

TARRANT COUNTY 2021 TRANSPORTATION BOND PROGRAM POLICY

Tarrant County continues to experience significant population growth, placing demands on the current transportation system. As the County continues to grow to an estimated 3 million residents by 2045, it will require a maturing local arterial system that connects to expanded highways designed to facilitate the efficient movement of goods and people. Transportation improvements of this nature have typically been funded through municipal bond Programs, cash-on-hand capital improvement programs or the distribution of state and federal dollars. Unfortunately, these funds do not meet the growing need for transportation improvements countywide.

In 2006, residents of Tarrant County overwhelmingly approved a \$200 million Transportation Bond Program to fund approximately 120 road improvement projects across the county. Many of these projects resulted in roadway expansions and intersection improvements that increased commuting times while addressing safety concerns. The addition of turn lanes at intersections reduced traffic queues, resulting in positive impacts to air quality. However, since 2006, population increases and strong economic development within Tarrant County have once again highlighted the need for further improvements to our transportation system. These improvements, including, but not limited to, congestion mitigation, safety enhancements and system connectivity, will be critical to ensuring a safe and reliable roadway network.

In recent years, improvements to the Interstate Highways within the County have provided much-needed additional capacity designed to improve traffic flow. Some of these improvements were funded through public-private partnerships with TxDOT and the federal government. However, in order for mobility to reach its potential, the supporting thoroughfare system must be improved. Many of the major thoroughfares and local arterials in need of expansion and upgrades are located within municipalities that face limited funding options for transportation improvements.

For these reasons, the Tarrant County Commissioners Court (“Commissioners Court”) supports the development of a new Transportation Bond Program (“Program”) designed to meet the critical transportation infrastructure needs across Tarrant County through the shared financing of strategically significant transportation projects. The Commissioners Court recommends that this Program consist of the following five elements:

I. PROGRAM GOALS

With voter approval, Tarrant County will implement a Program aimed at increasing mobility, reducing congestion, enhancing safety and improving connectivity. On March 7, 2006, the Tarrant County Commissioners Court approved a resolution expressing its intent to be fiscally responsible in the issuance of the bonds that are approved by voters. The intent is to only issue bonds if the County has the capacity to repay the bonds without a tax rate increase. It is the goal of the Program to be open to a broad range of projects and to encourage participation from a broad range of public agencies. Funding priority will be given to “shovel ready” projects that are fully funded and can begin construction within five years from the date that the bond election is approved by voters.

II. PROGRAM STRUCTURE

The intent of this Program is to provide financial support for the purpose of advancing transportation improvements throughout Tarrant County. This support will be manifested through a voter-approved

Transportation Bond Program of up to \$400 million. The Program will include the following three main funding categories:

A. Call for Projects (*Fund Allocation: up to \$200 million*)

This funding category is designed to leverage resources through a Call for Projects with municipalities to maximize the cost-effectiveness of each bond funded project. The Tarrant County Transportation Services Department (“Transportation Services”) will notify all municipalities in Tarrant County of the proposed Program and will request project submittals for review and evaluation in the Call for Projects. Other public agencies may submit projects for consideration but must include a letter of support from the municipality where the project is located. Private entities may not submit projects; however, private entities are encouraged to participate in the funding of a bond project by partnering with a public agency. Projects in this category will require a local funding match of at least fifty percent (50%) of the total project cost identified in the municipality’s project submittal. Upon voter approval of the Program, the specific dollar amount obligated to each project in this category will remain unchanged; cost overruns will not be funded in this category. However, if a project’s final cost is less than the amount obligated in the Program, the County will only fund up to fifty percent (50%) of the lead agency’s actual costs.

B. Discretionary (*Fund Allocation: up to \$75 million*)

This funding category will allocate \$15 million to each of the five Commissioners Court members for any transportation-related project as described in this policy. A funding match from a public agency is desired, but is not required for projects in this category. At the discretion of the respective Commissioners Court member in whose district the project is located, and with full Commissioners Court approval, funds in this category may also be allocated to projects programmed in the other two funding categories identified in this policy.

C. Countywide Initiatives and Partnerships (*Fund Allocation: up to \$125 million*)

This funding category will reserve funding for strategic projects identified by the Commissioners Court aimed at providing multi-jurisdictional benefits and enhancing financial leveraging opportunities. The following initiatives or partnership projects are eligible for funding:

- Texas Department of Transportation (TxDOT) rural arterial expansions and other “on-system” improvement projects;
- National Highway System (NHS) “off-system” pavement and bridge projects that support the attainment of federal performance measure targets identified by TxDOT and the North Central Texas Council of Governments (NCTCOG);
- Partnership projects to leverage funding for federal discretionary grant applications submitted by municipalities, TxDOT, and NCTCOG;
- Specific transportation projects within priority corridors (e.g. West Tarrant Transportation Initiative) earmarked by the Commissioners Court;
- Grade separations at arterial intersections or at railroad crossings associated with roadway improvement projects;
- County initiatives (e.g. drainage improvements impacting roadways, shoulder improvements) aimed at improving mobility or safety on the roadway system;
- Bicycle/pedestrian projects that provide safe routes to schools, address gaps in the regional bicycle/trail network, or promote connectivity to other modes of travel;

- Contingency/emergency events (\$1 million will be reserved for this purpose).

At the discretion of the Commissioners Court, initiatives other than those listed above may be funded in this category. The matching fund requirement for projects in this category will be determined by the Commissioners Court on a case-by-case basis.

