MEMORANDUM

TO: NOAC Agency Board of Directors

FROM: Grace Gallucci, Executive Director

DATE: March 3, 2017

RE: Resolution 2017-007 – CUY – Cedar Road Improvements, Cleveland Heights, Toll Credits

ACTION REQUESTED
The Board of Directors is asked to approve the use of Toll Credits (TC) for the CUY – Cedar Road Improvements project, sponsored by the City of Cleveland Heights, to increase the NOAC Agency funding participation share.

The Finance and Audit Committee supports this recommendation.

BACKGROUND/JUSTIFICATION FOR CURRENT ACTION
ODOT has allocated an annual amount, through SFY 2021, of $7,584,649 in TC authority to NOAC Agency for to use at its discretion to increase the federal payable share of projects financed through the Surface Transportation Program (STP) and Transportation Alternatives Program (TAP). In September, 2015 the Board of Directors approved a Toll Credits Policy to define requirements and eligibility criteria to guide the evaluation of NOAC Agency funded projects for TC application.

The City of Cleveland Heights has requested TC for the CUY- Cedar Road Improvements project to allow for maximum utilization of NOAC Agency approved funding. The Board of Directors has approved funding in the amount of $4,322,776 to the project in the TIP. The request would utilize $286,262 in TCs to allow for a total NOAC Agency funding share in the project of $3,479,494, which is still significantly under the Board of Directors approved funding. The city has other local funding totaling $646,711 (16%) that will be maintained in the project.

Staff have evaluated the request and have determined that it is eligible under the policy requirements, as summarized below:

<table>
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<tr>
<th>Policy Requirements</th>
<th>Met?</th>
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<tbody>
<tr>
<td>Request complies with ODOT Program Requirements</td>
<td>X</td>
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<td>Project is eligible under one or more of the following programs:</td>
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<tr>
<td>- NOAC Agency Urban Core Community (90%)</td>
<td>X</td>
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<td>- NOAC Agency Environmental Justice Community (100%)</td>
<td>X</td>
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<tr>
<td>- NOAC Agency TLCI Study or Implementation (100%)</td>
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<tr>
<td>Funding available in the current TIP</td>
<td>X</td>
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<td>Adequate balance of TCs available in the proposed SFY</td>
<td>X</td>
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<tr>
<td>Project is not a capacity expansion</td>
<td>X</td>
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</table>
The project is already contained within the NOACA 2016-2019 Transportation Improvement Program (TIP), therefore the use of TC does not require a formal Plan and TIP amendment. The Finance and Audit Committee has evaluated the request and recommends it to the Board for approval.

**FINANCIAL IMPACT**
The request would utilize $286,262 in TCs to allow for a total NOACA funding share in the project of $3,479,494, which is still significantly under the Board of Directors approved funding amount of $4,322,776.

NOACA TC balances will be adjusted to account for an additional $286,262 in TC usage. To date, there has been only one other prior usage of TC approved by the Board in 2016 totaling $71,451. Therefore, should this request be approved, NOACA would use a total of $357,713 of the $15,169,298 of TCs available through SFY 2017.

**CONCLUSION/NEXT STEPS**
Pending Board approval, the NOACA TIP would be modified to reflect the revised funding.

GG/rl/2932b
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, in September, 2015, the Board of Directors approved a Toll Credits policy that contains parameters for the application of TCs, including requirements, eligible projects and programs, and management procedures; and

WHEREAS, the City of Cleveland Heights has requested the use of TC for its CUY-Cedar Road Improvements project (ODOT PID 95106) funded through the NOACA Surface Transportation Block Grant (STBG) and Transportation Alternatives Program (TAP); and

WHEREAS, TC would be utilized on the project to increase the NOACA participation share from 80% to 100% to allow for a total NOACA funding share in the project of $3,479,494; and

WHEREAS, the use of TC will not result in an increase of NOACA funds to the project beyond the original Board of Directors approved funding amount of $4,322,776; and

WHEREAS, the other local funding commitments of $646,711 will be maintained for the project; and

WHEREAS, staff have evaluated the request and have determined that it is eligible under the policy requirements; and

WHEREAS, the project is already contained within the NOACA 2016-2019 Transportation Improvement Program (TIP), therefore the use of TC does not require a formal Plan and TIP amendment.

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: Toll Credits in the amount of $286,262 are approved for use on the CUY – Cedar Road Improvements project to increase the NOACA participation share from 80% to 100% to allow for a total NOACA funding share in the project of $3,479,494.

Section 2: The NOACA 2016-2019 TIP will be modified to reflect the revised funding.
**Section 3:** 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 10th day of March 2017.

Secretary: [Signature]

Date Signed: 3-10-2017