

NORTH CAROLINA'S MOBILITY FUND

Final Report

October 11, 2011

EXECUTIVE SUMMARY

In 2010 the North Carolina General Assembly (General Assembly) created the North Carolina Mobility Fund (Mobility Fund) to help relieve congestion and enhance mobility across the State. Specifically, the North Carolina 2009-2010 Appropriations Act was approved to fund transportation projects, selected by the North Carolina Department of Transportation (the Department), of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation. The funding for these selected projects (which is outside of North Carolina's Equity Formula) is to come from unused gap funds and reductions in the amount of money transferred from the Highway Trust Fund to the General Fund.

As part of the 2010 legislation, the General Assembly directed the Department to establish project criteria and a selection process for the Mobility Fund by involving the public and key stakeholders. Stakeholders included, but were not limited to, the North Carolina Association of Metropolitan Planning Organizations (MPOs), the North Carolina Association of Rural Planning Organizations (RPOs), the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the North Carolina Metropolitan Mayors Coalition, and the North Carolina Council of Regional Governments.

The General Assembly identified the I-85 Corridor Improvement Project Phase II (I-85 widening from NC 150 to I-85 Business) as the first project to be funded by the Mobility Fund. Subsequent Mobility Fund projects are to be advanced using the project criteria and selection process developed by the Department, in accordance with the Act. The legislation also required preferential consideration to be given to projects that meet the eligibility of the Congestion Relief and Intermodal Fund.

A final report on the 2010 legislation was provided to the Joint Legislative Transportation Oversight Committee (JLTOC) by the Department on December 14, 2010.

During the 2011 legislative session the General Assembly revised specific components of the Mobility Fund requirements. In particular language regarding preferential consideration to projects eligible for the Congestion Relief and Intermodal Fund was removed along with references to the involvement of the public and stakeholders. Additionally a reserve account in the amount of \$45 million in FY 2013 and \$58 million in FY 2014 (and subsequent fiscal years) was established to bring long term stability to the Mobility Fund. Finally the Department was directed to provide revised project selection criteria to the JLTOC by October 15, 2011.

During and after the 2011 legislative session the Department worked proactively with legislative staff to follow the proposed legislative changes and kept key stakeholders and internal staff aware of potential revisions and revised the project criteria and selection process. The revised project selection criteria were presented to the Department’s Board of Transportation (BOT) on August 4, 2011. After a 30 day period of review the BOT approved the revised Mobility Fund selection criteria on Sept 7, 2011.

The revised criteria are as follows:

Minimum Eligibility Requirements:

- Projects must be on Statewide or Regional Tier facilities (“Tier” designation is defined by the Department). Light rail, bus rapid transit, and commuter rail are all eligible for Mobility Funds.
- Projects must be ready to have funds obligated for construction within 5 years.
- Projects must be consistent with MPO/RPO transportation planning efforts; Projects must be included in an adopted transportation plan; and must be found to be consistent with local land-use plans where available.
- Projects must be in a conforming transportation plan in non-attainment or maintenance areas.
- Only project capital costs (right-of-way and construction) will be eligible for the Mobility Fund, not maintenance, operation, or planning costs.
- No minimum project capital cost will be established as a threshold for funding.

Note: The above requirements were unchanged from those submitted to the JLTOC on December 14, 2010.

Project Criteria:

Projects will be scored on a point scale with a weighted factor as listed below. Details on each factor are outlined in the full report.

Criterion	Weight
Mobility Benefit-Cost – measured by the estimated travel time savings the project will provide divided by the cost to the Mobility Fund.	80%
Multimodal / Intermodal – measured by whether the project provides an improvement to more than one mode of transportation and thereby improves the overall efficiency of the transportation system.	20%

In the winter of 2011-2012, the Department expects to solicit, score, and evaluate Mobility Fund candidate projects according to the final project criteria and selection process as described in this report.

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

TABLE OF CONTENTS..... 3

SECTION I. INTRODUCTION..... 4

SECTION II. REVISED PROJECT SELECTION CRITERIA 6

SECTION III. NEXT STEPS 9

APPENDIX A 10

SECTION I. INTRODUCTION

The North Carolina General Assembly approved the 2009-2010 Appropriations Act to create a new fund referred to as the North Carolina Mobility Fund. The Mobility Fund provides an opportunity to address a growing list of congestion relief and mobility needs throughout the state. The Mobility Fund is not subject to the equity formula as described in the North Carolina General Statutes Chapter 136-17.2A.