III. PROJECT ELIGIBILITY CRITERIA

Projects submitted to the County through the Call for Projects must meet the following criteria:

- Each project submittal must include a City Council resolution supporting the proposed project and certifying the local funding commitment, a description of the municipality's funding plan, and a concept or preliminary design drawing of the proposed project.
- The lead agency is responsible for providing all information requested by the County to evaluate and rank the project.
- Each phase of a multi-phase project should be submitted as separate projects.
- Overlays and reconstruction projects are eligible but are subject to the evaluation process and the fifty percent (50%) local match requirements.
- Neighborhood streets that provide connectivity to major thoroughfares are eligible for funding.
- The lead agency's direct costs (e.g. staff or consultant time for project management and inspection) are not eligible for reimbursement; however, the cost for any inspection required by other agencies (e.g. TxDOT) or entities (e.g. railroad companies) are eligible.
- Project costs incurred prior to the date of the bond election are ineligible for reimbursement.

The following criteria will be applicable to all three funding categories:

- Projects that are located in more than one municipality or jurisdiction are eligible. However, this Program will require that one entity be designated as the lead agency for project implementation and coordination. Any agreements between participating municipalities to identify the lead agency must be executed prior to the obligation of bond funding.
- Projects located within special districts (e.g. Tax Increment Financing districts) will be considered on a case-by-case basis.
- The Program will reimburse for only transportation-related costs (preliminary engineering, design, right-of-way acquisition, and construction) as determined by Transportation Services. Enhancements, including park benches, landscape lighting, trees, monuments, etc. are not eligible for reimbursement. Expenses related to the construction of sidewalks, multi-use paths, street lighting, drainage, and the relocation or replacement of utilities and water/sewer infrastructure are eligible for reimbursement by the County if such improvements are directly related to, or are necessary for, a roadway improvement selected for funding in this Program.

In addition to the above criteria, the Commissioners Court may consider other factors when determining the eligibility of a project funded in this Program.

IV. PROJECT EVALUATION AND SELECTION

Projects eligible for funding in this Program will be evaluated as described below.

A. Call for Projects

The Commissioners Court will appoint three members each to a Project Evaluation Committee (PEC). The fifteen (15) member PEC will convene regularly to develop the evaluation criteria for scoring the project submittals. The PEC will evaluate each project and establish a prioritized list of projects for submittal to the Commissioners Court. The Court may modify this list at its discretion. Once the final project list is approved by the Commissioners Court, Transportation Services will execute an Agreement with the lead agency to obligate the funds to the top ranked projects in this funding category.

B. Discretionary

Each Commissioners Court member will have full discretion to select Program eligible projects in this category. The Commissioners Court members or their staff will provide written notification to the Transportation Services Department of commitments to fund projects in this category. Each project funded in this category will require the approval of the entire Commissioners Court through the execution of an Agreement.

C. Countywide Initiatives and Partnerships

Projects in this category will be selected by the Commissioners Court. Transportation Services staff, with consultant assistance and in coordination with local and regional partners, will evaluate specific projects aimed at addressing transportation needs as described in this policy. Once projects have been identified by staff, the Commissioners Court will take action on Program funding eligibility.

V. PROGRAM IMPLEMENTATION AND ADMINISTRATION

The Program will be implemented and administered by Transportation Services with consultant assistance. The consultant will provide assistance with the development of evaluation criteria, PEC materials, and the prioritization list to be presented for the Commissioners Court for consideration, as well as other tasks as needed.

Prior to the start of a project approved for funding in the Call for Projects category, Tarrant County and the lead agency must enter into an Agreement that clearly defines the project scope, schedule, and conditions that must be met for reimbursement. However, for projects funded in the Discretionary or Countywide Initiatives and Partnerships categories, the County may enter into an Agreement with a lead agency at any time during the project, if deemed necessary by the Commissioners Court. The term of the Agreement will be dependent upon bond funding availability and the project schedule provided by the lead agency. All scope changes, implementation schedule extensions, and funding modifications are subject to Commissioners Court approval. Reimbursement requests are also subject to the approval of the Commissioners Court member for the County precinct where the project is located and must also be submitted by the Tarrant County Auditor's Office as a payment claim for Commissioners Court approval.

Tarrant County staff and elected officials will not be responsible for direct project management responsibilities pertaining to any project funded in this Program. The lead agency will be responsible for project implementation and on-going costs for operations and maintenance. However, to provide accountability and transparency regarding the use of bond funds, Transportation Services will utilize consultant assistance to ensure compliance with the terms of this policy and to assist in the tracking of project schedules and the administration of bond funds. Other services to be provided by the consultant may include assistance with the timely processing of Agreements and Amendments, reimbursement requests, and status reports. In addition, other consultant services may include project oversight, website updates, public relations, and promotional efforts.

If any project in the Program experiences significant delays or funding problems, the Commissioners Court reserves the right to remove a project from this Program. Consistent with the Excess Funds Policy approved for the 2006 Program, any excess funds resulting from a withdrawn project or cost savings from a completed project will be divided equally among the five Commissioner Court members.

BOND ELECTION

Implementation of this Program will be contingent upon the Commissioners Court approval of a final project list and subsequent action to call a bond election. If approved by Tarrant County voters, the bonds will be issued over a period of time to ensure the property tax rate will not increase.