

2015 Educational Series

Local Government Assistance



TxDOT Assistance for Counties and Other Local Governments



OVERVIEW

The Texas Department of Transportation (TxDOT) provides a variety of programs and initiatives that help local governments build and maintain roads and other transportation infrastructure within their jurisdictions. As the state and local governments face the challenges of increasing traffic due to population growth and economic expansion, it is critical that they work together to maximize the benefits provided through joint planning, joint funding of critical projects, and effective maintenance of current facilities.

The information that follows highlights TxDOT programs and initiatives that provide funding and technical

assistance for roads and other transportation infrastructure under the jurisdiction of local governments throughout the state. Additionally, information about other sources of state funding available for local government projects is provided.

LOCAL GOVERNMENT PROJECTS OFFICE

TxDOT created the Local Government Projects Office (LGPO) in March 2012 to lead the department's oversight of projects delivered by local governments that are partially or fully funded with Federal Highway Administration (FHWA) or TxDOT funds. The office develops policies and procedures for implementation throughout the state, provides

training to TxDOT and local government agency personnel involved in these projects, and monitors department and local government agency performance in successfully implementing these policies and procedures.

Local government entities (such as municipalities, counties, regional mobility authorities, metropolitan planning organizations, and others) are responsible for major tasks of the project development process while complying with applicable state, federal, and contractual requirements. TxDOT districts are responsible for overseeing local government agency delivery of these projects to ensure compliance with governing policies, procedures, plans,

and specifications. Eligible project costs are reimbursed by TxDOT to the local entities.

TxDOT currently has joint funding/ project delivery agreements with more than 200 distinct local government entities located in the 25 TxDOT districts throughout the state. These local governments are leading various project development activities on more than 600 active projects with an estimated total project cost of approximately \$1 billion per year. Total project cost includes all phases of project development and funds from state, local and federal sources. During fiscal year (FY) 2013, local governments were reimbursed approximately \$359 million in FHWA funds on transportation improvement projects.

POTENTIAL FUNDING SOURCES

State and federal law provide many options for local governments to access available funds through TxDOT. These include:

State Infrastructure Bank (SIB)

The SIB is a revolving loan fund that allows borrowers to access capital funds at or below market interest rates. SIB financial assistance can be granted to any public or private entity authorized to construct, maintain or finance an eligible transportation project.

Toll Equity Loan Agreement (TELA)

The department may award financial assistance for toll road projects that include grants, loans and other assistance through the use of Toll Equity Loan Agreements.

Transportation Infrastructure Finance and Innovation Act (TIFIA)

The TIFIA program is administered by the U.S. Department of Transportation (USDOT) and provides federal credit assistance in the form of direct loans, loan guarantees and standby lines of credit to finance surface transportation projects of national and regional significance.

Transportation Reinvestment Zones (TRZ)

TRZs provide a method of capturing ad valorem tax increments to finance transportation infrastructure projects within a designated geographical area.

Transportation Investment Generating Economic Recover (TIGER) Discretionary Grant Program

Occasionally, the USDOT issues calls for candidate projects affording a unique opportunity for state and local

governments to compete for federal funds for surface transportation infrastructure projects.

Federal Funds

Federal motor fuel tax receipts are deposited into the Federal Highway Trust Fund and distributed to states to fund construction of eligible transportation projects. TxDOT administers the funds to local governments. Some of the various federal programs that have provided funding for local projects include:

- Transportation Enhancement/ Transportation Alternatives Program
- Safe Routes to Schools Program/ Transportation Alternatives Program
- Surface Transportation Program/ Metropolitan Mobility Program
- Congestion, Mitigation, Air Quality Program
- Highway Bridge Program



funds available to border counties to improve colonia roads through paving and drainage projects.

Using BCAP funds, TxDOT has worked with participating counties to pave and/or improve drainage (e.g. by installing curbs and gutters or building retention ponds) for approximately 600 miles of colonia roads. Through June 30, 2014, 623 projects had been completed with 24 additional projects in process. \$168.5 million of the fund has been reimbursed to the counties for eligible project-related costs, while \$6.5 million remains

available for reimbursement for the remaining projects in progress. All remaining projects are anticipated to be completed prior to the end of FY 2015. This program is not expected to be renewed.

County Transportation Infrastructure Fund Program

In 2013, the 83rd Texas Legislature, Regular Session, enacted Senate Bill 1747, which created a grant program for county roads in the state's energy development regions and authorized TxDOT to administer the program. In

addition to that legislation, the 83rd Legislature enacted House Bill 1025, which allocated \$224.5 million to be distributed to eligible counties through this program. 191 counties submitted applications to TxDOT to create County Energy Transportation Reinvestment Zones and in April 2014 were awarded funding under this program.

Counties have up to three years after execution of their agreement to complete projects and be reimbursed under this program.



TEXAS DEPARTMENT OF TRANSPORTATION

MISSION STATEMENT

Work with others to provide safe and reliable transportation solutions for Texas.

GOALS

- Maintain a safe system
- Address congestion
- Connect Texas communities
- Become best-in-class state agency

VALUES

- Trust
- Integrity
- Responsibility
- Excellence
- Service

This document is part of an educational series on transportation issues
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