Innovative Strategies in Funding Local Projects

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Who is NOACA?

- NOACA is the federally designated metropolitan planning organization (MPO) for northeast Ohio
  - Conducts multi-modal transportation & environmental planning for a five-county region
  - Determines how federal transportation dollars are spent
  - Conducts transportation-related air quality planning activities
  - Resource to local governments to plan for, identify and secure funding for transportation plans and projects

NOACA will STRENGTHEN regional cohesion, PRESERVE existing infrastructure, and BUILD a sustainable multimodal transportation system to SUPPORT economic development and ENHANCE quality of life in Northeast Ohio.
NOACA Region
NOACA Assistance

- **NOACA Funding Resources - $49 M**
  - **Surface Transportation Block Grant ($30 M):**
    - Roadway / Bridge Rehabilitation
    - Safety projects
    - Transit capital
  - **Transportation Alternatives ($3 M):**
    - Pedestrian and Bicycle Facilities
    - Safe Routes to School / Non-Divers
    - Community Improvement Activities
    - Environmental Mitigation
  - **STW Congestion Mitigation and Air Quality ($16 M):**
    - Projects that reduce congestion and improve air quality for areas that do not meet NAAQS

- **Identify and coordinate external Federal, State and Local sources**
Why Do We Need to be innovative?

- There are a lot of transportation assets

NOACA Area Assets:
- 8,494 federal aid lane miles
- 3,069 bridges
- 55 miles of bike lanes
- 260 miles of shared use paths
Why do we need to be innovative?

- **There are unmet needs for maintenance**
  - NOACA Region Federal-aid System
    - 1/3rd of pavements range from ‘Fair’ - ‘Poor’ condition

- **Statewide Urban System (SR/US Routes w/in cities)**
Why do we need to be innovative?

- Costs continue to outpace available funding

![Graph showing the increase in costs from $1 in 2006 to $1.56 now.](source: ODOT “TAKING CARE OF WHAT WE HAVE” www.dot.state.oh.us)

![Graph showing the increase in NOACA Funding Programs Allocations from $38.7 in 2006 to $45.1 in 2016.](source: ODOT “TAKING CARE OF WHAT WE HAVE” www.dot.state.oh.us)
Why do we need to be innovative?

- **Increased local funding participation**

% Local Funding on NOACA Area Projects

- ARRA
- OTIC
Lebron?
Innovative Funding Strategies

• Primary Considerations:
  • Federal Funding Regulations
  • State Oversight & Administration
  • Local Funding Match & Source

• Opportunities available at ODOT/MPO discretion:
  • State Infrastructure Bank (SIB) – ODOT revolving loan program
  • MPO Budget Exchange – Allows MPOs to borrow unused budget authority to be repaid in a future SFY
  • Toll Credits (Soft Match) – Allows for increased federal funding participation on projects

How are these strategies used by NOACA to advance local projects?
NOACA Provisional Transportation Asset Management Program (PTAMP)

- In 2014 NOACA authorized a funding program to address backlog of deficient local roadways

- Program Criteria:
  - Implementation in SFY 2015 & 2016
  - Project identified using benefit/cost
    - PCR, connectivity, traffic data, & cost
  - Partnership with local agencies
    - Project selection, development, and financing
NOACA PTAMP Program

- Identified 21 projects across 14 communities
  - $45 million total cost / $36 million NOACA share
- Adopted innovative financing strategies
  - Cost of waiting greater than the cost to advance

<table>
<thead>
<tr>
<th>SFY</th>
<th>Future Value/Buying Power</th>
<th>Compound Inflation Rate *</th>
<th>PCR Degradation</th>
<th>Cost of Waiting</th>
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<tbody>
<tr>
<td>2014</td>
<td>$20 M</td>
<td></td>
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<tr>
<td>2015</td>
<td>$18.7</td>
<td>6.7%</td>
<td>-4</td>
<td>$1.3</td>
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<tr>
<td>2016</td>
<td>$17.5</td>
<td>12.4%</td>
<td>-8</td>
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<td>-16</td>
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<td>27.9%</td>
<td>-20</td>
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<tr>
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<td>33.0%</td>
<td>-24</td>
<td>$6.6</td>
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<tr>
<td>2021</td>
<td>$12.3</td>
<td>38.3%</td>
<td>-28</td>
<td>$7.7</td>
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</table>
NOACA PTAMP Program

