centers of Pharr, Mission, McAllen, and Edinburg. This traffic has created traffic congestion and safety issues for our citizens and our local leaders have seen the need for a loop to bypass these densely populated areas and control the economic development around Hidalgo County. Hidalgo County RMA was created to address the local needs and enhance the delivery of transportation projects through local control, and this is what I view as one of the real benefits of SB 792. Local primacy for entities like RMAs means allowing local control in decisions which affect our community.

The legislature has given local governments several options for project delivery that allow for public/private partnerships, and we felt that the conditions in Hidalgo County called for some creative project financing that made more sense for our community. Hidalgo County RMA looked at all the options for the Hidalgo County loop, including CDAs, and determined the best option would be to enter into a public/private partnership to deliver the project through a Project Development Agreement model. We chose a private sector partner who was willing to provide a guaranteed price, guaranteed delivery date, and at the RMAs option, a plan to finance the project until the RMA can obtain its own project financing.

In this public/private partnership, the RMA's responsibilities are to work with Hidalgo County to establish the revenue mechanisms necessary to fund the project costs. Our private sector partner, Hidalgo County Roadbuilders, is responsible for predictably



developing the project for a guaranteed price and assisting the RMA in achieving our long-term goals to meet the transportation needs and promote the economic growth of the region.

The approximately \$600 million dollar cost of this project was originally slated to include a significant portion of state money. Unfortunately, as funding for transportation projects in Texas continue to decline, funding for our projects has diminished. Despite this, we are adjusting our efforts to meet our needs. Current revenue sources include a pass – through agreement with TXDOT; creating a Transportation Reinvestment Zone to collect an increment of ad valorem revenue within the project corridor; tolling; and local revenue streams like the vehicle registration surcharge, which was approved this last legislation session for Hidalgo County.. Taken together, these revenue streams will allow us to attract the private financing necessary to fund the cost of building this project. Additionally, our private finance plan will leverage our revenue streams to generate an estimated \$2 billion of additional funds to provide for the future transportation needs of Hidalgo County.

And at the end of the day, this project is going to be built in a turnkey fashion to meet the needs of Hidalgo County, and perhaps most importantly, with the ownership of these roads remaining with the public, which I believe is appropriate

