



---

Austin • Dallas • Fort Worth • Houston • San Antonio

February 1, 2010

The Honorable John Carona  
Chair, Transportation and Homeland Security  
Committee  
Texas Senate  
P.O. Box 12068, Capitol Station  
Austin, Texas 78711

The Honorable Joe Pickett  
Chair, House Transportation Committee  
Texas House of Representatives  
P.O. Box 2910  
Austin, Texas 78768-2910

Dear Chairman Carona and Chairman Pickett:

Thank you for the opportunity to provide written testimony to your joint committee meeting on February 1, 2010 when your committee will be grappling with the tough issue of financing transportation.

The Real Estate Councils of Texas is the unified voice of the commercial development industry and our coalition of real estate organizations supports new revenue sources and funding mechanisms for transportation infrastructure in Texas. The attached document summarizes our position.

We are grateful that you are actively seeking solutions to our transportation funding crisis, and are looking forward to working with you. Thank you again for your dedication to improving the quality of life of Texans.

Sincerely,

Martha Mangum  
Executive Director,  
The Real Estate Council of San Antonio  
Co-Chair, The Real Estate Councils of Texas

Janice Cartwright  
Executive Director,  
The Real Estate Council of Austin  
Co-Chair, The Real Estate Councils of Texas



---

Austin • Dallas • Fort Worth • Houston • San Antonio

## **INCREASE TRANSPORTATION FUNDING**

**Texas requires additional infrastructure and transportation funding for mobility improvements, but faces a tremendous gap from current sources.**

**BACKGROUND:** Transportation infrastructure is of importance to economy and our quality of life. The state's growing population means more wear and tear on roads, greater traffic congestion, clogged border crossings, deficient rural roads, and unsafe bridges. Federal, state, and local funding sources required to build and maintain our transportation system are inadequate, rapidly eroding in availability, and politically at risk. The time has come to allow communities the option to generate additional funding **locally** for transportation projects to help meet our increasing mobility needs.

### **LEGISLATIVE ACTION:**

**Adopt Enabling Legislation for Local Option** – With significant shortfalls in transportation funding from all government levels, more financing options are needed. Enabling legislation should be developed that would authorize counties to hold **local option elections** so that their citizens can vote to decide if they want to pay to fund specific transportation projects with a mobility improvement fee and/or a county motor fuel tax, much like a local bond election.

**Stop Diversions** - Good public policy and government transparency suggest that highway user fees and tax revenue should be used to fund highway construction, maintenance, and support activities. New legislative financial obligations on State Highway Fund 006 that are not directly related to transportation should be stopped. We recommend that \$200 - \$250 million of highway user fees and tax revenue be redirected from the General Revenue Fund to the Texas Mobility Fund.

**Identify and Appropriate Resources to Rail Relocation Fund** - Moving freight rail traffic out of center cities in Texas' metropolitan areas will improve mobility. The Texas Legislature should identify an appropriate revenue source for rail relocation and make appropriations to the Rail Relocation Fund. Highway user fees and taxes are not an appropriate revenue source for rail relocation.

**Greater Accountability and Transparency for TxDOT** – In an effort to promote a direction for transportation that is based upon transparency, accountability and efficiency, we support the use of sound business practices. Management auditing, financial reporting, and codes of ethics should be adopted in conjunction with the TxDOT Sunset bill. This will restore public faith in the management of our state's transportation infrastructure.