According to § 136 -188 and 189 of the Appropriations Act:

The Department of Transportation shall use the Mobility Fund to fund transportation projects, selected by the Department, of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation. The Department of Transportation shall establish project selection criteria based on the provisions of this Article.

When developing the project criteria and selection process, the Department shall involve the public and other stakeholders, including, but not limited to, the North Carolina Association of Metropolitan Planning Organizations, the North Carolina Association of Rural Planning Organizations, the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the North Carolina Metropolitan Mayors Coalition, and the North Carolina Council of Regional Governments.

When developing the project criteria and selection process, the Department shall give preferential consideration to projects qualified to receive State grants from the Congestion Relief and Intermodal Transportation 21st Century Fund under Article 19 of Chapter 136 of the General Statutes.

The first project to be funded through the Mobility Fund is the I-85 Corridor Improvement Project Phase II (I-85 widening from NC 150 to I-85 Business). Subsequent Mobility Fund projects are to be advanced using the project criteria and selection process developed by the Department and described in this report.

A preliminary report on the project criteria and selection process was submitted to the JLTOC on October 1, 2010 and the final report was given to the JLTOC on December 14, 2010. Appendix A contains an Executive Summary of the December 14 report.

During the 2011 General Assembly Session, a change was made to the above language as follows:

MOBILITY FUND PROJECT SELECTION CRITERIA ADJUSTMENT; MOBILITY FUND MONEY PLACED IN RESERVE ACCOUNT FOR FY 2012-2013 AND FUTURE FISCAL YEARS

SECTION 28.33.(a) Section 28.7(b) of S.L. 2010-31, as rewritten by Section 8.2 of S.L. 2010-123, reads as rewritten:

"SECTION 28.7.(b) The Department of Transportation shall develop selection criteria under G.S. 136-188, as enacted by this act, and shall report to the Joint

Legislative Transportation Oversight Committee on its development of the selection criteria. A preliminary report on the selection criteria for projects is due to the Joint Legislative Transportation Oversight Committee by October 1, 2010. A final report is due to the Joint Legislative Transportation Oversight Committee by December 15, 2010. ~~When developing the project criteria and selection process, the Department shall give preferential consideration to projects qualified to receive State grants from the Congestion Relief and Intermodal Transportation 21st Century Fund under Article 19 of Chapter 136 of the General Statutes. When developing the project criteria and selection process, the Department shall involve the public and other stakeholders, including, but not limited to, the North Carolina Association of Metropolitan Planning Organizations, the North Carolina Association of Rural Planning Organizations, the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the North Carolina Metropolitan Mayors Coalition, and the North Carolina Council of Regional Governments."~~

SECTION 28.33.(b) The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee on its development of the selection criteria, taking into account the modification by subsection (a) of this section, by October 15, 2011.

SECTION 28.33.(c) Effective July 1, 2012, G.S. 105-187.9(c) reads as rewritten: "(c) ~~Mobility Fund~~ Prioritization Reserve Transfer. – In each fiscal year, the State Treasurer shall transfer forty-five million dollars (\$45,000,000) from the taxes deposited in the Trust Fund to the ~~Mobility Fund~~. DOT Prioritization Reserve account within the Trust Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue."

SECTION 28.33.(d) Effective July 1, 2013, G.S. 105-187.9(c) as amended by subsection (c) of this section reads as rewritten:

"(c) Prioritization Reserve Transfer. – In each fiscal year, the State Treasurer shall transfer ~~forty-five million dollars (\$45,000,000)~~ fifty-eight million (\$58,000,000) from the taxes deposited in the Trust Fund to the DOT Prioritization Reserve account within the Trust Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue."

Note: A subsequent technical corrections bill clarified that \$31 million in FY 2012 Mobility Funds were to be used to complete construction of I-85 Corridor Improvement Project (Phase II of the Yadkin River Bridge Project) and that \$45 million in FY 2013 Mobility Funds and \$58 million in FY 2014 and subsequent Fiscal Year's Mobility Funds were to be placed in the Prioritization Reserve Fund.

SECTION II. REVISED PROJECT SELECTION CRITERIA

As outlined above, the revised legislative language removed the requirement for preferential consideration to projects qualified to receive State grants from the Congestion Relief and Intermodal Transportation 21st Century Fund under Article 19 of Chapter 136 of the General Statutes. This preferential consideration has been removed from the project criteria and selection process.

