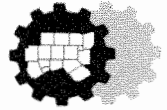


Regional Transportation Council

The Transportation Policy Body for the North Central Texas Council of Governments
(Metropolitan Planning Organization for the Dallas-Fort Worth Region)



November 27, 2013

Mr. Brian Barth, P.E.
District Engineer
TxDOT Fort Worth District
2501 SW Loop 820
Fort Worth, TX 76133

Mr. Bill Hale, P.E.
District Engineer
TxDOT Dallas District
4777 US Highway 80 East
Mesquite, TX 75150

Mr. Paul Montgomery, P.E.
District Engineer
TxDOT Paris District
1365 N Main Street
Paris, TX 75460

Dear Messrs. Barth, Hale, and Montgomery:

Enclosed is the FY 2013 report regarding Transportation Development Credit (TDC) allocations and approved projects from the North Central Texas Council of Governments (NCTCOG) and the Regional Transportation Council (RTC), which serve as the Metropolitan Planning Organization (MPO) for the Dallas-Fort Worth Metropolitan Area. The following attachments are provided:

- Attachment 1 RTC Approval Presentation Materials
- Attachment 2 Summary of TDCs Available, Committed, and Approved
- Attachment 3 Projects with Approved TDCs
- Attachment 4 TDC Workshop Presentation Materials

The allocations and projects contained within these attachments have been approved by the Regional Transportation Council (RTC). NCTCOG and the RTC anticipate several calls for projects in 2014, which will result in additional projects approved with TDCs. The RTC has requested the sale of \$100 million in Transportation Development Credits to TxDOT Headquarters. Please transmit this report to the appropriate division within your agency. This report fulfills our December 1, 2013 submittal data on Transportation Development Credits. Should you need any additional information, please contact Christie Gotti, Senior Program Manager, or me at 817/695-9240.

Sincerely,

Michael Morris, P.E.
Director of Transportation

CG:lp
Enclosures

cc: James Bass, Chief Financial Officer, TxDOT Austin
Tim Juarez, Jr., MPO/RPO Coordinator, TxDOT North Regional Support Center, Austin
Tammy Marlow, Transp. Funding Specialist, TxDOT North Regional Support Center, Wichita Falls
Victor Vandergriff, Commissioner, Texas Transportation Commission, Austin
Phil Wilson, Executive Director, TxDOT Austin

**TRANSPORTATION
DEVELOPMENT CREDITS:
DOCUMENTED PROCESS
FOR RECEIPT, EVALUATION,
AND AWARD OF CREDITS**

Regional Transportation Council
July 11, 2013

WHAT ARE TRANSPORTATION DEVELOPMENT CREDITS?

Accounting System that Assigns Value to Transportation Projects Built with Tolls

Not Cash

Used to Meet Future Federal “Local Match“ Requirements

Regional Value Equal to 465.5 Million Credits as of March 2013

MATCHES FOR FEDERAL TRANSPORTATION PROJECTS

TYPE	CASH TOWARDS PROJECT COST	NON-FEDERAL MATCH
CASH	YES	YES
IN-KIND (Often labor cost from partner agencies)	NO	YES
Transportation Development Credits (TDC)	NO	YES

PROPOSED FOCUS AREAS

Maximize Federal Funds (e.g., Small Transit Providers)

Expedite Project Delivery For Non-Federal Projects (i.e., Tells a Story)

Leverage Projects to Maximize Revenue

Advance Goals of the Region or Texas Transportation Commission

Use on Management and Operations, Transit, Roadway, Bicycle/Pedestrian Projects

REGIONAL PROCESS

Document Process (This is it.)

Invite Public to Comment at Key Decision Points

Develop Good Documentation Process on Credit Use

Address Focus Areas

Adapt Five Methods of Awards

Credits Good for Two Years After Award

FIVE METHODS OF AWARDS WITHIN THE REGION

Strategic Awards to Small Transit Providers

RTC Call for Projects (Type 1: RTC has Revenue)

RTC Call for Projects (Type 2: Local Agency has Revenue)

Sale of Credits to Another Metropolitan Planning Organization or
Texas Transportation Commission

Regional Program/Management and Operations

Propose all 5 Awards Proceed in Parallel

PROPOSED AMOUNTS

METHODS	CREDITS
Strategic Awards	≈ 5 Million, Always Open
Type 1 Call	≈ 0 in 2013, Be Ready with MAP-21 Transportation Alternative Program
Type 2 Call	≈ 50 Million
Sale	≈ 150 Million
Regional Program	≈ 10 Million

≈ 250 Million in 2014 plus New Credits

2013 SCHEDULE

Document Process	Spring ✓
Alert Small Transit Providers	May ✓
Conduct Public Review	June ✓
Receive RTC Approval	Summer/Fall
Initiate Proposed Actions and Conduct Public Review at Key Decisions	Summer/Fall
Prepare TxDOT Report	December 1, 2013

ACTION

RTC approves the documentation process, recognition of public comment at this key decision point, and request staff to advance this funding tool to expedite multimodal project delivery.

