

2023

NORTH EAST TEXAS
REGIONAL MOBILITY AUTHORITY

ANNUAL
REPORT





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THE MISSION OF THE NET RMA:

The NET RMA, in cooperation with its regional partners, will provide solutions to expedite infrastructure and mobility projects that will improve the quality of life, enhance the regional economy, and assure efficient mobility in the North East Texas Region.



CHAIRMAN'S REMARKS



Gary Halbrooks
Chairman

After 19 years on the NET RMA board, I am still honored and humbled to be serving East Texas in such a pivotal transportation role. Our board is composed of special servant leaders and visionaries, who think about the future

and infrastructure's role in the region. The NET RMA's board dares to dream of a better future for our children and grandchildren. I am proud to be helping my colleagues by taking action on those dreams and moving infrastructure forward in the East Texas Region.

This past year the NET RMA had several accomplishments:

- The agency hosted our first Economic-Development luncheon to increase community awareness regarding NET RMA support for potential infrastructure projects for the greater East Texas Region.
- The agency attended the grand opening of Wood County Airport Collins Field. With NET RMA's financial and political support, Wood County was able to double the airport's aircraft parking apron, improve drainage, and update the long-term airport layout.
- NET RMA awarded almost \$600K in priority project grants in 2023 for additional infrastructure projects.

- Harrison County – awarded up to \$300K for the reconstruction of Lansing Switch Road in Precinct 3 (located in a heavily populated residential area between two, fast growing communities, Hallsville and Longview in Harrison County).
- Titus County – awarded \$297K for the 1,750 foot road improvement of CR 2200 supporting a highly-traveled commercial and residential area currently with minimal access points.

The NET RMA continues to explore a plethora of opportunities for furthering infrastructure development in the East Texas Region, thereby continuing to support our fellow East Texans for generations to come!

I hope you have a prosperous and Happy 2024!

Sincerely,

Gary Halbrooks
Chairman, NET RMA 2023



BOARD OF DIRECTORS



Gary Halbrooks
Smith County
Chairman



Andrea Williams-McCoy
Bowie County
Vice-Chair
Chair of Public Outreach



Keith Honey
Gregg County
Secretary



Robert Messer
Kaufman County
Treasurer



Cory Floyd
Bowie County



Curtis Rath
Camp County



Ben Hamilton
Cherokee County



Dan Droege
Gregg County



Dave Spurrier
Gregg County
Chair of ETHG Committee



Mac Abney
Harrison County



Rush Harris
Harrison County



Dr. John Ray
Panola County



John Cloutier
Rusk County
Chair of Outreach Committee



Marcia Daughtrey
Smith County



Larry Kellam
Smith County



Matthew Watts
Smith County



Nathan Tofoya
Titus County



Larry Morse
Upshur County
Chair of Project Development
& Implementation Committee



Chet Clayton
Van Zandt County
Chair of Personnel
Committee



Jason Ray
Wood County

BOARD OF DIRECTORS

NEW BEGINNINGS

Dr. John Ray

Judge Rodger G. McLane appointed Dr. John Ray in May of 2023 to represent Panola County. Mr. Ray completed both his B.S. and M.S. at Stephen F. Austin State University. His professional career of 40 years was spent at Brazosport College in Lake Jackson, Texas. He began his career as a biology teacher and spent his last 24 years as Vice President of the College. He and his wife, Jane, returned to Carthage, Texas in 2013 and enjoy staying active in their church and community.



Dr. John Ray
Panola County

FOND FAREWELL

Robbie Shoults

Robbie Shoults represented Harrison County on the NET RMA Board of Directors from August 2018 to May 2023. Since his resignation, he continues to run his successful 80-year-old family business, Bear Creek Smokehouse in Marshall, Texas.



Robbie Shoults
Harrison County

Mac Abney

Judge Chad Sims appointed Mac Abney in August of 2023 to represent Harrison County. Mr. Abney is a certified public accountant and president of the Abney and Company, PLLC. He received a bachelor's degree from Southern Methodist University and is a graduate of the College of Financial Planning. He and his wife, Claudia, reside in Marshall, Texas, and have two children and five grandchildren.



