

# Dallas-area toll agency delays vote on plan to raise rates

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By MICHAEL A. LINDENBERGER / The Dallas Morning News

The North Texas Tollway Authority finance committee heard – but did not approve – a staff recommendation Tuesday to increase toll rates throughout its growing network of toll roads.

After lengthy discussion, the committee decided against voting on the proposal to raise rates on toll roads by 32 percent, from 11 cents per mile to 14.5 cents, effective Sept. 1.

The committee will meet twice more to discuss the proposal, including at a meeting next week. The full nine-member board will vote on the hike in July.

But an increase appears certain. NTTA staff and its financial advisers said failure to raise the rates significantly could make it difficult, or even impossible, to issue new debt to complete work on already promised toll roads.

Still, board member Bob Day, a former Garland mayor, wants his colleagues to phase in the increases, waiting till 2010 to impose the full increase.

He also proposed making tolls twice as expensive for those who do not get a TollTag, though some steps would be made to help low-income drivers who do not have credit or debit cards avoid the surcharge. Drivers have been slower to get the tags than NTTA expected, making it more expensive to collect tolls.

"Let's face it, this is kind of a tax on transportation," Day said.

A delay might not be possible, however.

Talk of higher tolls comes as NTTA seeks to reassure bondholders, who hold \$6.1 billion in NTTA debt, that a steep decline in traffic on NTTA's toll roads does not threaten the authority's solvency. Its trust agreement with major lenders requires that NTTA take whatever steps are necessary to ensure that enough revenue comes in to cover debt payments.

Those annual debt payments are already far more than the authority's approximately \$92 million annual operating budget, and are projected to get steeper every year. Debt payments will equal nearly \$140 million in 2009, and will be \$300 million by 2012. By 2020, the figure will likely be a half-billion dollars, advisers said Tuesday.

Those big debt payments are a legacy of the big bet NTTA, and by extension the region, made on the State Highway 121 toll contract, which was awarded to NTTA after fierce

political skirmishing in 2007. NTTA won the 52-year contract after promising to build the road and pay \$3.2 billion upfront with money it borrowed against future tolls.

A private company had offered to pay nearly as much, and take the risk that traffic – and therefore revenue – would meet projections.

But regional officials decided to bet on the record-breaking population growth in North Texas, and chose NTTA, which unlike a private company will reinvest any profits on future transportation projects.

But the recession has slowed the Dallas-Fort Worth area's population growth, though it is still fast by national standards. Traffic also has decreased as drivers seek to minimize transportation costs, including spending money on tolls.

"My wife and I ... both drive 121 every day, now spending \$160 a month in tolls," said Walter Lowe of McKinney. "If you raise the tolls, we will be forced to abandon the tollway completely. We just can't afford it anymore."