

TIP Funding and Development Process

**Program Development Branch
North Carolina Department of Transportation**

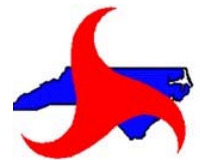
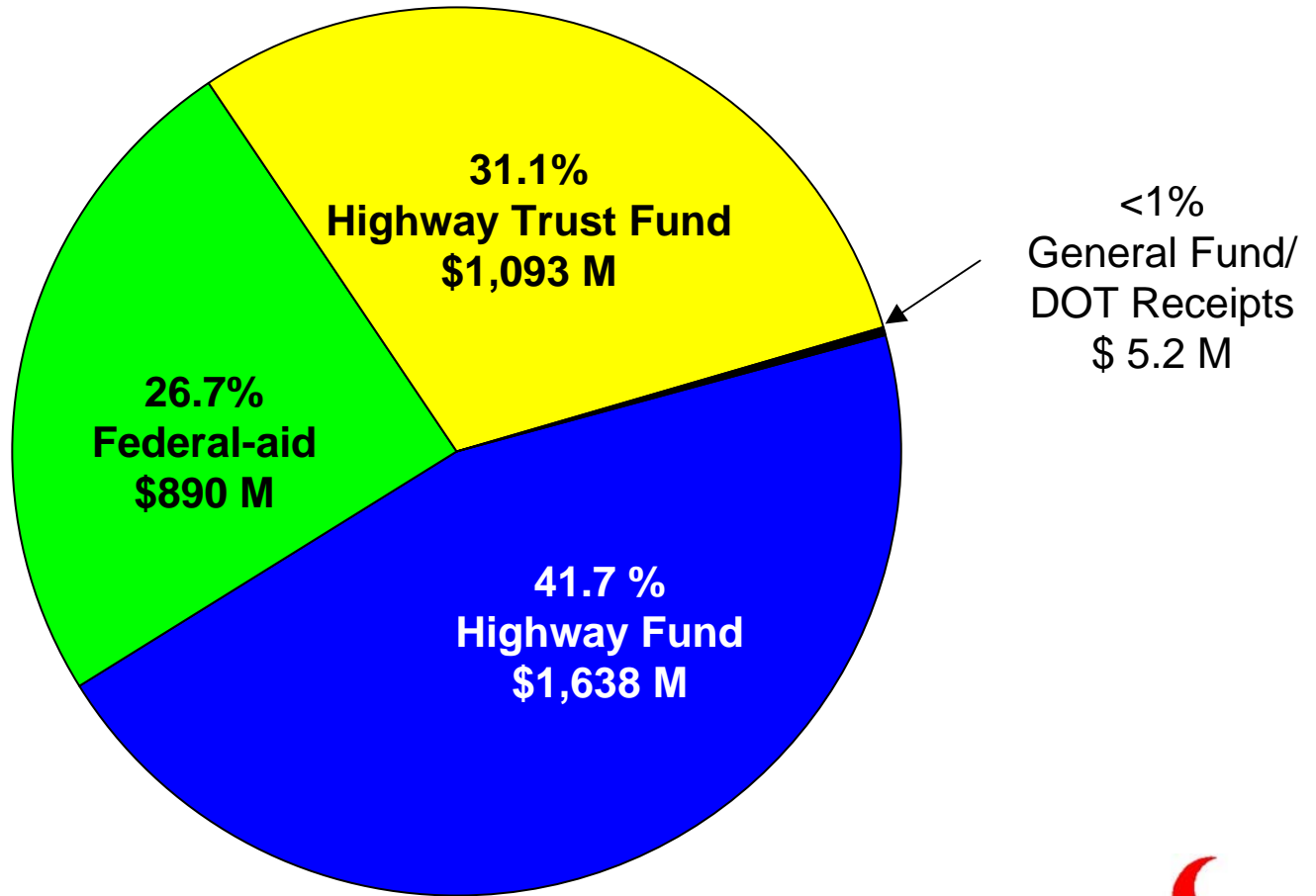
Charlotte **R**egional **A**lliance **F**or **T**ransportation