Mac Abney
Harrison County

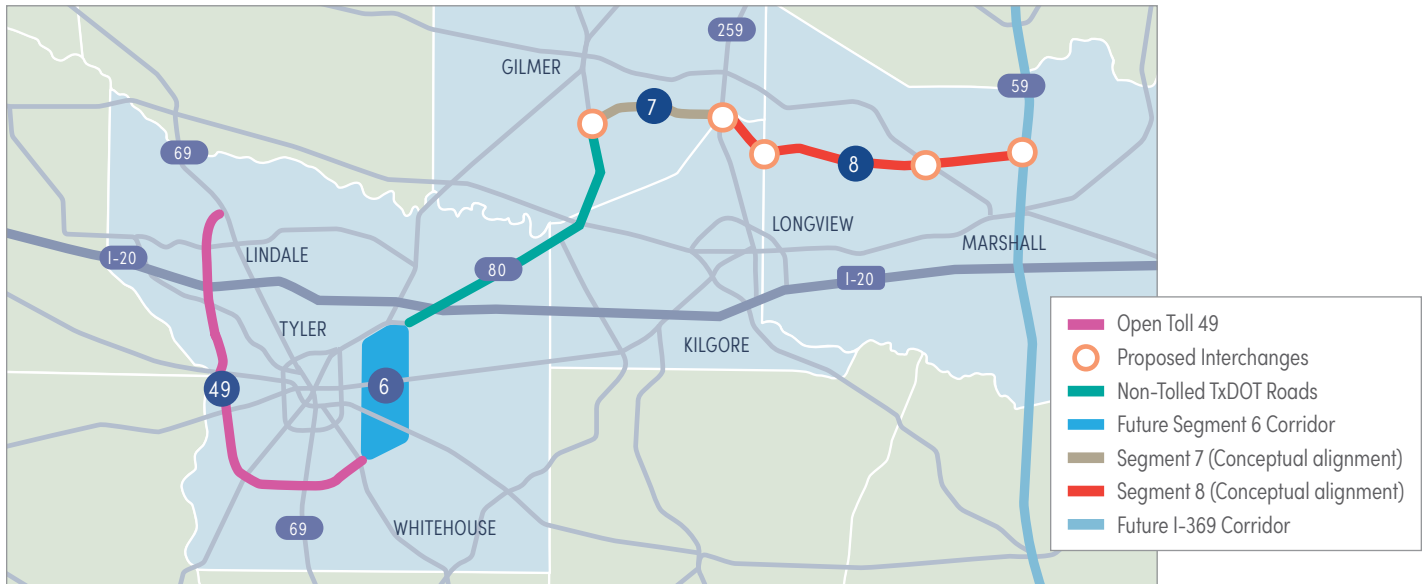


Smith County Judge, Neal Franklin, swears in new board member Dr. John Ray from Panola County.

CREATION & MEMBER COUNTIES

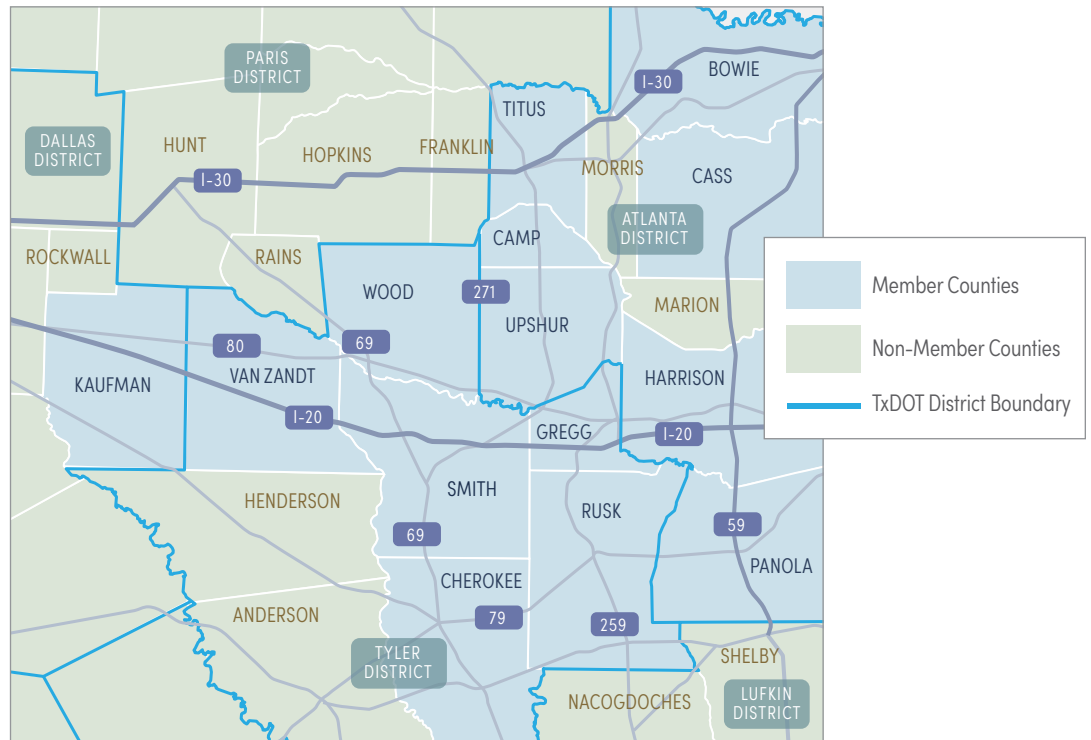
PROJECT CREATION AND HISTORY

The East Texas Hourglass project is depicted below. The entire project is a proposed extension of the existing Toll 49 (pink below) that includes Segments 6, 7, and 8. Segments 1-6 total more than 46 miles in length, and Segments 7 and 8 would add more than 38 additional miles.



MEMBER COUNTIES

Bowie County
Camp County
Cass County
Cherokee County
Gregg County
Harrison County
Kaufman County
Panola County
Rusk County
Smith County
Titus County
Upshur County
Van Zandt County
Wood County



THE POWERS OF A RMA

DEVELOP A TRANSPORTATION PROJECT TO:

- Issue revenue bonds
- Establish tolls
- Acquire property for transportation projects
- Use surplus revenue to finance other local transportation projects
- Enter into a Comprehensive Development Agreement (CDA) for certain statutory authorized projects.
- Apply for federal highway and rail funds
- Enter into contracts with other governmental entities and Mexico
- Apply for State Infrastructure Bank loans
- Maintain a feasibility fund
- Set speed and weight limits consistent with state guidelines
- Enter into agreements with other governmental entities to develop a transportation project on behalf of that entity.

