

AGENDA

**Regional Transportation Council
Legislative Workshop: Orientation to Funding Principles
Thursday, October 8, 2020
11:30 am – 12:45 pm**

1. Introductions

☐ Action ☐ Possible Action ☒ Information

Presenter: Michael Morris, NCTCOG

Item Summary: NCTCOG staff will provide the committee with an overview of the agenda and the workshop's purpose.

2. Transit Operational Needs and Funding Initiative

☐ Action ☐ Possible Action ☒ Information

Presenters: Michael Morris and Rebekah Hernandez, NCTCOG

Item Summary: NCTCOG staff will discuss regional transit matters and request feedback on various funding sources and the potential for a transit funding initiative during the upcoming legislative session.

3. Background on Formula Allocations

☐ Action ☐ Possible Action ☒ Information

Presenter: Michael Morris, NCTCOG

Item Summary: NCTCOG staff will provide RTC members with an overview and background of current transportation funding formula allocations. A 2016 letter on this topic is provided in [Electronic Item 3](#).

4. Implementation of Transportation Statutes

☐ Action ☐ Possible Action ☒ Information

Presenters: Michael Morris and Ken Kirkpatrick, NCTCOG

Item Summary: NCTCOG staff will provide RTC members with a review of current practices related to the implementation of provisions of the Texas Transportation Code. The debate centers around the status of DFW region protections as a result of a commitment to tolled managed lanes. This is often referred to as the Senator Shapiro amendment. The second refers to the magnitude of discretionary funds the Texas Transportation Commission has authority over. This is based in legislative history over 30 years and recent legislation in HB 20.

5. Review Draft Legislative Topics for the 87th Texas Legislature

☐ Action ☐ Possible Action ☒ Information

Presenter: Rebekah Hernandez, NCTCOG

Item Summary: RTC members will be provided with an overview of draft topics to include in the 2021 RTC State Legislative Program for the 87th Texas Legislature. Members will be encouraged to discuss issues to include for the 2021 legislative program. The draft 2021 RTC Legislative Program is included as [Electronic Item 5](#).

6. Other Business (Old or New): This item provides an opportunity for members to bring items of interest before the group.

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COMMITTEES:
Transportation, Chair
Finance
Intergovernmental Relations
Natural Resources & Economic Development

ROBERT L. NICHOLS
STATE SENATOR

July 22, 2016

The Honorable Tryon Lewis
Chairman, Texas Transportation Commission
125 East 11th Street
Austin, Texas 787001

Dear Chairman Tryon Lewis:

Thank you for your leadership of the Texas Transportation Commission. I am writing to express my thoughts on the development and adoption of the Uniform Transportation Plan (UTP), and how it relates to the implementation of House Bill 20.

Firstly, I want to compliment the Commission and the Department of Transportation (TxDOT) for reaching out to the public, and especially to local transportation planners, for their input on the UTP. It is important this process be as transparent as possible.

Last Session, I was pleased to sponsor House Bill 20 in the Texas Senate. Section 4 of this law created a new Section 201.999 of the Transportation Code, Prioritization and Approval of Projects by the Commission. Subsection (c) states in part, "The system must account for the diverse needs of the state so as to fairly allocate funding to all regions of the state."

My comments specifically relate to the proposed \$5 billion increases in both Category 12 - Strategic Priority and Category 4 - Connectivity in the UTP.

I believe it is good judgment to direct Category 12 funds for congestion relief. These funds can be used by the Commission for strategic purposes, and Governor Greg Abbott has clearly made congestion relief a priority for Texas. For several years, the Texas Transportation Institute has been tracking the top 100 most congested roadways in the state. The overwhelming majority of those roads are in four particular metropolitan planning organizations (MPOs), which include five TxDOT districts. Strategically targeting these areas for congestion relief, in my opinion, makes good use of transportation dollars.

I encourage the Commission to use a "fair share" methodology using distribution formulas created over a decade ago to target the strategic objective of reducing chokepoints in these four MPOs within Category 12. Some communities have chosen to leverage local transportation dollars by developing toll projects, while others have chosen to live with more congestion. It would be perceived as penalizing some and rewarding others if the distribution is not made on a systematic distribution that has been used and accepted in the past.