The revised legislative language also removed the requirement to involve the public and other stakeholders in developing the project criteria and selection process. Following the passage of the initial Mobility Fund in 2010 a Workgroup was formed to assist the Department in developing the initial project criteria and selection process. This Workgroup consisted of representatives from key stakeholder groups and their input was reflected in the December 14, 2010 report provided to the JLTOC. Per the revised 2011 Mobility Fund legislation, the Workgroup has not met to discuss revised Mobility Fund project criteria and selection issues. The Department staff instead weighed various options and recommended the following revised project selection criteria to the BOT which approved these criteria on September 7, 2011.

Minimum Eligibility Requirements:

Each potential project for Mobility Fund consideration must first meet the following Minimum Eligibility Requirements. These requirements act as a screening tool helping to identify the most viable candidate projects. Only after meeting these requirements will the candidate project be ranked and considered for funding.

- **Projects must be on the Statewide or Regional Tier of facilities to meet the legislative intent of “projects of Statewide and Regional” significance.** Under the current NCMIN definitions light rail, bus rapid transit, and commuter rail may be designated as “Subregional Tier”. However since these projects have region-wide significance, the Department recommended an exception to the definitions thereby allowing light rail, bus rapid transit, and commuter rail projects eligible for Mobility Funds.
- **Projects must be ready to have funds obligated for construction within 5 years.** The Department desires to showcase its ability to identify and delivery candidate projects in a timely manner. This criterion is consistent with the Department’s new Transportation Reform policy to deliver 95% of the projects identified in the Five Year Work Program on schedule.
- **Projects must be consistent with MPO/RPO transportation planning efforts;** Projects must be included in an adopted transportation plan and must be found to be consistent with local land-use plans where available.
- **If the Project is in a (Federally designated Air Quality) maintenance or non-attainment area, it must be included in a conforming transportation plan.**

- **Only Project capital costs (right-of-way and construction) will be eligible for the Mobility Fund, not maintenance, operation, or planning costs.**
Maintenance, operational, and planning costs are not eligible. The Department believes the purpose of the Mobility Fund is to construct projects to reduce congestion and improve mobility in an expeditious manner. Maintenance and/or planning costs do not reflect the intent and purpose of this Fund and may detract from building other viable projects.
- **Projects do not need to meet a minimum cost threshold to qualify for funding.**
No citation in the Mobility Fund legislation excludes a candidate project based on cost.

Scoring Criteria:

Criterion	Weight
Mobility Benefit/Cost – measured by the estimated travel time savings the project will provide (in vehicle hours) divided by the “cost to the Mobility Fund”. Used to compare projects across transportation modes. There is no cap on the scoring for travel time savings. In other words, the greater the savings and/or the lower the cost of the project to the Mobility Fund, the greater the score the project can achieve for this criterion.	80%
Multimodal / Intermodal – measured by whether the project provides an improvement to more than one mode of transportation and thereby improves the overall efficiency of the transportation system. This is a Yes / No question. If the project improves more than one mode of travel, a sliding scale of points is assigned to the project score based on the overall resulting impact of the multimodal / intermodal improvement. See next page for the points per multimodal / intermodal improvement scale.	20%

Multimodal / Intermodal Scoring

Multimodal / Intermodal Scoring begins with an eligibility question. Does the project provide an improvement to more than one mode of transportation and thereby improve the overall efficiency of the transportation system?

If the answer is no, the project receives no points for this criteria.

If the answer is yes, the project is evaluated and compared to the improvements listed in the table below. The greater the opportunity to provide seamless transportation efficiency, enhance travel choice, and important connections within the overall system the greater the points are awarded. This is a subjective analysis but is also related to the overall scope and purpose of the candidate project and is consistent with the Mobility Fund’s requirement to allow all modes to compete equitably for funds.

The following will be used for scoring:

Improvement	Multimodal / Intermodal Points
HOV/HOT Lanes	100
Light Rail	100
Bus Rapid Transit / Bus way	100
Commuter Rail / Intercity Rail	100
Highway and Rail Projects which improve access to or within ports, military installations, and inland ports; rail projects which reduce truck traffic on the highway system.	100
Short line Rail projects which enhance access to industrial sites	100
Addition of a new bus route to fixed route system	50
Adding new transit vehicles to improve frequency of service (not replacement vehicles).	50
Aviation Runway/Taxiway Projects	50
Bicycle/Pedestrian projects where the primary use is commuter (not recreational)	25
Ferry	25
Bicycle/Pedestrian commuter projects (not recreational)	10

Note: Projects can only receive points for one improvement. If a project includes more than one improvement listed above, the project receives the higher of the points. Also, the above may not be all inclusive and other projects will be assessed on a case-by-case basis.