NOTE that SB 1489 (83rd Legislature, 2013) modified the definition of a "transportation project" for a RMA.

Debunking Myths of Tolling

Myth: Tolling a road is double tax on drivers.

Truth: Taxes are mandatory. Tolls are a user fee that drivers pay when they make the choice to drive on toll roads. Courts have long ago established the distinction between tolls and taxes.

Myth: We've already paid for the roads.

Truth: Gas taxes are not enough to meet the need for improvements on existing and future corridors, and the cost of road maintenance over time is greater than the initial cost of building the road.

ELIGIBLE RMA PROJECTS (Title 43, Texas Administrative Code, Section 26.2 and Texas Transportation Code, Section 370.003)		TXDOT							RMA						
		Design	Own	Acquire	Finance	Build	Maintain	Operate	Design	Own	Acquire	Finance	Build	Maintain	Operate
HIGHWAYS	Non-tolled Road	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
	Toll Road	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
RAIL	Freight	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
	High Speed	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
	Commuter	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
TRANSIT	Regional Transit		▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
	Bus								▲	▲	▲	▲	▲	▲	▲
OTHER MODES	Airports								▲	▲	▲	▲	▲	▲	▲
	Maritime Ports	▲			▲	▲			▲	▲	▲	▲	▲	▲	▲
	Ferry	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
	GIWW	▲			▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
	Pedestrian/Bicycle	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
	Conveyor Belts								▲	▲	▲	▲	▲	▲	▲
	Freight Shuttle	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
UTILITIES	Electric								▲	▲	▲	▲	▲	▲	▲
	Water								▲	▲	▲	▲	▲	▲	▲
	Cable/Telecom								▲	▲	▲	▲	▲	▲	▲
	Pipelines								▲	▲	▲	▲	▲	▲	▲
	Utility Adjustments				▲		▲		▲	▲	▲	▲	▲	▲	▲
OTHER	Facilities		▲	▲	▲		▲	▲	▲	▲	▲	▲	▲	▲	▲
	Parking Facilities								▲	▲	▲	▲	▲	▲	▲
	Intermodal Hub								▲	▲	▲	▲	▲	▲	▲
	Border Crossing Inspection Station (except in Laredo)								▲	▲	▲	▲	▲	▲	▲

*Data acquired from the TxDOT Publication, Regional Mobility Authorities: A Partnership for Progress.

2023 PUBLIC OUTREACH

In FY 2023, Hahn assisted NET RMA with a number of marketing and public relations initiatives to increase awareness of Toll 49 and promote safe driving habits in Northeast Texas.

For the 2023 holiday season, the Hahn team developed a festive Christmas campaign featuring mall Santas running into traffic driving to their respective locations. The playful animated video, radio, and web placements conveyed to drivers that by taking Toll 49, they can save time by avoiding hectic holiday shopping traffic.

In 2023, Hahn produced a new Safe Driving campaign called "Take Action Against Distraction." The video, radio, and static ads



Christmas campaign



Safe driving campaign

that launched in the summer played with the idea of a driver's "bad side" sitting next to them in the car trying to tempt them into unsafe habits. The public service campaign reminded drivers of distractions to avoid and to focus on the road.

The NET RMA continues to do its part educating drivers regarding the dangers of distracted driving.

Additionally, Hahn increased the scope of the 3rd annual Linda Thomas Safe Driving Scholarship, resulting in a record 122 applications from 12 of the 14 NET RMA member counties. They coordinated \$1,000 check presentations for all 10 winners and generated news stories in several locations.

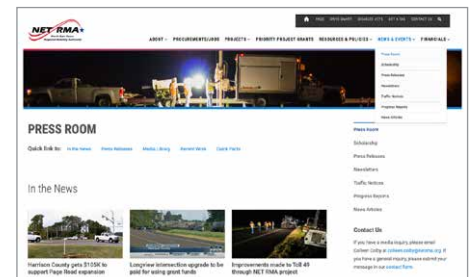


3rd annual Linda Thomas Safe Driving Scholarships

Hahn's earned media efforts also successfully secured 41 positive NET RMA stories last year for several priority projects, including funding for the Longview intersection widening project and the Wood County Airport grand opening.

In November 2022, the Hahn team launched the new "Press Room" page on the website, serving as a one-stop-shop for all the latest media updates, including recent news, releases, media library, campaigns and fact sheets. Over the last year, the website received nearly 300 total page views and a 1:28 average time on page. This is above the industry standard for a good average time on page, which is 53 seconds.

Hahn also reworked the design of the NET RMA newsletter, which has led to an open rate consistently 15%-20% higher than the industry average.



