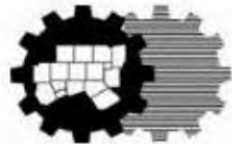


**PROPOSED APPROACH TO
TRANSPORTATION
DEVELOPMENT CREDITS:
DALLAS-FORT WORTH
METROPOLITAN PLANNING
ORGANIZATION (MPO)**

**TDC WORKSHOP
OCTOBER 25, 2013**



**North Central Texas
Council of Governments
Transportation Department**

BACKGROUND

- Transportation Development Credits = TDCs
- TDCs are “earned” by the region when toll revenues are used to fund capital projects on public highways
- 465 million credits available presently (MPO allocation)
- TDCs are not money or cash
- They do not increase funding for a given project
- Eligible “match” to federal funding award

BACKGROUND

- Texas Department of Transportation (TxDOT) receives 25% of TDCs across the state
- Remaining 75% allocated to MPOs
- Generalized TDC award process (specific details provided in each award type later in presentation):
 - Application by local entity
 - Evaluation of applications
 - Public Involvement
 - Award of TDCs
 - Add project with TDCs to TIP/STIP

GENERAL OVERVIEW

- Eligible project types include:
 - Highway
 - Transit
 - Bicycle/pedestrian

- Credits will not be split according to the Congestion Mitigation Air Quality Improvement Program (CMAQ) and/or Surface Transportation Program-Metropolitan Mobility (STP-MM) Eastern and Western Funding Distributions
 - Instead, TDCs will be placed on best projects

AWARD METHODS AND AMOUNTS

Category	Award Methods	Amount of Credits
1	Strategic Awards to Small Transit Providers	≈5 million
2	Type 1 Call: RTC has Revenue Transportation Alternatives Program	Proposed ≈1-2 million
3	Type 2 Call: Local Agency has Revenue	≈50 million
4	Selling TDCs to Other MPOs/TxDOT	≈150 million
5	Regional Programs/Management and Operations	≈10 million

Leaves a balance of ≈250 million credits for future use
Amounts to be updated annually

CATEGORY 1: STRATEGIC AWARDS TO SMALL TRANSIT PROVIDERS

■ Goal

- To support public transit by maximizing the use of federal funds, particularly when federal funds otherwise would be unused because of the inability of agencies to provide the local match

■ Eligible Entities

- Federal Transit Administration (FTA) grantees or subgrantees including non-profits, transit agencies and local governments
- Intended audience: Small transit providers with small projects

CATEGORY 1: STRATEGIC AWARDS TO SMALL TRANSIT PROVIDERS

- Eligible project types
 - Capital (e.g., buses, mobility management, maintenance)
 - Planning
- Selected Federal Transit Administration (FTA) funding programs
 - Urbanized Area Formula Program
 - Enhanced Mobility for Seniors and Individuals with Disabilities
 - Job Access/Reverse Commute
 - New Freedom
- Timing
 - TDCs can only be used on projects that are new (i.e., not currently in federal grants)
 - Ongoing, continuous, “open” call

CATEGORY 2: TYPE 1 CALL – RTC HAS REVENUE

■ Goals

- Advance initiatives of strategic importance
- Expedite delivery of projects (federal and non-federal)
- Free up local or State funds for use on:
 - A project that can be expedited outside the federal process
 - Projects not typically eligible for federal funds

■ Eligible project types: roadway, transit, bicycle/ pedestrian projects

■ Generally not eligible: maintenance, rehabilitation, reconstruction, etc. unless involves capacity expansion

CATEGORY 2: TYPE 1 CALL – RTC HAS REVENUE

- Applies to RTC-selected funding categories, such as:
 - Congestion Mitigation Air Quality Improvement Program (CMAQ)
 - Surface Transportation Program – Metropolitan Mobility (STP-MM)
 - Transportation Alternatives Program (TAP)

