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YOUR COMMUTE

Southwest Parkway could eventually become a cash cow

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The proposed Southwest Parkway toll road from Fort Worth to Cleburne could generate a whopping \$15 billion surplus from toll-paying motorists between roughly 2033 and 2063, after initial bonds issued to build the 28-mile project are paid off.

That startling revenue figure, based upon a traffic and revenue report produced for the North Texas Tollway Authority, emerged Wednesday during a meeting in Austin, where officials from various government agencies were still debating who should build and control Southwest Parkway.

The surplus would occur long after the initial 20-year debts issued to pay for construction had been settled, and operations, maintenance and other costs had been calculated. Officials cautioned that the number, while based on scientific estimates about future traffic and population growth, is speculative.

Even so, it shows that Southwest Parkway is potentially a far more profitable project than people have previously imagined. For example, the Texas 161 toll road currently under construction east of Arlington is expected to generate about \$5 billion in surplus revenue during the same time period.

"The revenue projections you see here for Southwest Parkway/Chisholm Trail assume more growth, more development in the area," said James Bass, Texas Department of Transportation chief financial officer, noting the prospective traffic and population growth in Tarrant and Johnson counties.

But authority Chairman Paul Wageman of Plano warned that the upfront costs of building Southwest Parkway make it a tough project to afford in the early years. The authority has asked the state's help to build both Southwest Parkway/Chisholm Trail and Texas 161 using gas tax dollars as collateral for debt, saying it cannot build the roads on its own.

"I urge you not to be mesmerized by those out-year numbers," Wageman said. "That money may never occur. The funding on this project is so thin."

The North Texas Tollway Authority has declined to release its entire traffic and revenue report, but a few details were shared with Texas Department of Transportation officials during a meeting Wednesday in Austin.

During that meeting, the Texas Transportation Commission approved a deal for the tollway authority to take over the Southwest Parkway and Texas 161 toll roads, but not before including last-minute language that could spoil the agreement and potentially delay both projects.

Yet another showdown in the prickly financing deal for both projects is now scheduled for Friday, when the tollway authority board meets in Plano.

Paying off toll debt

The state transportation commission, which oversees the Texas Department of Transportation, unanimously agreed Wednesday to financially help build Texas 161. In doing so, the commission put up the state's gas tax fund as collateral, which the tollway authority could then tap in the form of a loan to pay bond debts on both road projects, at a maximum of \$4.118 billion.

Southwest Parkway is a proposed 28-mile toll road that would run from Interstate 30 near downtown Fort Worth to U.S. 67 in Cleburne, where the project is known as Chisholm Trail. Texas 161 would run parallel to Texas 360 in Arlington and is considered a key route to Cowboys Stadium. The Southwest Parkway/Chisholm Trail and Texas 161 projects would be built jointly and share revenue until both were paid for.

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But in approving the measure Wednesday, the commission included language that would require the tollway authority to pay a fee of up to \$3 million a year beginning in the 10th year of the deal if by that time the state's gas taxes were still needed to guarantee debt.

The tollway authority also would have to pay interest on money owed to the Transportation Department. Last week, Wageman said that such language could "blow up" the agreement, which on Friday will require the support of eight of nine tollway authority board members.

Wageman said the transportation commission's move was an 11th-hour attempt to drive up the cost of the project and was "contrary to the spirit of partnership." In 2008, he said, the entities agreed to negotiate a mutually beneficial deal in which the tollway authority would get a loan from the state to build the projects and the state would be released from its previous commitment to pitch in \$530 million to build Southwest Parkway interchanges at I-30 and I-20.

With a Sunday deadline looming to finish the negotiations, the tollway authority is left with a take-it-or-leave-it decision to make.

"These were their roads that they refused to build," Wageman said in an interview Wednesday night. "And they want us to pay for that?"

Interest payments

Wednesday's vote was unanimous, even though transportation Commissioner Bill Meadows of Fort Worth unsuccessfully tried to remove the language requiring interest payments.

"It's a partnership between two public agencies," Meadows said. "The whole notion of having a revenue price, a revenue-sharing fee, is not appropriate."

But Commissioner Ned Holmes of Houston, who pressed for the last-minute change, said that not charging fees and interest to the tollway authority "is basically free money for 34 years. Would that be fair to the rest of the Fund 6 contributors around the state? I don't think it is."

Tollway authority officials have said they need state help to secure the best possible credit rating for debt, thus generating an extra \$400 million for the projects.

The odds of actually needing to tap into the state's gas tax funds -- the main source of funding for nontoll roads -- is extremely low. The critical time is the early years of a project, when fewer motorists use the road.

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