Website and newsletter updates

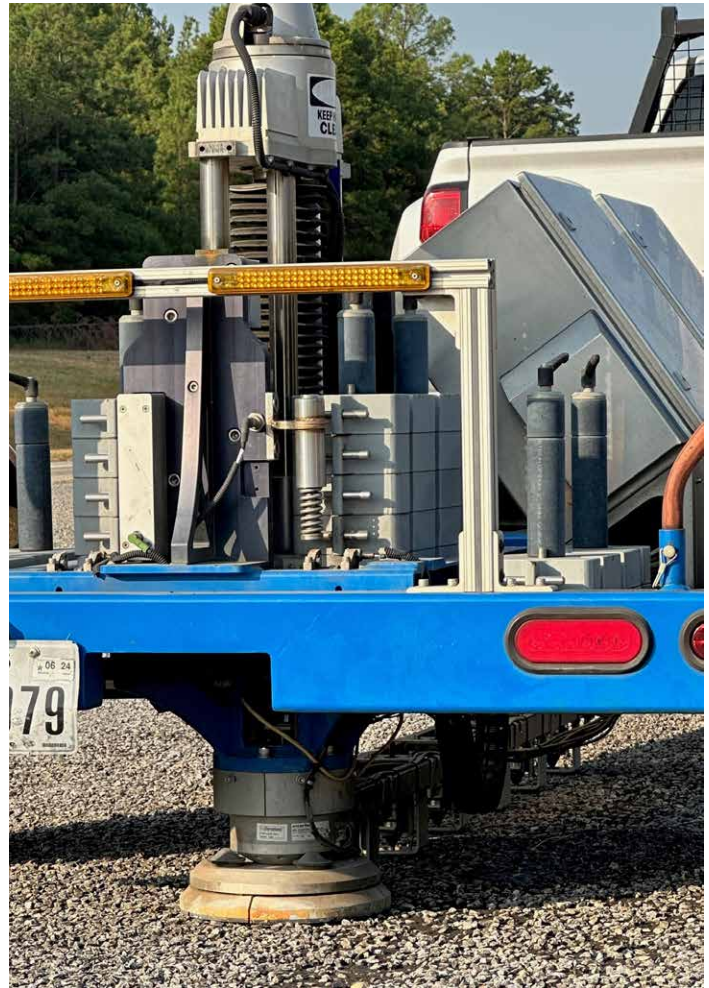
ROAD SURFACE IMPROVEMENTS

NET RMA is committed to maintaining a quality roadway for the community's utilization. A new initiative in 2023 was performing a test to evaluate the structural health of our roadway.

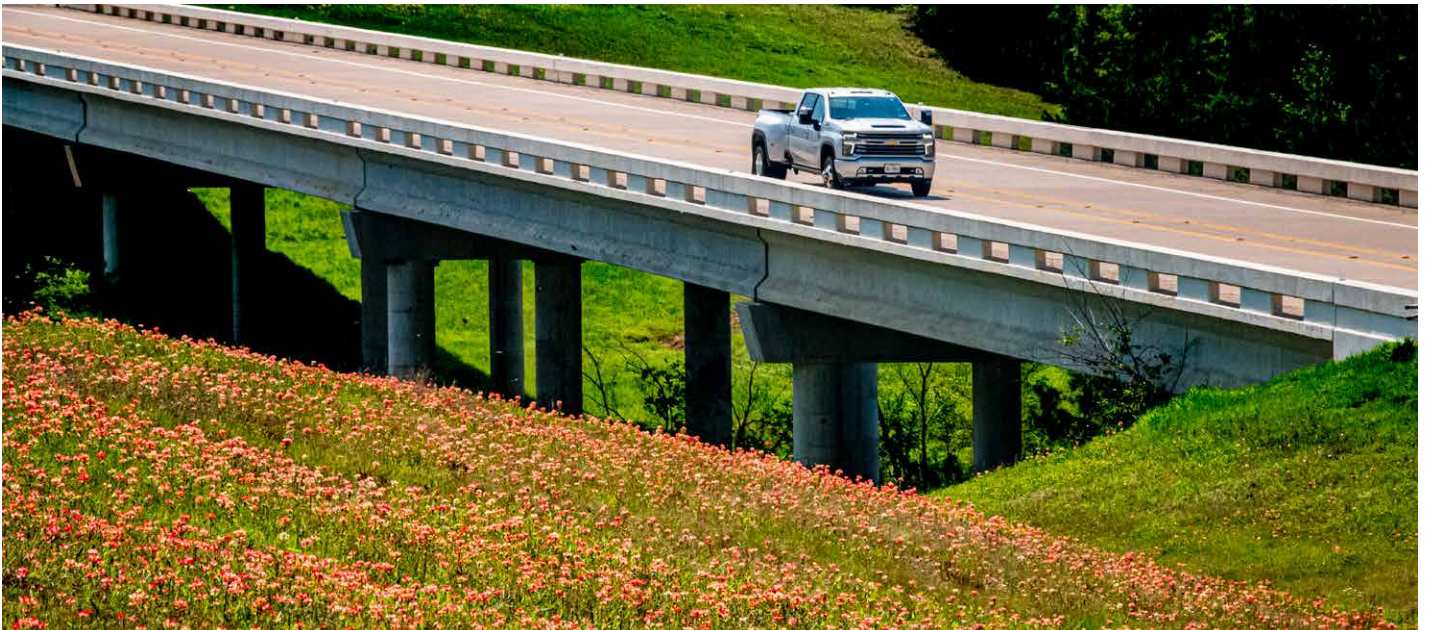
This test is conducted using a device called a fall-ing-weight deflectometer (FWD), it is non-destructive, meaning that the agency can test the roadway without cutting a hole in it or performing some other type of destructive procedure. The work convoy pulls up to a location and drops a weight from a prescribed height, it's similar to loading the pavement with a 9,000lb load. The FWD equipment has sensors spaced equally apart in 12-inch increments. Each one of these sensors measures the deflection experienced by the pavement.