CATEGORY 2: TYPE 1 CALL – RTC HAS REVENUE

■ General guidelines

- Should not be a *typical* roadway, transit, or bicycle/ pedestrian project
- Should be multi-modal or innovative
- Should be a strategically important initiative
- Should involve partnerships with other agencies and coordination with other transportation modes
- Cannot reduce overall amount of funds available for transportation (i.e., freed up local funds cannot be spent on non-transportation uses)
- Best used in situations in which there are limited local funds available for a project

CATEGORY 2: TYPE 1 CALL – RTC HAS REVENUE

- Amount available = 0 currently, minimum of 1-2 million in 2014
- RTC will decide up front whether or not to include TDCs as an option in a funding initiative or call for projects
- Agencies must apply for TDCs when they apply for funding through a call for projects (same application)
- The process for receipt and evaluation of TDCs will be provided with each applicable call for projects

CATEGORY 2: TYPE 1 CALL – RTC HAS REVENUE TRANSPORTATION ALTERNATIVES PROGRAM

- Next anticipated opportunity to apply for TDCs through a Type 1 Call.
 - Transportation Alternatives Program (TAP)
- TAP public meetings and workshop to be held December 2013 on Program Development & Eligibility.
- Call for Projects anticipated:
 - Opening: February 24, 2014
 - Closing: April 28, 2014

CATEGORY 2: TYPE 1 CALL – RTC HAS REVENUE TRANSPORTATION ALTERNATIVES PROGRAM

- TAP funding categories with intended credits:
 - Safe Routes to School (SRTS) - Yes
 - Transportation Enhancements - No
 - Urban Thoroughfares/Boulevards - No
- Safe routes to school projects are typically smaller in scale and provide pedestrian/bicycle access to schools and safety improvements, etc.
- School Districts may be eligible for funds along with more traditional partners.

CATEGORY 3: TYPE 2 CALL – LOCAL AGENCY HAS REVENUE

- **Goals:**
 - Advance projects of strategic importance
 - Support capacity expansion of roadway, transit, bicycle/ pedestrian projects
 - Leverage projects to maximize revenue available to regional transportation projects
 - Expedite multi-modal project delivery
 - Demonstrate innovative funding, partnering, or project delivery method(s)

- **Available Credits = 50 million**

- **Eligible project types: roadway, transit, bicycle/pedestrian**

CATEGORY 3: TYPE 2 CALL – LOCAL AGENCY HAS REVENUE

■ General guidelines

- Demonstrate significant partnership or partnership opportunity
- Advance regional goals
- Provide regional benefits
- Advance projects/programs of strategic importance
- Strong emphasis on innovation
- Demonstrate how project will “tell a story,” considering both the project(s) receiving TDCs and the project(s) that will utilize the redirected local funds
- Make a case for the project:
 - Explain problem
 - Demonstrate how solution addresses problem
 - Provide performance measures (that provide analytical support showing the project or program’s impact)

CATEGORY 3: TYPE 2 CALL – LOCAL AGENCY HAS REVENUE

- Call for projects considerations
 - Must consider how award of credits will expand funding for transportation projects
 - State or local matching funds replaced by TDCs must be reinvested in other transportation projects within the region
 - No additional federal funds will be identified to cover the gap created by the use of TDCs

- Evaluation process
 - Qualitative review based on stated goals and evaluation criteria announced with call for projects materials
 - Analytical review of performance measures provided in application

CATEGORY 3: TYPE 2 CALL – LOCAL AGENCY HAS REVENUE

- Application process
 - NCTCOG will send letters announcing call for projects
 - Letter will define the specific application process (preliminary information provided on next slide)
 - Anticipate a January 2014 initiation
 - Agencies will have 90 days to respond
- Public meetings will be held to review selection criteria and draft project selections

CATEGORY 3: TYPE 2 CALL – LOCAL AGENCY HAS REVENUE

- Applications will likely need to include:
 - Project name, scope, limits
 - Description of project need and benefits (congestion, air quality, reliability, etc.)
 - Detailed description of how funds freed up by use of TDCs will be utilized on other transportation projects
 - After-project closeout report required to explain how freed up local funds were used (will be used in annual report to TxDOT as well)
 - Identification of how cost overruns and change orders will be funded
 - A limited number of pages

