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

TDC WORKSHOP
OCTOBER 25, 2013
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
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
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Award Methods</th>
<th>Amount of Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic Awards to Small Transit Providers</td>
<td>≈5 million</td>
</tr>
<tr>
<td>2</td>
<td>Type 1 Call: RTC has Revenue Transportation Alternatives Program</td>
<td>Proposed ≈1-2 million</td>
</tr>
<tr>
<td>3</td>
<td>Type 2 Call: Local Agency has Revenue</td>
<td>≈50 million</td>
</tr>
<tr>
<td>4</td>
<td>Selling TDCs to Other MPOs/TxDOT</td>
<td>≈150 million</td>
</tr>
<tr>
<td>5</td>
<td>Regional Programs/Management and Operations</td>
<td>≈10 million</td>
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Leaves a balance of ≈250 million credits for future use. Amounts to be updated annually.
CATEGOR Y 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
CATEGORICAL 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
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)
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
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.
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
CATEGOR Y 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)
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
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
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
CATEGOR Y 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
CATEGORtY 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.
■ 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 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 1\textsuperscript{st}

- 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

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