The deflections tell the maintenance crew how strong the road is. The equipment is able to measure the deflection in every pavement layer and into the subgrade so that they have an understanding of the strength of the pavement as a whole and the strength of each pavement layer. Having this type of information identifies where maintenance work needs to be performed and allows the NET RMA to prescribe the correct treatment.

This means the NET RMA is spending dollars where needed the most to provide the users of Toll 49 with the highest quality roadway.

**Did you know?**

Toll 49 uses a portion of tolling revenue to maintain, enhance, and evaluate the structural health of the roadway throughout the year.



TOLL 49 FALL



TOLL 49 MAINTENANCE & IMPROVEMENTS

Did You Know?

- The maintenance team runs three mowing cycles (96 miles) a year for Toll 49 using a 15-foot-wide mower. That's equivalent to mowing a straight, 15-foot-wide line from Tyler, Texas to Dallas, Texas. Try doing that in one summer for extra cash!
- The NET RMA Maintenance team runs two debris cycles a day. A total of 16,640 miles a year is driven to pick up trash. Imagine taking a road trip five times a year from California to Massachusetts on U.S. Route 6 (the second longest road trip in the United States) and picking up all the trash you see along the way!
- All Toll 49 Raised Pavement Markers (RPMs) were replaced in 2023. RPMs are reflective safety devices used on roads usually made with plastic, ceramic, or metal. These devices improve road visibility by highlighting pavement markings along a road.
- There are 160 miles of striping along Toll 49. That's like drawing a straight line from Tyler, Texas to Weatherford, Texas.
- There is a total of 128 miles of rumble strips along Toll 49, that's equal to lining up 54,067 mini coopers!
- The NET RMA maintenance team worked on a total of 12 acres of erosion control all over the toll road, that's close to working on almost 10 football fields!



Two debris clearance cycles per day



New thermoplastic striping



128 miles of rumble strips and 160 miles of striping



New raised pavement markers

TOLL 49 MAINTENANCE & IMPROVEMENTS



Multiple 15 foot mowers work up to 2 weeks per cycle



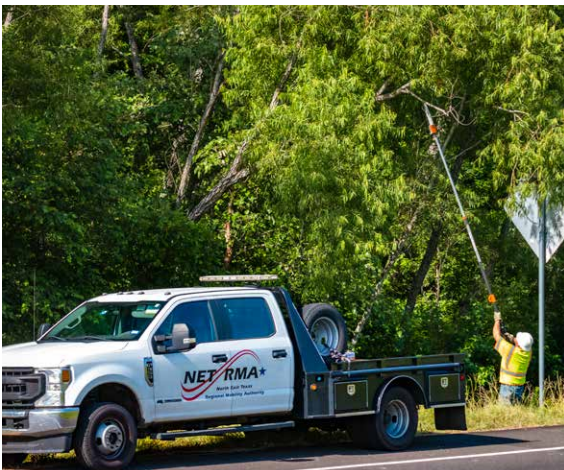
96 miles of mowing per year



12 acres of erosion control



Three mowing cycles per year



Tree trimming for signage visibility



Multiple erosion control applications

2023 PRIORITY PROJECTS

2023: PRIORITY PROJECTS PROGRAM

The NET RMA is strategically continuing to focus on infrastructure improvements as demonstrated in the Priority Projects Program.



The NET RMA participates in a check presentation at Harrison County Commissioners Court Meeting for County Road 3542 roadway and intersection expansion project in February.

Left to Right: County Commissioner Jay Ebarb, County Commissioner William D. Hatfield, County Commissioner Zephaniah Timmins, County Judge Chad Sims, NET RMA Board Member Robbie Shoults, County Commissioner Philip Mauldin, NET RMA Executive Director Glenn Green.



NET RMA Executive Director, Glenn Green, hands Wood County Airport Board Member, John Wisdom, a reimbursement check for the Airport expansion at the Wood County Airport grand opening ceremony in June.

