

# STRONG ECONOMIES, RESILIENT COUNTIES

The Role of Counties in Economic Development



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## HARRIS COUNTY, TEXAS

### Meeting Infrastructure Needs to Support Economic Growth



The largest county in Texas, Harris County continues to witness rapid population and economic growth. Situated on the Texas coast facing the Gulf of Mexico, the county is home to more than 4 million residents, of which nearly 1.6 million live in the unincorporated areas of the county. While the county is already one of the largest in the country, it has high rates of population expansion. Since 2000, the county added more than 900,000 residents, a 27 percent growth rate between 2000 and 2013, more than double the national average. This continues a long term trend of rapid population expansion. For example, the county population grew by more than 38 percent between 1970 and 1980. Economic growth has accompanied population expansion. During the latest economic downturn, the county economy continued to expand. While this substantial economic and population growth makes the county an attractive place for business activities, meeting the infrastructure needs of the county is a challenge.

### Harris County Toll Road Authority (HCTRA)

Within an environment of state restrictions on county authority, Harris County created the Harris County Toll Road Authority (HCTRA) to meet the infrastructure challenges posed by rapid population and economic growth. In 1983, Harris County voters approved a referendum to issue \$900 million in bonds to construct the first toll road, leading to the creation of HCTRA. Texas laws restrict severely the taxing authority powers of the county government so the county must rely solely on property taxes for funding. In addition, counties in Texas have limited constitutional authority when it comes to regulation of land use, especially when compared to the broader land use authority granted to cities. The nature of HCTRA as an enterprise fund of the county gave the county the freedom to plan and prioritize road projects and be financially self-sufficient through toll revenues. It also gave the county the rights to build on state-owned land within the county, easing the restrictive nature of county land use authority in Texas.

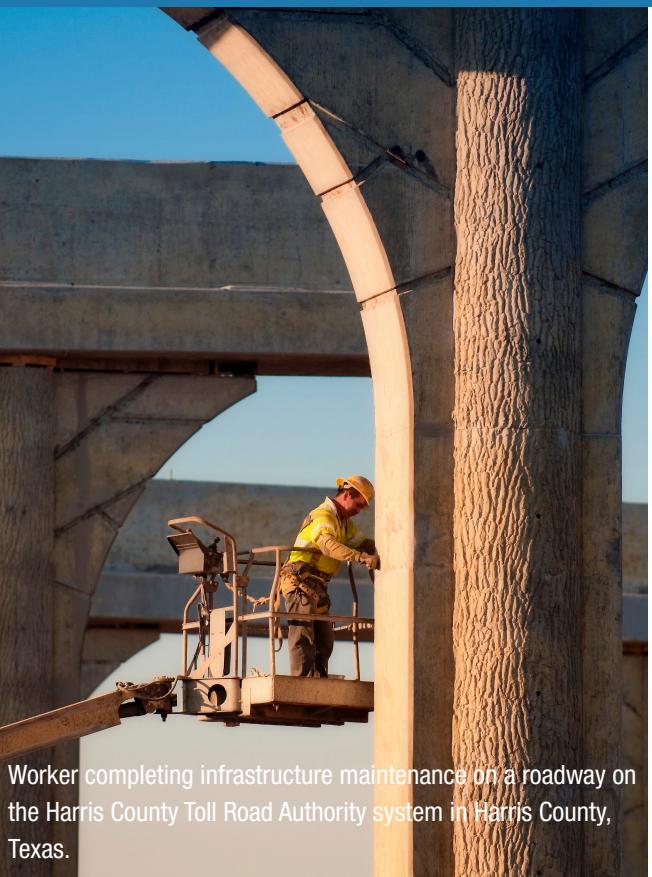
- **Population, 2013: 4.3 million**
- **County Board size: 5**
- **County Judge**
- **County Chief Administrative Officer**

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Worker completing infrastructure maintenance on a roadway on the Harris County Toll Road Authority system in Harris County, Texas.

Through the HCTRA, Harris County has the authority to manage the financing, planning and construction of transportation infrastructure expansion within the county. The Harris County Public Infrastructure Department houses the entity administratively and reports directly to the Commissioners' Court. As of June 2014, HCTRA had around 1,000 employees, including approximately 700 full time employees, 200 part time employees and 100 law enforcement officers.

The need for maintaining existing roads and expanding into growing areas exceeded the initial estimates at the creation of the HCTRA, leading to its continuation. The original \$900 million voter approved bond was used to finance HCTRA's first projects – the Hardy Toll Road and the Sam Houston Tollway –repaid by toll revenues collected after construction. The efficiency of the program, with projects completed ahead of schedule and under budget, led to the continuation of toll roads. HCTRA operates entirely on revenues collected from toll payments to finance their activities, not receiving any tax revenues or federal assistance. Holding the highest bond rating, the authority maintains operating costs under 25 percent – significantly lower than the average national turnpike operations costs of nearly 44 percent.

HCTRA helps fund not only toll roads but a network of roads throughout the county. The authority provides \$120 million from toll revenue each year to non-toll road capital projects to improve smaller routes. This strategy shows how HCTRA recognizes the

interdependence of feeder roads and highways and finds ways to improve the value the toll road infrastructure.

HCTRA takes a regionally minded approach to improving the entire transportation network throughout Harris County. The authority has exclusive rights to build on land owned by Texas Department of Transportation (TxDOT) within the county. As a result, the two agencies coordinate in all facets of the planning and construction oversight process. HCTRA also collaborates with other local agencies. For example, the authority works with the Port of Houston Authority on port specific projects such as the upcoming project to build an additional bridge across the ship channel, as well as general coordination and planning.

Within state constitutional constraints, Harris County found a way to meet the infrastructure challenges associated with fast growth. HCTRA gives the county the authority to plan, finance and construct transportation infrastructure, without consuming any tax revenue. Working together with TxDOT as well as local authorities, HCTRA continues to improve the county-wide transportation system to meet future growth.

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