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Historically, Category 4 – Connectivity funding has been used to connect our state and roadways of the major urban areas so that traffic can move throughout our state. When traffic becomes congested on our primary corridors in urban areas, it impedes commerce statewide. If the Commission is intending to use these transportation dollars for that purpose, I would encourage it be specific on which vital corridors of statewide and national significance to target, and to use performance-based criteria in selecting which segments should be improved.

I do not believe that this statewide connectivity funding should be restricted to just a select four MPOs. Instead, it should be distributed among the 25 TxDOT districts fairly, using some combination of population and vehicle miles traveled. As I recall, this kind of proportional distribution has given the four major urban areas approximately 75% to 80% of funding over the last decade, while still ensuring our urban centers remain strongly connected.

I appreciate the Commission's and the Department's work in this difficult and important decision making process. If my office can assist in any way, please do not hesitate to let me know.

Sincerely,

A handwritten signature in black ink, reading "Robert Nichols". The signature is written in a cursive, flowing style with a large initial "R" and "N".

Robert L. Nichols
State Senator, District 3

**DRAFT TOPICS FOR THE REGIONAL TRANSPORTATION COUNCIL LEGISLATIVE PROGRAM
87TH TEXAS LEGISLATURE****Adequately Fund Transportation and Utilize Tools**

- Ensure fair-share allocation of funds to metropolitan regions
- Identify additional revenue for transportation
- Support full appropriation of funding initiatives previously approved by the Legislature
- Allow for the ability to utilize tolling, managed lanes, debt financing and public-private partnerships in large metropolitan regions through a local decision-making process
- Authorize the use of a Comprehensive Development Agreement for specific needed projects
- Work with MPOs to allow tolled managed lanes with restrictions

Improve Air Quality

- Modernize and increase flexibility in the Local Initiative Projects (LIP) through a restricted program focused on transportation and air quality improvements; appropriate LIRAP's residual balance of previously collected funds back to counties
- Appropriate and protect TERP revenue balance; ensure funds are utilized for projects that meet the intent of the program and provide equity among fuel types
- Support system reliability, congestion relief, and encourage trip reduction strategies
- Support legislation that improves air quality

Pursue Innovation, Technology, and Safety

- Utilize innovation in high-speed transportation, transit, autonomous vehicles, and freight
- Support the collaboration between local governments, the military, the State, and FAA to advance regulations for the safe operations of unmanned aircraft vehicles
- Plan for shared mobility solutions; enable transportation data sharing and accessibility with appropriate privacy protection
- Increase safety, including but not limited to texting while driving, speed limits, driving under the influence, bicycle and pedestrian safety

Expand Transportation Options

- Plan, fund, and support the implementation of all modes of transportation, including transit
- Support legislation regarding excess rail liability that would allow North Texas transit agencies to operate on additional rail corridors as part of the regional transportation system.
- Retain eminent domain authority to allow planning and development of new and/or expanded transportation corridors including high speed rail, commuter rail, freight rail, roadways, and trails

Support Transportation Planning and Land Use

- Provide tools that would promote compatible development around military installations and training areas
- Support efforts to utilize performance-based planning to select high-quality transportation projects that are suitable for each region
- Support the use of State right-of-way for appropriate transportation projects

TRANSIT OPERATIONAL NEEDS AND FUNDING INITIATIVE

LEGISLATIVE WORKSHOP

REGIONAL TRANSPORTATION COUNCIL

October 8, 2020



Michael Morris, P.E.
Director of Transportation

Multimodal Connectivity and Integration – Transit

Mobility 2045 Plan – Major Rail / Bus Corridor Recommendations



Commuter Rail: Trinity Railway Express (TRE)