2023 PRIORITY PROJECTS

TITUS COUNTY

Project: Diamond C. Gigafactory
CR 2200 Expansion

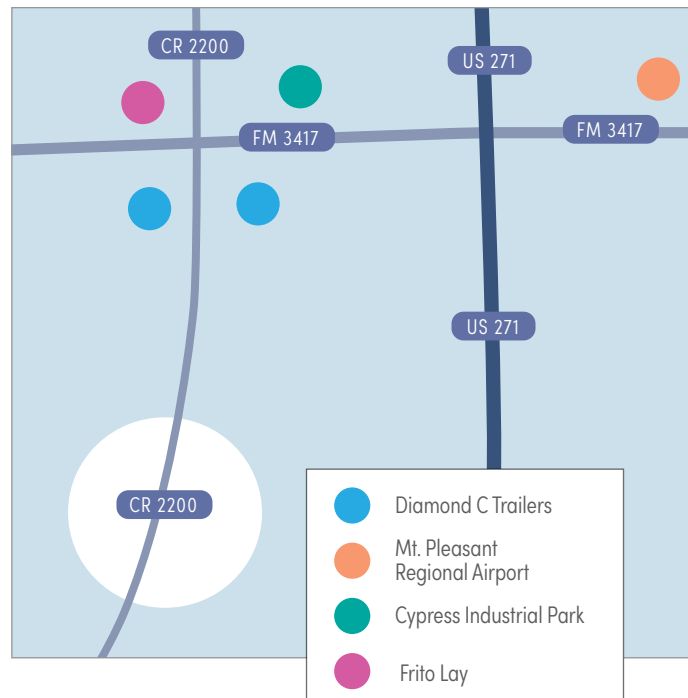
Location: County Road 2200

Project Specifics: The current asphalt road will be improved to a 22' wide concrete road.

Benefits of project: Improvements will benefit a rural manufacturer and approximately 21 residences who traverse CR 2200 as their only access point.

Economic Development Impact: Diamond C's warehouse construction will create a minimum of 100 new manufacturing jobs.

Monies Allocated: \$297,000



HARRISON COUNTY

Project: Lansing Switch Reconstruction Project

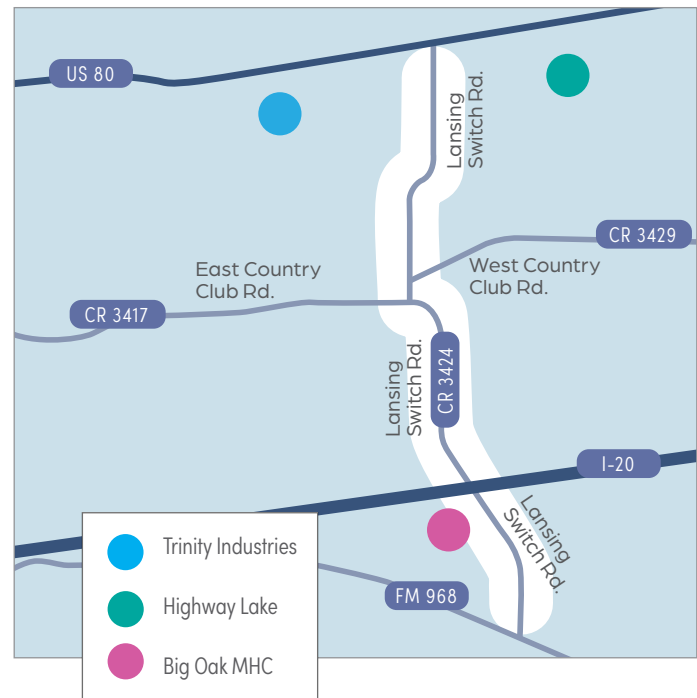
Location: Lansing Switch Road, also known as CR 3424

Project Specifics: Reconstruct CR 3424 beginning at the intersection of FM 968 and continuing north for 3.853 miles to the intersection with Hwy 80.

Benefits of project: Reconstruction will promote traffic flow in the rural area between two of the most populated areas of Harrison County. The project will also impact the values of residential structures located along the road.

Economic Development Impact: A better roadway attracts more subdivisions to the area potentially attracting more businesses.