CATEGORY 3: TYPE 2 CALL – LOCAL AGENCY HAS REVENUE

- Good Example of Strategic Partnerships – Local agency submits a multi-modal transportation project in partnership with neighboring cities; redirected local funds spent on new bicycle/pedestrian facility that spans three cities
- Bad Example of Innovative Projects – Local agency submits roadway project that eliminates local match on said roadway project; redirected local funds are spent on typical roadway maintenance

CATEGORY 4: SELL TDCs TO TxDOT AND OTHER MPOs

- An MPO may transfer (i.e., “sell”) TDCs allocated to it to another MPO or to the Texas Transportation Commission (43 Tex. Admin. Code §5.111)
- RTC approved staff to negotiate a transfer of up to 150 million in TDCs to other MPOs and/or TxDOT, contingent on RTC approval:
 - 50 million to MPOs
 - 100 million to TxDOT
- Goals of transferring or selling credits
 - Generate local revolving fund to cash flow federal programs administered by NCTCOG
 - Generate local revenue for locally funded programs and projects to be awarded by the RTC (e.g., air quality, sustainable development, innovative, and/or strategic programs)

CATEGORY 5: REGIONAL PROGRAMS

MANAGEMENT AND OPERATIONS

- Review existing projects
 - Management and operations
 - NCTCOG-implemented
 - Regional programs
- Support regional programs that improve air quality, congestion, reliability
- Examples might include: air quality education and outreach, safety education, data collection, etc.

CATEGORY 5: REGIONAL PROGRAMS

MANAGEMENT AND OPERATIONS

- NCTCOG staff will perform a strategic review of existing regional initiatives
 - Additional federal funds will not be added to offset the loss of local match
 - Streamlining and other cost savings opportunities will be reviewed to ensure project can be completed without local matching funds
- Utilize on projects with a small budget; and therefore, high administrative cost to collect local match
- Reduces RTC's reliance on dwindling sources of local matching funds for regional programs
- Makes savings available for future projects

TDC AGREEMENTS

- If awarded TDCs by the RTC, awardee will execute an agreement with NCTCOG
 - Outlines use of TDCs
 - Outlines use of redirected local funds (freed up from use of TDCs) if applicable
 - Establishes a timeframe for “obligation” of TDCs
 - Will be brief (less than five pages)
- Goal is to obligate these credits as quickly as possible
- Projects should be ready for implementation
- If TDCs are not “obligated” in a timely fashion, the TDCs may be rescinded

TDC APPLICATION TO TxDOT

- Entities must request award from MPO first
- If TDCs not awarded by MPO, applicant can apply for TxDOT TDCs
- Applicant will need to request a letter of support from the RTC for inclusion in the TxDOT application
 - Provision of letter based on current inclusion in MTP

PUBLIC REVIEW AND COMMENT

- Public review and comment will be solicited at key decision points, including:
 - Determination of amount available by award type
 - Prior to creation of evaluation criteria (if applicable)
 - Prior to distribution of credits

ANNUAL REPORT TO TXDOT

- NCTCOG staff must prepare and submit report to TxDOT annually by December 1st
- Report includes:
 - List of projects and amount of MPO credits approved by project
 - Anticipated plans for balance of credits
 - Status of projects selected with MPO credits (if applicable)
 - List of additional projects to be implemented with redirected local funds (if applicable)

QUESTIONS?

CONTACTS

Type of TDC Award	Best Contact
Strategic Awards to Small Transit Providers	Jessie Huddleston 817/608-2399
Type 1 Calls (General) Upcoming Transportation Alternatives Program	Christie Gotti 817/608-2338 Karla Weaver 817/608-2376
Type 2 Calls	Christie Gotti 817/608-2338
Sell TDCs to TxDOT or Other MPOs	Ken Kirkpatrick 817/695-9278
Regional Programs	Christie Gotti 817/608-2338