



Effective: September 11, 2015
Responsible Division: Programming

TOLL CREDITS POLICY

POLICY STATEMENT:

The Northeast Ohio Areawide Coordinating Agency (NOACA) may receive Toll Credits (TC) 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). This policy establishes requirements and eligibility criteria as determined by the Board of Directors for the application of Toll Credits to NOACA funded projects.

AUTHORITY:

23 U.S.C. 120(J), Federal Payable Share
ODOT MPO and Large City Program Toll Credits Policy

PURPOSE:

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. The application of TCs increases the federal share of a project, thereby reducing required non-federal match requirements.

Toll Credits are credits that states earn from nonfederal capital expenditures that public or private agencies, such as the Ohio Turnpike, make “to build, improve, or maintain highways, bridges, or tunnels that serve the public purpose of interstate commerce.” Advancement of funding through 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 credits. These credits have been made available to NOACA funding 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 TC increases the percentage and amount of federal funding that is used to finance an eligible project above the typical 80% federal payable share. At the same time it results in a proportionate reduction of the total number of fundable projects in a given program year.

REQUIREMENTS:

ODOT Requirements:

- TC can be applied only to active project phases – no retroactive TC application to a project phase once federal authorization has been granted
- TC usage must be recorded in ODOT’s project management system (Ellis) and included in project federal authorization requests
- TC cannot be applied to State Infrastructure Bank (SIB) loans or Federal Emergency Fund projects
- TC will not be advanced from a future SFY and cannot be swapped between NOACA or other MPO programs
- TC can be carried forward until the lapse period specified in the ODOT MPO and Large City Program policy
- Amount of TC will not be adjusted up or down with annual ODOT budget true-ups
- ODOT will monitor and be the official record for the tracking of NOACA TC balances

NOACA Requirements:

- Approval of TC will be contingent upon the availability of funding in the current NOACA Transportation Improvement Program (TIP)
- Approval of TC is subject to the availability of adequate TC balances for the respective NOACA program as determined by ODOT
- Projects that propose added capacity through expansion of the existing facility will not be considered for TC in order to be consistent with the NOACA Regional Transportation Investment Policy, which limits these projects to 50% NOACA funding participation.

ELIGIBLE PROJECTS AND PROGRAMS:

The NOACA Board of Directors will consider the approval of TC to increase the federal payable share for the following NOACA funded projects and programs:

Urban Core Communities – Projects sponsored by, and located within, communities identified in the current NOACA Urban Core Communities Policy are eligible for 90% NOACA funding participation, utilizing 10% TCs.

Environmental Justice Communities – Projects sponsored by, and located within, communities identified in the current NOACA Environmental Justice Communities Policy are eligible for 100% NOACA funding participation, utilizing 20% TCs.

Transportation for Livable Communities Initiative (TLCI) – Studies and implementation projects identified for funding through the NOACA TLCI Program are eligible for 100% NOACA funding participation, utilizing 20% TCs. However, the use of TCs for TLCI study projects is approved as a pilot for SFY 2016 only. After SFY 2016 the use of TCs for TLCI studies will be reevaluated by the NOACA Policy Committee.

PROCEDURES:

NOACA staff will evaluate potential TIP projects to determine the applicable federal payable share consistent with this policy. Projects proposed for TC utilization will be presented to the appropriate committees and Board through the standard NOACA Plan and TIP amendments procedures. The Board of Directors will approve the use of TCs for projects consistent with this policy. The Board of Directors also reserves the right to approve any exceptions to this policy should it deem appropriate. Staff will retain records of all approved TC uses and coordinate with ODOT to ensure accurate project programming with ODOT and the TIP/STIP.

POLICY TERMINATION:

This policy is contingent upon the allocation of TCs to NOACA from ODOT. Should ODOT cease the allocation of TCs to NOACA this policy will terminate.