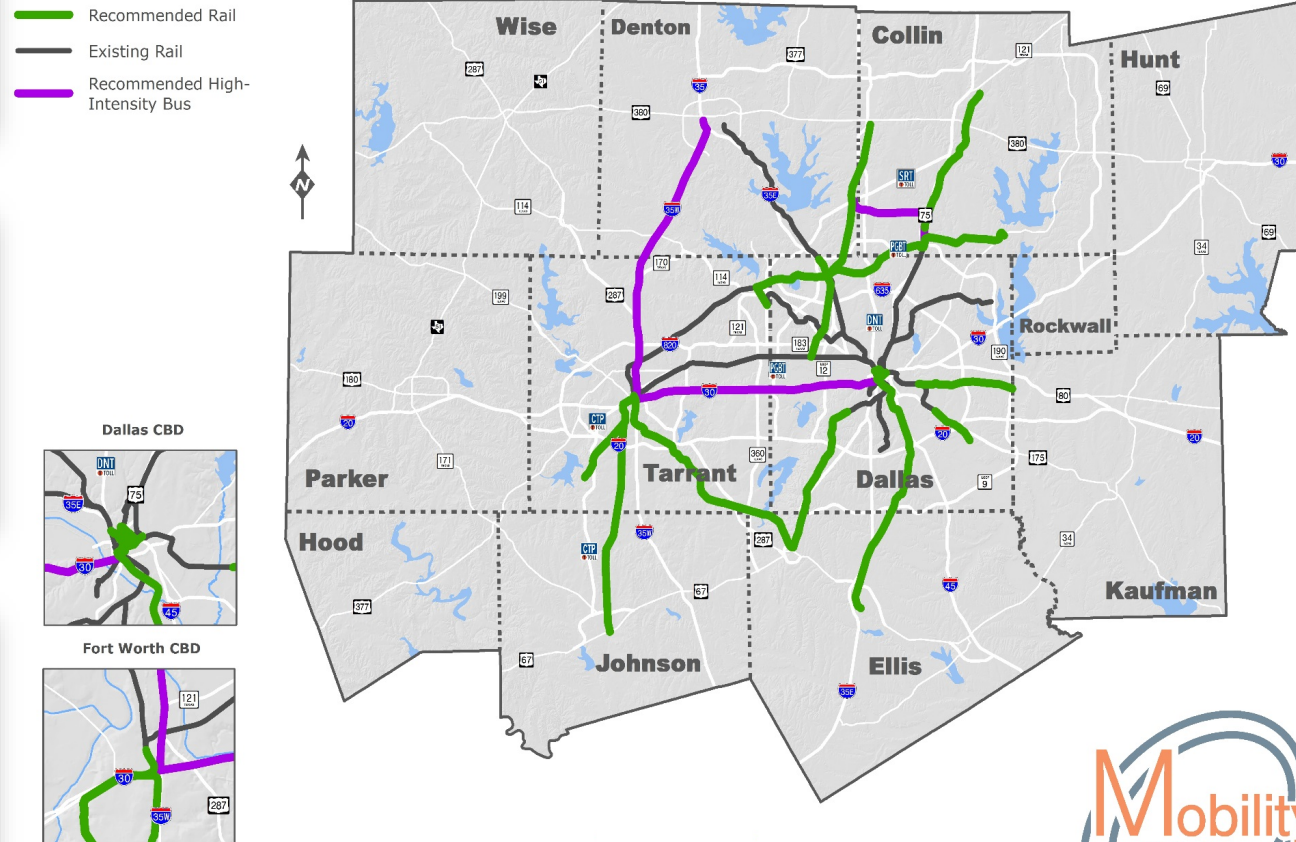


Commuter Rail: Denton County A-Train (DCTA)



Commuter Rail: TEX Rail (Trinity Metro)

Major Transit Corridor Recommendations



Light Rail: Dallas Area Rapid Transit (DART)



Dallas – Oak Cliff Modern Streetcar (DART)



McKinney Avenue Vintage Trolley (MATA)

CORRECT PERSPECTIVE ON POPULATION?

7.6 M Today

VS.

11.2 M by 2045

(1 M Every 7 Years)

HOW DO WE GET THERE?

	DART	TRINITY METRO	DENTON COUNTY
Modes	4	3	3
Sales Taxes	1¢	0.5¢	0.5¢
Member Cities	13	2	3
Population	2.51M	0.88M	0.26M

48% of the Region:
More Coverage

More Horsepower

More Equity

NEW APPROACH #1 (PILOT)

Reduce Cost Through Shared Resources

One Staff  3 Boards

Two Staff  3 Boards (0.5¢ Authorities)

NEW APPROACH #2

Create State Interest in Regional Rail

- ▶ Increase Coordination with Class 1 Railroads
- ▶ Capture State Interest in Economic Development
- ▶ Add Revenue From Top Line (like TxDOT Ferry System)
- ▶ Return Revenue to DART Cities
- ▶ Dedicated Revenue Stream for Regional Rail
(State of Maryland Model)