- Strategies advanced:
  - ODOT SIB Loan Program
    - Requested $9.5
    - ODOT approved $4 million
    - NOACA repayment: 2018-2027
  - Exchange of budget authority with other MPOs
    - 2015: Borrowed $14.1 million
      - NOACA repayment: 2016
    - 2016: Borrowed $3.9 million
      - NOACA repayment: 2017
- Secured over $22 million in additional funds to advance projects
NOACA PTAMP Program

Outcomes:

- All 21 projects delivered on-time
- 41 miles of local federal-aid roads improved
- Projects advanced ahead of available resources
  - Cost savings
  - Public/economic benefit
NOACA Toll Credits Policy

- TC earned when the state funds a capital project with toll revenues earned on existing toll facilities
- TC is not ‘cash’ or additional funding
- TC allows NOACA to pay for local match by increasing its funding share from 80% up to 100%
NOACA Toll Credits Policy

- ODOT has made TC available to NOACA
  - $7.6 million annually during SFYs 2016-2020
    - $6.9 STP TC authority
    - $0.7 TAP TC authority
- NOACA / STW CMAQ Committee responsible for developing policy to guide TC management
NOACA Toll Credits Policy

- NOACA TC Eligible Programs:
  - NOACA Urban Core Communities eligible for 90% funding, utilizing 10% TC
  - NOACA Disadvantaged Urban Core Communities eligible for 100% funding, utilizing 20% TC
Toll Credits Example

- Redline Public Right of Way Improvement Project
  - $357 K (80%) NOACA funds
  - $89 K (20%) local funds
- Non-traditional match; complicated contracting requirements
- Applied TC to eliminate match requirement
Toll Credits Example

Outcomes:
- NOACA participation share increased from 80% to 100%
- Did not result in increased NOACA funds
- Maintained local funds committed but allowed them to be used toward other project components

<table>
<thead>
<tr>
<th>Total Cost</th>
<th>NOACA $</th>
<th>NOACA %</th>
<th>Local $ Match</th>
<th>Local % Match</th>
<th>Additional Local $</th>
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<tbody>
<tr>
<td>$ 446,566</td>
<td>$357,253</td>
<td>80%</td>
<td>$ 89,313</td>
<td>20%</td>
<td>$0</td>
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Standard: NOACA Funding Commitment: $357,253

TC Applied: NOACA Funding Commitment: $357,253

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Maximizing Federal and State Funding Resources
Federal and State Funding Sources

- **MPO** – $200 M
  - Roadway (F) – $124 M
  - Alternatives (F) – $12 M
  - Air Quality (F) – $64 M

- **CEAO** – $62 M
  - Roadway (F) – $14 M
  - Bridge (F) – $34 M
  - Safety (F) – $14 M

- **OPWC** – $236 M
  - SCIP (S) – $175 M
  - LTIP (S) – $61 M

- **ODOT** – $140 M
  - DERG (F) – $10 M
  - Municipal Bridge (F) – $10 M
  - Local Major Bridge (F) – $20 M
  - Safety (F) – $35 M
  - Safe Routes to School (F) – $4 M
  - Urban Paving (F) – $35 M
  - Alternatives (F) – $11 M (non-MPO)
  - Small City (F) – $10 M (non-MPO)
  - Jobs & Commerce (S) – $5 M

- **ODNR** – $8 M
  - Rec Trails (S) – $2 M
  - Clean Ohio Trail (S) – $6 M

**$646 M TOTAL**
Example NOACA Funding Scenarios

Bridge:
- ODOT Muni Bridge
- ODOT Local Major Bridge
- NOACA STP
- OPWC

Signals/Intersection Upgrade:
- ODOT Safety
- NOACA CMAQ

Bike Lane / Crosswalks:
- NOACA TAP
- NOACA CMAQ

Roadway:
- NOACA STP
- ODOT Urban Paving
- OPWC

Streetscape / Wayfinding:
- NOACA TAP
Strategies for Success

- No substitute for good planning!
  - Match potential resources with identified needs
  - Coordinate for ‘complete projects’
  - Leverage committed funds
    - Federal / State / Local
Strategies for Success

- Focus on the need
  - Use available & recognized data
  - You will not get what you request
    - Project phasing
    - Prioritize scope

- Be aware and coordinate!
  - Program availability
  - Eligibility
  - Application requirements
  - Disbursement schedules
Thank You

Visit NOACA at www.noaca.org for information on programs, services and contacts