Monies Allocated: \$300,000



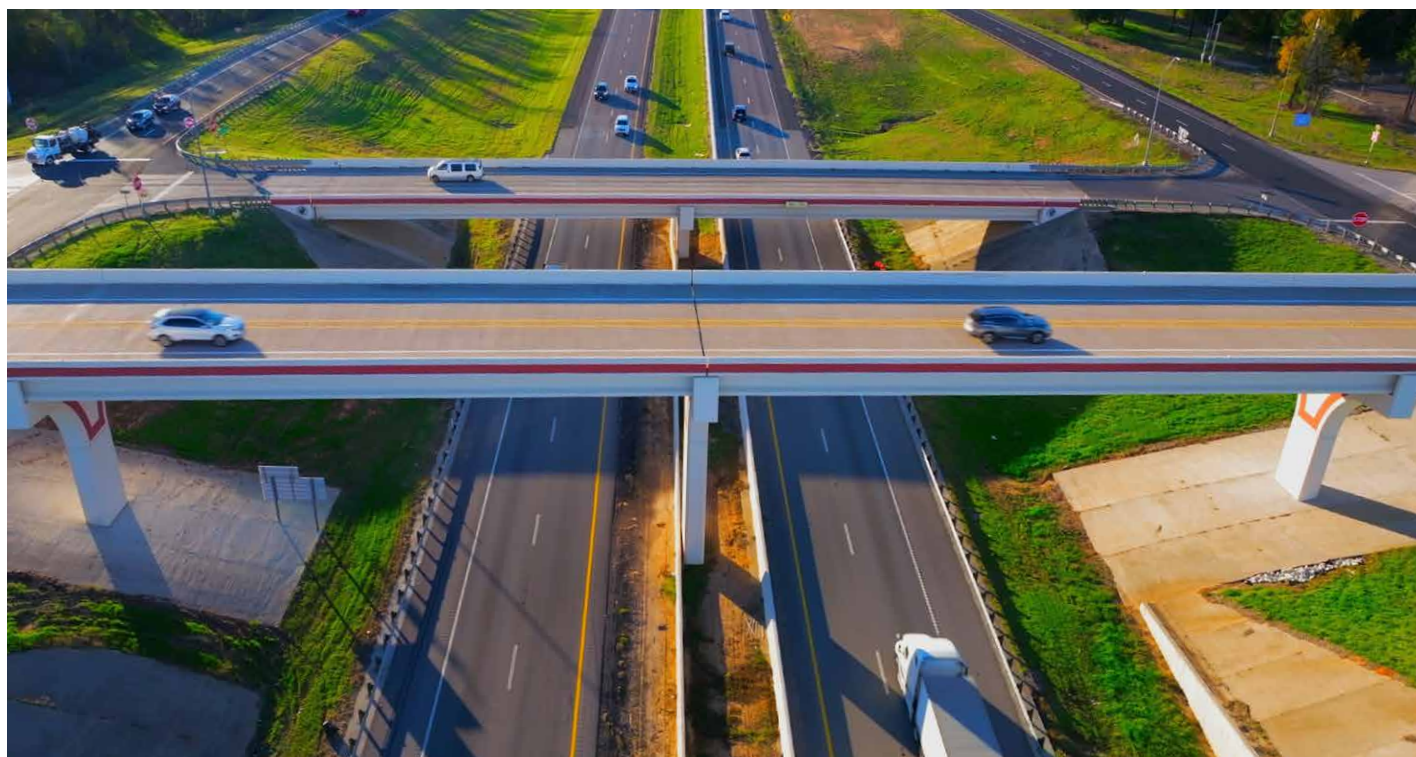
FINANCIAL & ADMINISTRATIVE PERSPECTIVE

FINANCIAL PERSPECTIVE

Gross toll revenues collected through September 2023 (end of the fiscal year) were \$24,392,459. The member counties contributed \$40,000 for the NET RMA's annual operations. The Authority has \$123,260,000 in Senior Lien Revenue Bonds and \$53,215,000 in Subordinate Lien Revenue Bonds at this time.

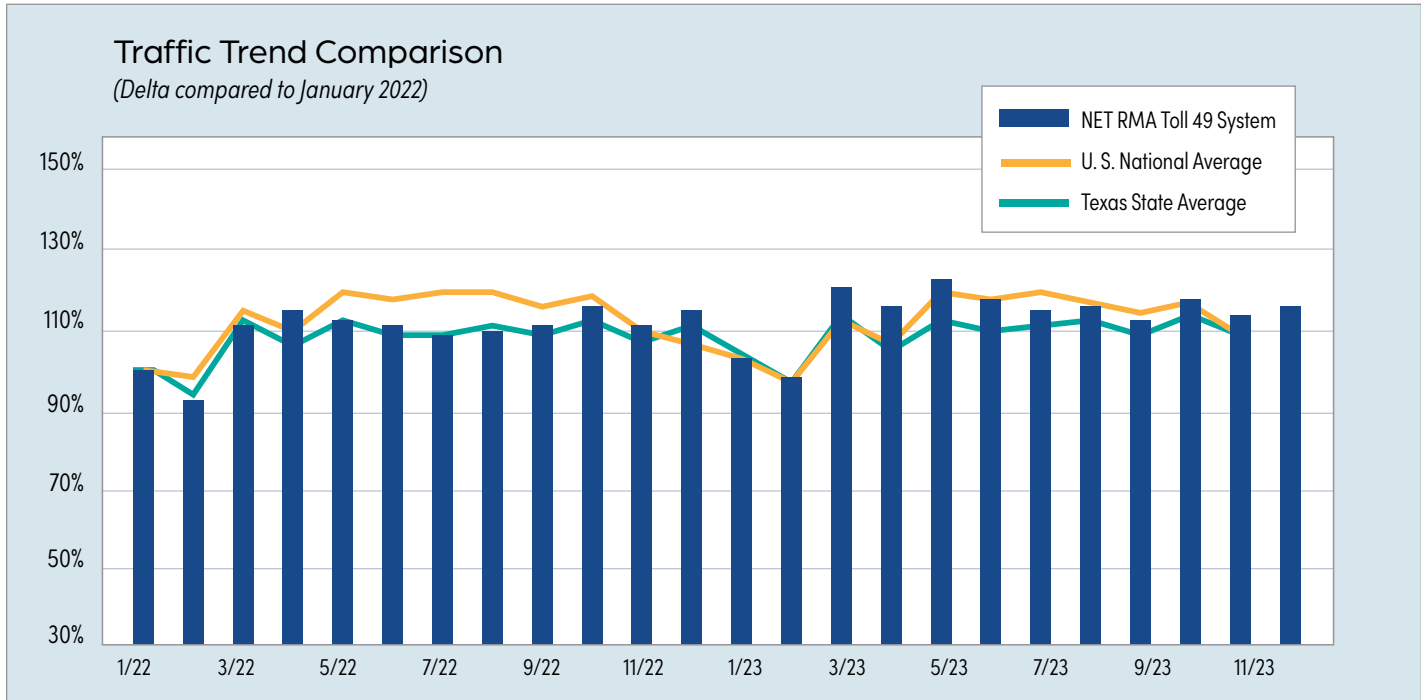
ADMINISTRATIVE PERSPECTIVE

NET RMA held 9 Board Meetings, a one-day board governance session, an Economic Development luncheon, 37 committee/miscellaneous meetings and 19 meetings with elected officials in 2023.