Example Overall Project Scoring

The final project score is determined simply by multiplying the number of points in each of the criteria by their respective weight and summing the points. The higher the point total, the higher the project ranking. For example:

Criteria	Weight	Points	Weighted Points
Mobility Benefit-Cost	80%	55	44
Multimodal / Intermodal	20%	100	20
Total Project Score			64

SECTION III. NEXT STEPS

This final report will be delivered to the JLTOC by the legislated October 15, 2011 deadline. In the winter of 2011-2012, the Department expects to solicit, evaluate, and begin scoring candidate projects for the Mobility Fund according to the final project criteria and selection process described in this report.

APPENDIX A

NORTH CAROLINA'S MOBILITY FUND

Final Report

December 14, 2010

EXECUTIVE SUMMARY

In 2010 the North Carolina General Assembly (General Assembly) created the North Carolina Mobility Fund (Mobility Fund) to help relieve congestion and enhance mobility across the State. Specifically, the North Carolina 2009/2010 Appropriations Act was approved to fund transportation projects, selected by the North Carolina Department of Transportation (the Department), of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation.

As part of the legislation, the General Assembly directed the Department to establish project criteria and a selection process for the Mobility Fund by involving the public and key stakeholders. Stakeholders include, but are not limited to, the North Carolina Association of Metropolitan Planning Organizations (MPOs), the North Carolina Association of Rural Planning Organizations (RPOs), the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the North Carolina Metropolitan Mayors Coalition, and the North Carolina Council of Regional Governments.

The General Assembly identified the I-85 Corridor Improvement Project Phase II (I-85 widening from NC 150 to I-85 Business) as the first project to be funded by the Mobility Fund. Subsequent Mobility Fund projects are to be advanced using the project criteria and selection process developed by the Department, in accordance with the Act. The legislation also requires preferential consideration be given to projects that meet the eligibility of the Congestion Relief and Intermodal Fund.

The legislation calls for a final report to be provided to the Joint Legislative Transportation Oversight Committee (JLTOC) by December 15, 2010. This is the final report.

The Department conducted an extensive outreach effort. More than 100 citizens, organizations, and/or planning partners submitted input through two 30-day public comment periods. In addition, a formal Workgroup with members representing the organizations listed above, along with Department staff, met on a monthly basis (beginning in August 2010) to review public input and offer their respective views on project criteria and a selection process. The Workgroup's discussions have been wide-ranging and substantive, and their feedback has significantly shaped the selection/criteria options that are presented in this final report.

These inclusive and collaborative efforts also helped the Department establish and approve a set of minimum eligibility requirements which must be met before any candidate project can be scored or receive Mobility Fund dollars. These requirements

along with the final project criteria were approved by the Board of Transportation at its December 2010 meeting and are listed below.

Minimum Eligibility Requirements:

- Projects must be on Statewide or Regional Tier facilities (“Tier” designation is defined by the Department). Light rail, bus rapid transit and commuter rail are all eligible for Mobility Funds.
- Projects must be ready to have funds obligated for construction within 5 years.
- Projects must be consistent with MPO/RPO transportation planning efforts; Projects must be included in an adopted transportation plan; and must be found to be consistent with local land-use plans where available.
- Projects must be in a conforming transportation plan in non-attainment or maintenance areas.
- Only project capital costs (right-of-way and construction) will be eligible for the Mobility Fund, not maintenance, operation, or planning costs.
- No minimum project capital cost will be established as a threshold for funding.

Project Criteria:

Projects will be scored on a 0-to-100 scale for each weighted factor below. Details on each factor are outlined in the full report and appendices.

Criterion	Weight
Mobility/Congestion – measured by the estimated travel time savings the project will provide.	60%
Multimodal – measured by whether the project provides an improvement to more than one mode of transportation and thus improves the efficiency of the overall transportation system.	20%
Congestion and Intermodal Fund – measured by whether the project meets the requirements cited in the Mobility Fund legislation.	20%

In the spring of 2011, the Department expects to score and evaluate Mobility Fund candidate projects according to the final project criteria and selection process as described in this report.