QUESTION/CONTACT

Christie Gotti

Senior Program Manager

817/608-2338

cgotti@nctcog.org

**Summary of Transportation Development Credits (TDC):
Available, Committed, and Approved
Dallas-Fort Worth Metropolitan Planning Organization
November 2013**

Available TDC Credits (per 2014 UTP): 465,846,222

Award Type	Amount
Total Credits Approved for Transit Projects to Date	(1,697,058)
Regional Projects	(463,677)
Subtotal of Approved Projects	(2,160,735)
Set aside for Category 1 - Strategic Awards to Small Transit Providers	(3,302,942)
Set aside for Category 2 - Type 1 Call for Projects (Spring 2014)	(2,000,000)
Set aside for Category 3 - Type 2 Call for Projects (Summer 2014)	(50,000,000)
Set aside for Category 4 - Sale/Transfer to TxDOT or other MPOs	(150,000,000)
Set aside for Category 5 - Additional Regional Programs/Management and Operations	(9,536,323)
Subtotal of Set Asides for Future Programming	(214,839,265)
Total of Remaining Credits	(217,000,000)

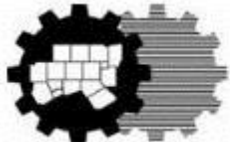
Projects with Approved TDCs and Set Asides for Future Allocation
Dallas-Fort Worth Metropolitan Planning Organization
As of November 2013

Projects Approved with TDCs:

TIP Code	Project Name	Amount	FY
12239.10	5307 Purchase of Expansion Vehicles	\$ 10,487	2013
12626.12	5307 Purchase Replacement Vehicles	\$ 4,711	2013
12003.13	5307 Purchase Replacement Vehicles	\$ 11,250	2014
12006.13	5307 Bus Preventive Maintenance	\$ 11,942	2014
12011.13	5307 Purchase Replacement Vehicles	\$ 31,500	2014
12036.13	5307 Bus Preventive Maintenance	\$ 25,956	2014
12079.13	5307 Capital Cost of Contracting	\$ 298,188	2014
12085.13	5307 Purchase Replacement Vehicles	\$ 150,000	2014
12244.12	5307 Purchase Replacement Vehicles	\$ 29,750	2014
12244.13	5307 Purchase Replacement Vehicles	\$ 60,000	2014
12245.13	5307 Acquisition of Radios	\$ 10,800	2014
12247.13	5307 Project Administration	\$ 9,000	2014
12249.13	5307 Purchase of Expansion Vehicles	\$ 18,750	2014
12307.13	5307 Acquisition of Hardware	\$ 36,700	2014
12372.13	5307 Bus Preventive Maintenance	\$ 30,000	2014
12373.13	5307 Purchase Replacement Vehicles	\$ 75,000	2014
12474.13	5307 Renovation of Admin. Building	\$ 42,000	2014
12563.13	5307 Bus Preventive Maintenance	\$ 3,000	2014
12567.13	5307 Acquisition of Software	\$ 4,400	2014
12573.13	5307 Capital Cost of Contracting	\$ 48,000	2014
12576.13	5307 Purchase Replacement Vehicles	\$ 104,475	2014
12628.12	5307 Purchase Replacement Vehicles	\$ 29,750	2014
12628.13	5307 Purchase Replacement Vehicles	\$ 22,500	2014
12647.13	5307 Purchase Replacement Vehicles	\$ 9,000	2014
12649.13	5310 Purchase of Service	\$ 28,800	2014
12653.13	5310 Purchase of Service	\$ 83,200	2014
12654.13	5310 Purchase of Service	\$ 19,200	2014
12655.12	5307 Purchase Replacement Vehicles	\$ 49,157	2014
12661.13	5307 Renovation of Admin. Building	\$ 96,571	2014
12662.13	5307 Purchase of Expansion Vehicles	\$ 72,000	2014
12663.13	5307 Bus Preventive Maintenance	\$ 12,000	2014
12664.13	5307 Acquisition of Hardware	\$ 1,200	2014
12666.13	5307 Mobility Management	\$ 4,000	2014
12670.13	5307 Acquisition of Shop Equipment	\$ 53,000	2014
12672.13	5307 Acquisition of Software	\$ 20,000	2014
12673.13	5307 Acquisition of Surveillance/Security Equipment	\$ 20,000	2014
12674.13	5307 Construction of Admin/Maint Facility	\$ 112,771	2014
12675.13	5307 Bus Preventive Maintenance	\$ 20,000	2014
12676.13	5307 Bus Transit Enhancements	\$ 1,000	2014
12679.13	5307 Purchase of Expansion Vehicles	\$ 27,000	2014
20268.20	Corridor Feasibility and Preliminary Engineering for NETEX and SH 78 (Phase 2)	\$ 463,677	2014
		\$ 2,160,735	

**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