TOLL 49 TRANSACTIONS

TOLL 49 USAGE TRANSACTIONS



Qualified Disabled Veteran Discount Program

The NET RMA continues to offer toll charge exemptions for disabled veterans on Toll 49. Any veteran with a Disabled Veteran license plate, and an electronic tag can visit www.netrma.org to view additional requirements and sign up for the program. The NET RMA is grateful for the service of the brave men and women who have served this county.

EXECUTIVE DIRECTOR REMARKS



Glenn H. Green
Executive Director

As the NET RMA's Executive Director, I am excited to see what the upcoming year has in store for us as the agency continues to find new opportunities to help East Texas communities grow. Since 2004, the NET RMA's goal has been to enhance

mobility and create economic opportunity in the North East Texas Region. To achieve this goal, the NET RMA is engaged in continually educating the public on the benefits of toll roads and other modes of transportation for advancing infrastructure projects faster than traditionally funded projects.

The agency accomplished the following during 2023:

- NET RMA selected HNTB and Lochner, Inc. to provide General Engineering Consultant (GEC) services through a five-year contract to support infrastructure improvements in the region.
- New maintenance contract was awarded to DCC Construction and Service LLC for 2 years.
- Completed phase II feasibility study for potential Gilmer (US 271) outer loop alternate route.
- Performed a pavement structural test to evaluate the structural health and future maintenance needs of Toll 49. The NET RMA is constantly striving to keep Toll 49 in the best condition possible for East Texas drivers.
- Launched the third, new Safe Driving Campaign through all media channels.
- Awarded \$10,000 to East Texas High School seniors for their essay submissions to the third annual Linda Thomas Safe Driving Scholarship Program. This year we had 10 winners from seven of the 14 NET RMA counties.
- Held 9 board meetings (virtual and in person).
- Enhanced Toll 49 with new thermoplastic striping and raised pavement markers.
- Continued vegetation and erosion control measures at various locations along the toll road right-of-way.
- S&P Global Ratings raised its long-term rating to 'A-' from 'BBB' on the NET RMA's senior-lien toll revenue bonds outstanding.
- NET RMA has assisted other local entities utilizing our staff expertise to provide solutions allowing them to move forward with their development and infrastructure projects.
- Smith County continues to over perform in growth as compared to the nation. Similarly, NET RMA toll traffic continues to out perform national trends.
- Reapplied for funding from the federal government through the Rural Surface Grant Transportation Grant program for the future expansion on the west side of Toll 49 for a 4-lane highway between SH31 and SH64.
- The NET RMA will be exploring more rail opportunities in 2024.

I enjoy working with our dedicated Board of Directors, County Judges, the staff, and the community. I look forward to continuing the growth of the agency, while making East Texas a better place to live.

Sincerely,

Glenn H. Green, P. E.

Executive Director, NET RMA 2023

NET RMA FINANCIAL SUMMARY

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

Actual and Budgeted Revenues and Expenses for the Fiscal Year Ended September 30, 2023
and Budgeted Revenues and Expenses for the Fiscal Year Ending September 30, 2024

	FY 2023 ADOPTED BUDGET	FY 2023 ACTUAL	FY 2024 ADOPTED BUDGET
REVENUE:			
Toll revenue – electronic	\$ 14,650,000	\$ 17,331,5304	\$ 17,385,350
Toll revenue – video	10,660,000	9,305,718	8,816,000
County contributions	40,000	40,000	40,000
Other Income	0	3,536	0
Income on investments	0	197,622	0
Interest income	335,000	1,408,568	1,687,035
TOTAL REVENUES	25,685,000	28,286,974	27,928,385
EXPENSES:			
Administration	3,101,022	2,760,921	3,180,442
General engineering consultants	266,000	254,333	465,000
Project development support	371,848	596,332	206,000
Roadway maintenance	1,590,150	1,459,361	1,750,000
Roadway striping (renewal & replacement)	569,857	697,601	250,000
Toll processing/collection costs	4,196,000	4,193,047	4,118,960
Toll maintenance support	560,937	523,487	614,230
Toll operations support	347,516	304,162	499,940
TOTAL EXPENSES	11,003,330	10,789,244	11,084,572
NET BEFORE FINANCING COSTS	14,681,670	17,497,730	16,843,813
FINANCING COSTS			
Interest expense	7,523,639	7,526,811	7,439,724
NET AFTER FINANCING COSTS	7,158,031	9,970,919	9,404,089
OTHER NON-CASH EXPENSES			
Depreciation expense	12,064,000	11,362,895	11,700,000
TOTAL OTHER NON-CASH EXPENSES	12,064,000	11,362,895	11,700,000
CHANGE IN NET ASSETS (DECREASE)	\$ (4,905,969)	\$ (1,391,976)	\$ (2,295,911)





