NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

MEMORANDUM

TO: NOACA Board of Directors

FROM: Grace Gallucci, Executive Director

DATE: December 9, 2016

RE: Resolution No. 2016-039 - Toll Revenue Credits Policy for Transportation for Livable Communities Initiative (TLCI) Planning Grants

ACTION REQUESTED
The Board of Directors is asked to approve the application of Toll Credits, which have been allocated to NOACA by the Ohio Department of Transportation (ODOT), towards TLCI Planning Grants projects.

The Policy Committee has recommended this item.

BACKGROUND
Advancement of funding through recent bonding against the Ohio Turnpike and Infrastructure Commission revenues, that include increased tolls, will result in ODOT earning a significant balance of Toll Credits (TC) over the next few years. These credits are being made available to the MPO programs.

It is important to note that TCs are not "cash" or additional funding, but instead are credits that can be applied to federal aid transportation projects. Utilizing TCs increases the percentage and amount of federal funding that is used to finance an eligible project. NOACA will be allocated nearly $7.6 million in TC authority annually, for SFYs 2016 – 2020. This amount is proportionate to its share of the total statewide MPO programs annual budget.

The Board of Directors established a Toll Revenue Credits Policy through Resolution No. 2015-054, which applied TCs to the Urban Core Communities, Environmental Justice Communities and TLCI programs.

During SFY 2016, studies and implementation projects identified for funding though the NOACA TLCI Program were eligible for 100% NOACA funding participation, utilizing 20% TCs. However, the use of TCs for TLCI study projects was approved as a pilot for SFY 2016 only. It is now time to evaluate whether or not to continue the TC program for TLCI studies.

NOACA staff performed an analysis of the SFY 2016 TLCI Planning Grant awards and made the following observations:

- Although a local match was not required, project sponsors provided $20,250 more in local match in 2016 than they did in 2015
- Three less projects were awarded in 2016 than 2015, but the individual projects costs were higher in 2016
- The TLCI program continues to make investment in communities with populations that have historically experienced disinvestment, and/or are in need of more transportation options and services
Overall, the pilot appears to have had a positive result. With the addition of Toll Revenue Credits, NOACA has saved local partners thousands of dollars that can be allocated to other needs. In some cases, this has cities and counties with very limited resources to engage in long needed planning. In others, it has allowed larger, regional initiatives to pool resources and received substantial planning grants from NOACA. We expect that the continued use of Toll Revenue Credits in the TLCI program will allow local partners to develop and implement improvements to the transportation system and communities that might otherwise not be funded due to high levels of distress in local budgets.

**FINANCIAL IMPACT**
Approved use of TCs will increase the federal share on NOACA funded projects which would lead to greater NOACA funding participation per project or program.

**CONCLUSION/NEXT STEPS**
With Board approval, the policy will be implemented as stated.

GG/ks
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

WHEREAS, the Northeast Ohio Areawide Coordinating Agency (NOACA) is the Metropolitan Planning Organization (MPO) for the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina, and the City of Cleveland; and the areawide water quality management agency for the same region; and

WHEREAS, Section 120(j) of Title 23 U.S.C. permits the use of Toll Credits to fulfill some or all of the federal matching fund requirements normally associated with the financing of eligible Title 23 and Title 49 surface transportation capital, operating, or planning projects; and

WHEREAS, the advancement of funding through recent bonding against the Ohio Turnpike and Infrastructure Commission revenues, that include increased tolls, will result in the Ohio Department of Transportation (ODOT) earning a significant balance of Toll Credits (TC); and

WHEREAS, the credits are being made available to NOACA in the amount of $7.6 million annually, through State Fiscal Year 2020, to increase the federal participation rate for NOACA Surface Transportation Program (STP) and Transportation Alternatives Program (TAP); and

WHEREAS, TCs are not “cash” or additional funding, but instead are credits that can be applied to federal aid transportation projects to increase the percentage and amount of federal funding that is used to finance an eligible project; and

WHEREAS, eligible programs include the NOACA Urban Core Communities, Environmental Justice Communities, and Transportation for Livable Communities Initiative (TLCI) study and implementation projects;

WHEREAS, the use of TCs for TLCI study projects was approved as a pilot for SFY 2016 only and required reevaluated by the Policy Committee after one year; and

WHEREAS, an analysis of the SFY 2016 TLCI Planning Grant awards revealed more local match was provided in 2016 than was 2015, three less projects awarded but projects were larger, and has allowed project sponsors with limited resources to engage in long needed planning.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Northeast Ohio Areawide Coordinating Agency, consisting of 45 principal officials serving general purpose local governments throughout and within the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina that:

Section 1: The Toll Credits Policy is revised to include the use of TCs for TLCI Planning Studies and is approved for inclusion to the NOACA Regional Transportation Investment Policy (RTIP).

Section 2: The Executive Director is authorized to transmit certified copies of this resolution to appropriate federal, state, and local agencies.

Certified to be a true copy of a Resolution of the Board of Directors of the Northeast Ohio Areawide Coordinating Agency adopted this 16th day of December 2016.

Secretary:

Date Signed: 12.16.16