COMPREHENSIVE DEVELOPMENT AGREEMENTS (CDA)

Description

A Comprehensive Development Agreement is a type of Public Private Partnership (PPP). A CDA allows a private company to perform different combinations of design, development, finance, construction, maintenance, repair, and operation. A CDA may be used for toll projects, improvement projects that include both tolled and non-tolled lanes, improvement projects in which a private entity has an interest in the project, or improvement projects financed wholly or partly with private activity bonds. A state highway subject to a CDA with a private entity is public property.

How Will This Help?

Reduces cost to the public – A Comprehensive Development Agreement allows public agencies to share costs with the private sector. Reducing the required capital for any single projects allows the dedicated transportation dollars to be stretched to encompass more projects.

Who: State (TxDOT)
Cost to Collect: N/A
Sustainability: N/A
Reliability: N/A
Implementation: Complex

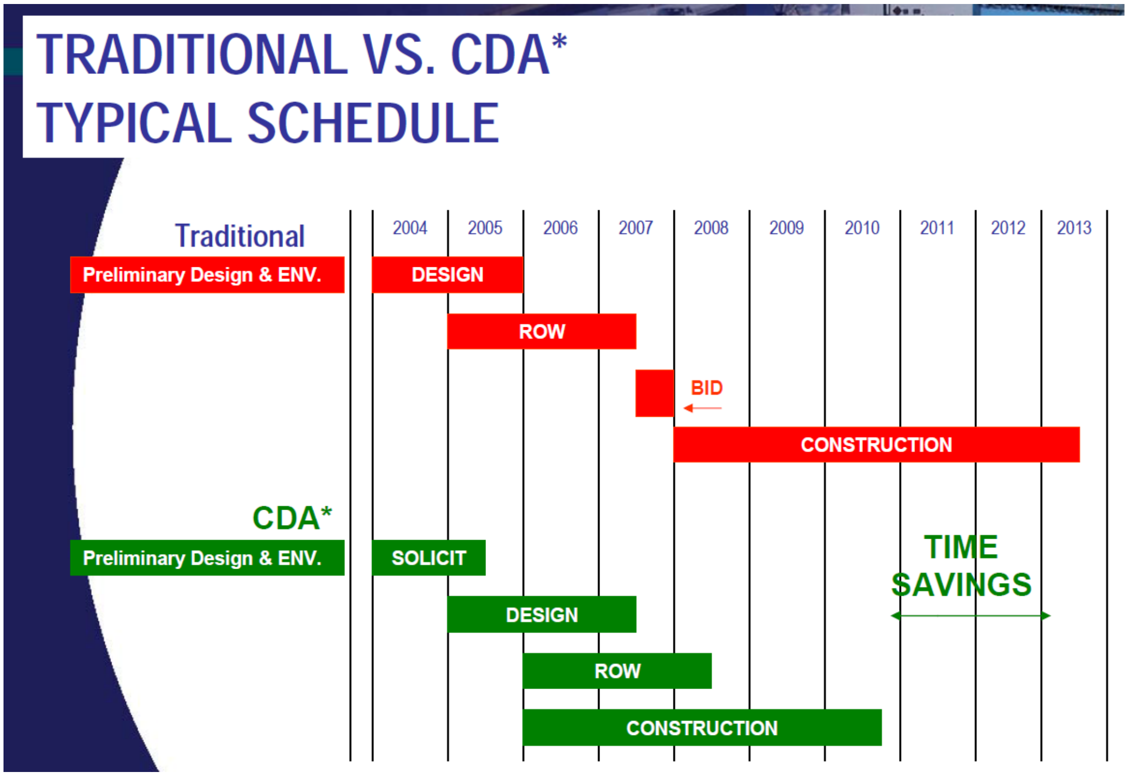
Can accelerate projects – A CDA reduces the delay of waiting for funding and allows the financing, design, construction, and delivery of projects to proceed without delay.

Help funds keep pace with rising highway construction costs – Since 1991, roadway construction costs have almost doubled while transportation revenues have grown at a much slower rate. Engaging in CDAs would help the slower growing transportation revenues keep pace with rising construction costs**.**

Fuel tax revenues are eroded by increased fuel efficiency – Fuel tax revenues will likely decrease over time. The expected growth in future population means more people traveling on the roadways and consuming more fuel. However, today's more fuel efficient cars and trucks pay lower fuel tax per mile than when the tax rates were last set twenty years ago. As vehicles become more fuel efficient and alternative fuel vehicles become more common, the number of gallons needed to go the same distance will decrease. While benefits such as a smaller carbon footprint and the ability to travel further per gallon are gained, the resulting decrease in fuel consumption means less gas and diesel tax revenue raised to tackle the rising transportation needs. Utilizing creative financing strategies will help slow the effects of decreasing fuel tax revenues.

Reduce need for borrowing – Texas has increasingly turned to debt mechanisms such as bonds as a way to finance transportation improvements. Allowing the use of CDAs would reduce the amount of public capital needed and slow the growing trend of using the "credit card" to pay for roadway projects.

For more information, please refer to: http://mobility.tamu.edu/mip/strategies.php.



Texas Department of Transportation

What's the Down-Side?

- **Some public agencies have limited power –** The Texas Transportation Code limits the regional tollway authorities' power to enter into agreements.
- **Loss of operating revenue –** Revenue generated from the operation of a privately maintained or operated facility would not benefit the public agency.
- **Public opposition to private ownership –** The public has been opposed to giving private companies what they perceive as an ownership interest in state roadways.

Implementation Issues

- Implementation costs are low.
- Voters/users would need to be educated regarding the costs and benefits.

Example CDA Projects in Texas:

Austin Region:

- Loop 1 Mo-Pac Managed Lanes from FM 734 to Cesar Chavez St (limited CDA)

San Antonio/Austin Region:

- State Highway 130—Segments five and six (2007)

Dallas/Fort Worth Region:

- North Tarrant Express (2009)
- LBJ I-635 Project (2009)
- DFW Connector (2009)