NEW APPROACH #3

ENTICE APPROACH #2

WITH APPROACH #1

OLD APPROACH #4

LEVEL THE PLAYING FIELD

BY

INCREASING SALES TAX

CAP FOR TRANSIT ONLY PURPOSES

WHILE GIVING DART

CITIES 4A / 4B OPTIONS

NEW APPROACH #5

Funding Options for Further Study and Consideration

Sales Tax / Tax Rate Election / Local Option Tax

Value Capture / TIF / PID / Management District

Bonding / Property Tax

Special Fuel / VMT Tax

Local Motor Vehicle Registration Fees

Air Quality Surcharge / Advertising / Other

Obtained from Collin County, Tarrant County, and Southern Dallas County Transit Studies

BACKGROUND ON FORMULA ALLOCATIONS

LEGISLATIVE WORKSHOP

REGIONAL TRANSPORTATION COUNCIL

October 8, 2020



Michael Morris, P.E.
Director of Transportation

FAIR SHARE ALLOCATION BACKGROUND (2003)

State Had Shortage of Transportation Funds

Requested Regions To Do Needs Based Plans
(Different Than Mobility Plans: Financially Constrained)

Minute Order #109370: August 28, 2003

“Texas Metropolitan Mobility Plan: Breaking the Gridlock”

SO WHAT CHANGED?

TxDOT Moved From Scoring Projects Statewide (Not Enough Funds)

Allocate Funds By Formula

If Region Wants More Mobility: Create “Sweat Equity”

DFW Used:

- Toll Roads

- Toll Managed Lanes

- Property Tax Bond Funds

- Sales Tax Revenue

- RTC Funds

“No Going Back” Commitment

Senator Nichols Letter

SENATOR NICHOLS – JULY 22, 2016

LETTER TO TXDOT

“I encourage the Commission to use a fair share methodology using distribution formulas created over a decade ago.”

“Some communities have chosen to leverage local transportation dollars by developing toll projects, while other have chose to live with more congestion. It would be perceived as penalizing some and rewarding others if the distribution is not made on a systematic distribution that has been used and accepted in the past.”

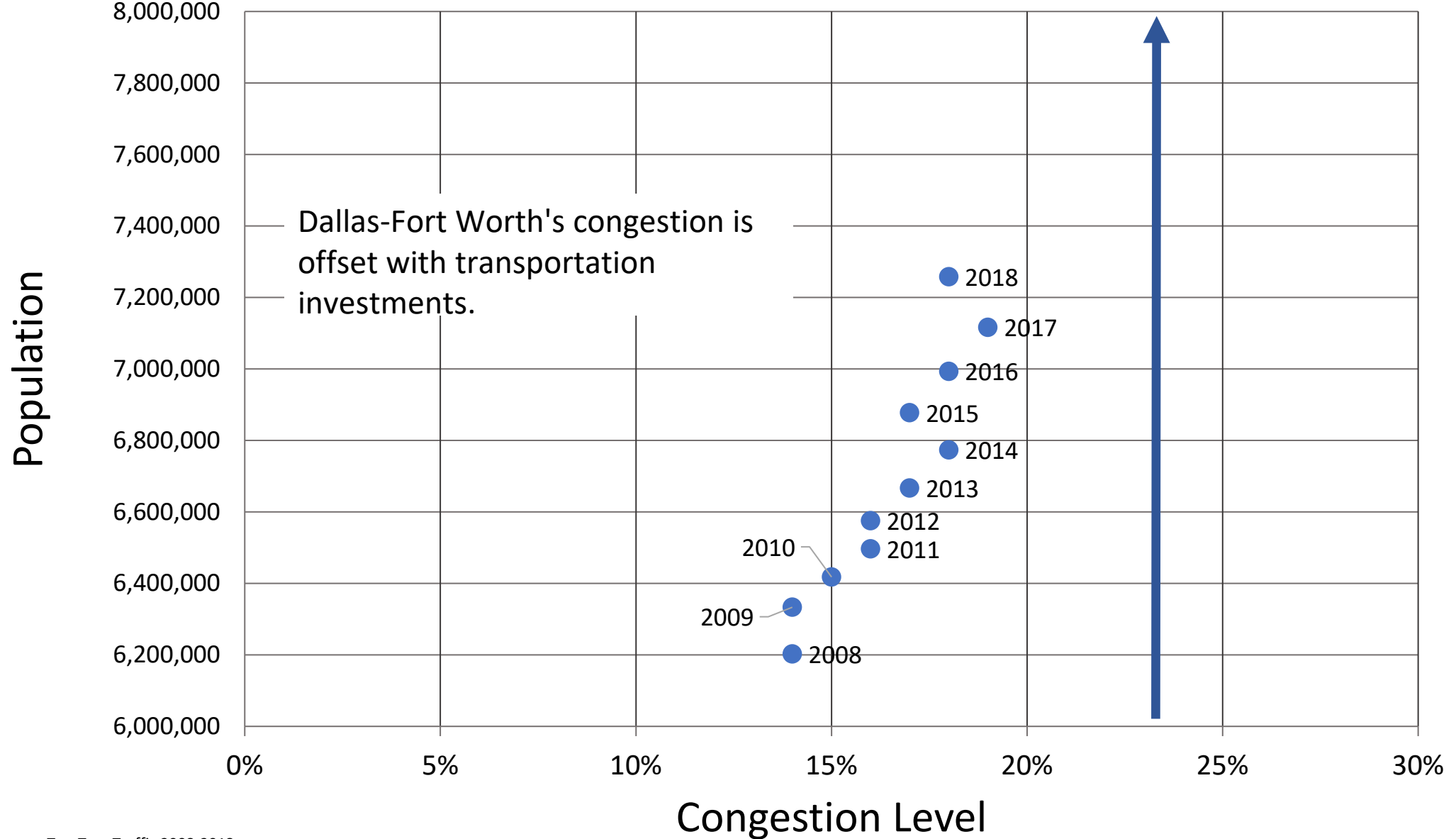
PARTNERSHIP

Minute Order # 109370: Texas Metropolitan Mobility Plan
(August 28, 2003)

Commissioner Ric Williamson: “The more you choose local sources of funds, whether that’s local taxes or local tolls, the more money will be invested in your community; you will not be penalized for being aggressive with local funding.”

Dallas-Fort Worth

Congestion Levels and Population



Toll Managed Lane System Policy Boundary

2018 Levels of Congestion/Delay

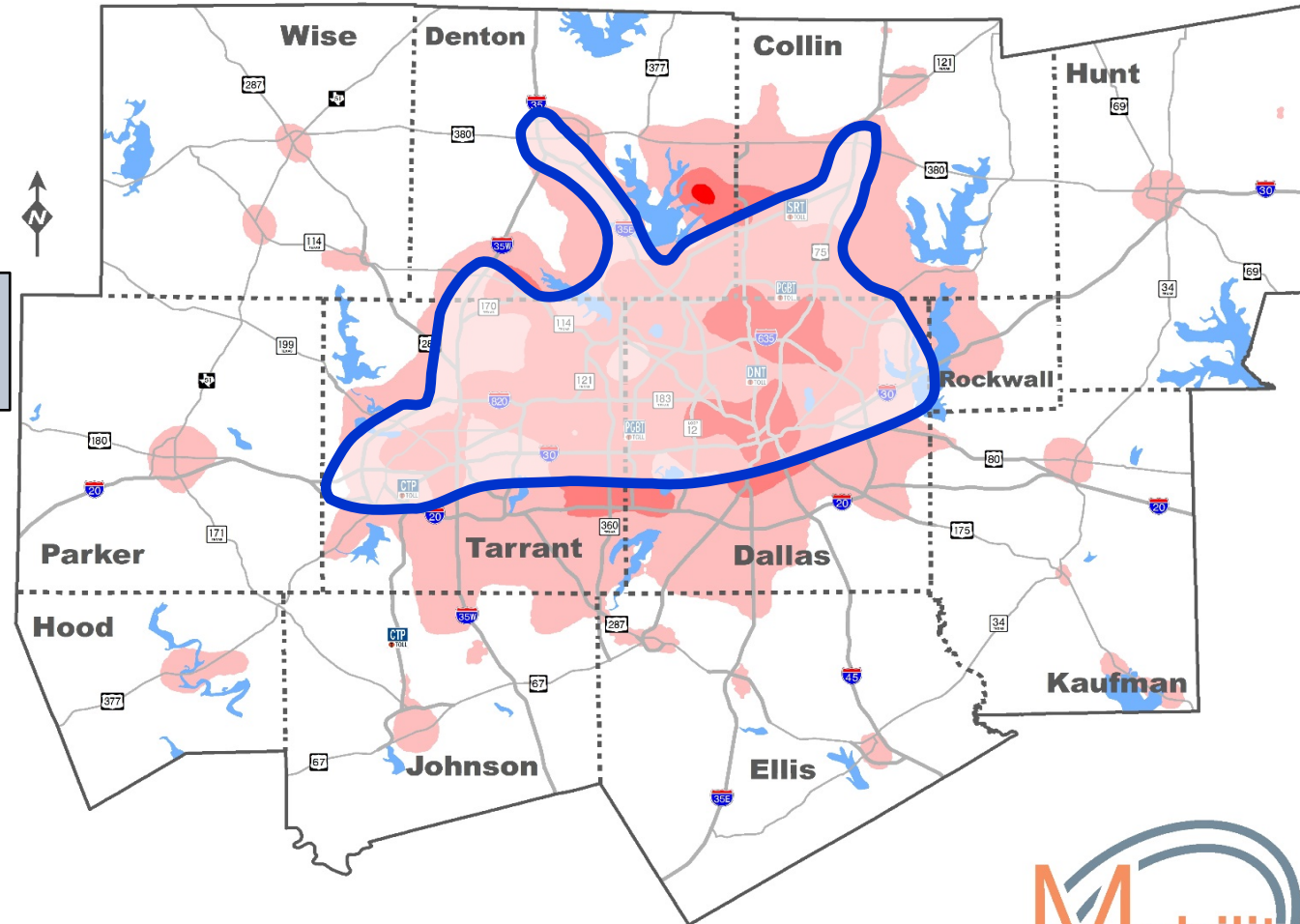
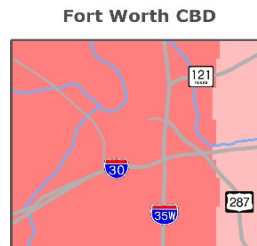
Congestion Index



Within Boundary – Year 2018

13% Land Area

79% Vehicle Hours of Congestion Delay



Cost of Congestion/Delay: \$11.9 billion

Congestion Index is based on a percent increase in travel time.



North Central Texas
Council of Governments

June 2018



IMPLEMENTATION OF TRANSPORTATION STATUTES

LEGISLATIVE WORKSHOP

REGIONAL TRANSPORTATION COUNCIL

October 8, 2020

Ken Kirkpatrick
Counsel for Transportation



IMPLEMENTATION OF TRANSPORTATION STATUTES

Historical Fair Share Funding Allocation Policy

- 2003 Texas Transportation Commission Policy (Texas Metropolitan Mobility Plan)
 - Shift in funding project by project to a “regional distribution”
 - Innovative regions would not be “penalized”

Policy Reflected in Texas Transportation Code (Sections 228.0055, 228.006)

- 80th Legislative Session (2007), Senate Bill 792 (“Shapiro Amendment”)
 - TxDOT may not:
 - 1) revise a funding formula that results in a decrease in a district’s allocation as a result of CDA or surplus toll revenue payments
 - 2) take any other action that would reduce funding allocated to a district as a result of CDA or surplus toll payments

Establishment of Funding Programs and Formula Allocations

- Commission determines the funding allocated to each funding program (subject to any statutory restrictions)
- Formula allocation programs (Established by Rule)
- Non-formula allocation programs (Determined by the Commission)

IMPLEMENTATION OF TRANSPORTATION STATUTES

Category 12 – Strategic Priority (i.e., “Commission Discretionary”) (Texas Transportation Code 201.996(b))

- Projects with specific importance to the State including projects that:
 - Promote economic opportunity
 - Increase efficiency on military routes or that retain military assets
 - Maintain the ability to respond to both man-made and natural emergencies

Category 12 Limitations (Texas Transportation Code 201.9991(d))

- “Commission may make discretionary funding decisions for no more than 10% of the current biennial budget of the department.” (i.e., TxDOT)
 - 2020-2021 Biennial Budget: Approximately \$31.1B (10% = \$3.1B)
 - 2020 UTP Category 12 Allocations for FY20 and FY 21: Approximately \$5.5B

TOPICS FOR 87TH TEXAS LEGISLATURE

Adequately Fund Transportation and Utilize Tools

Improve Air Quality

Pursue Innovation, Technology, and Safety

Expand Transportation Options

Support Transportation Planning and Land Use