Executive Committee Meeting
January 30, 2006

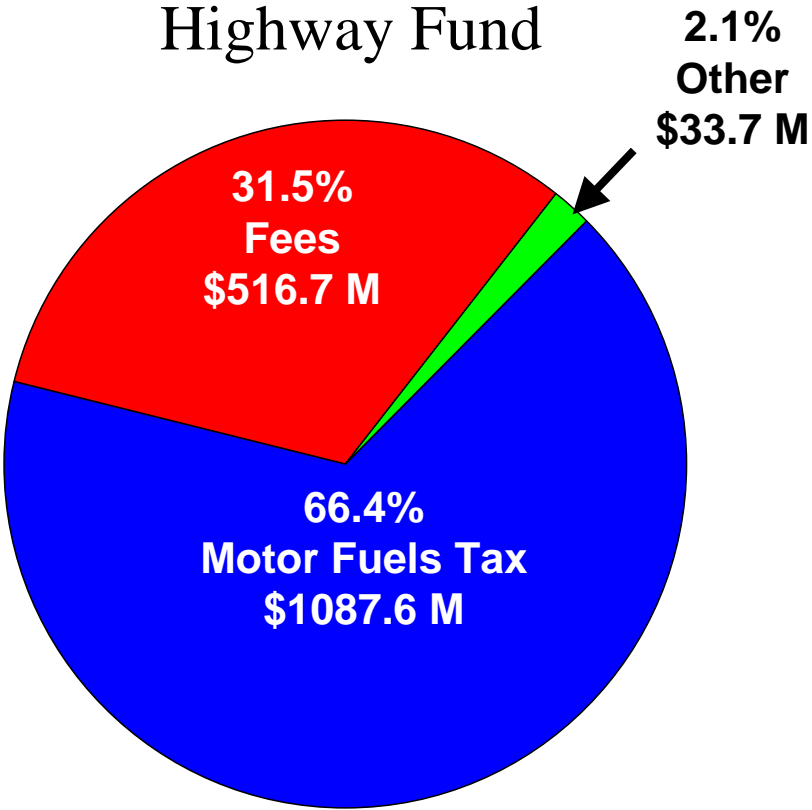
NCDOT FY 2006 Proposed Budget

(Total Funding = \$3.63 Billion)

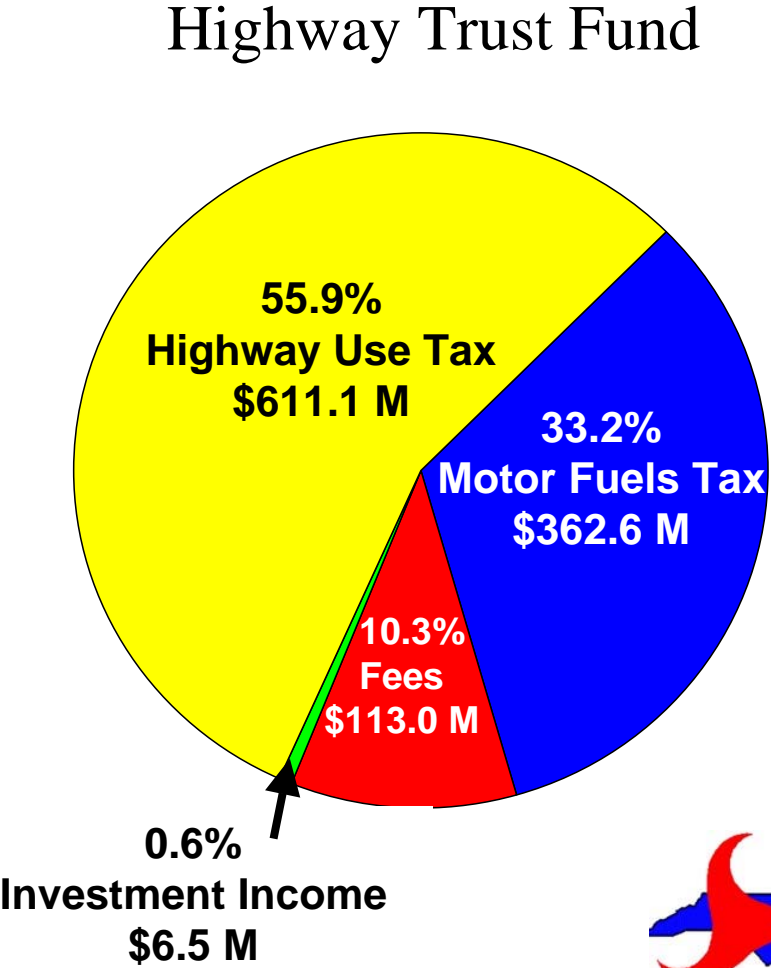


2005-06 Fund Sources

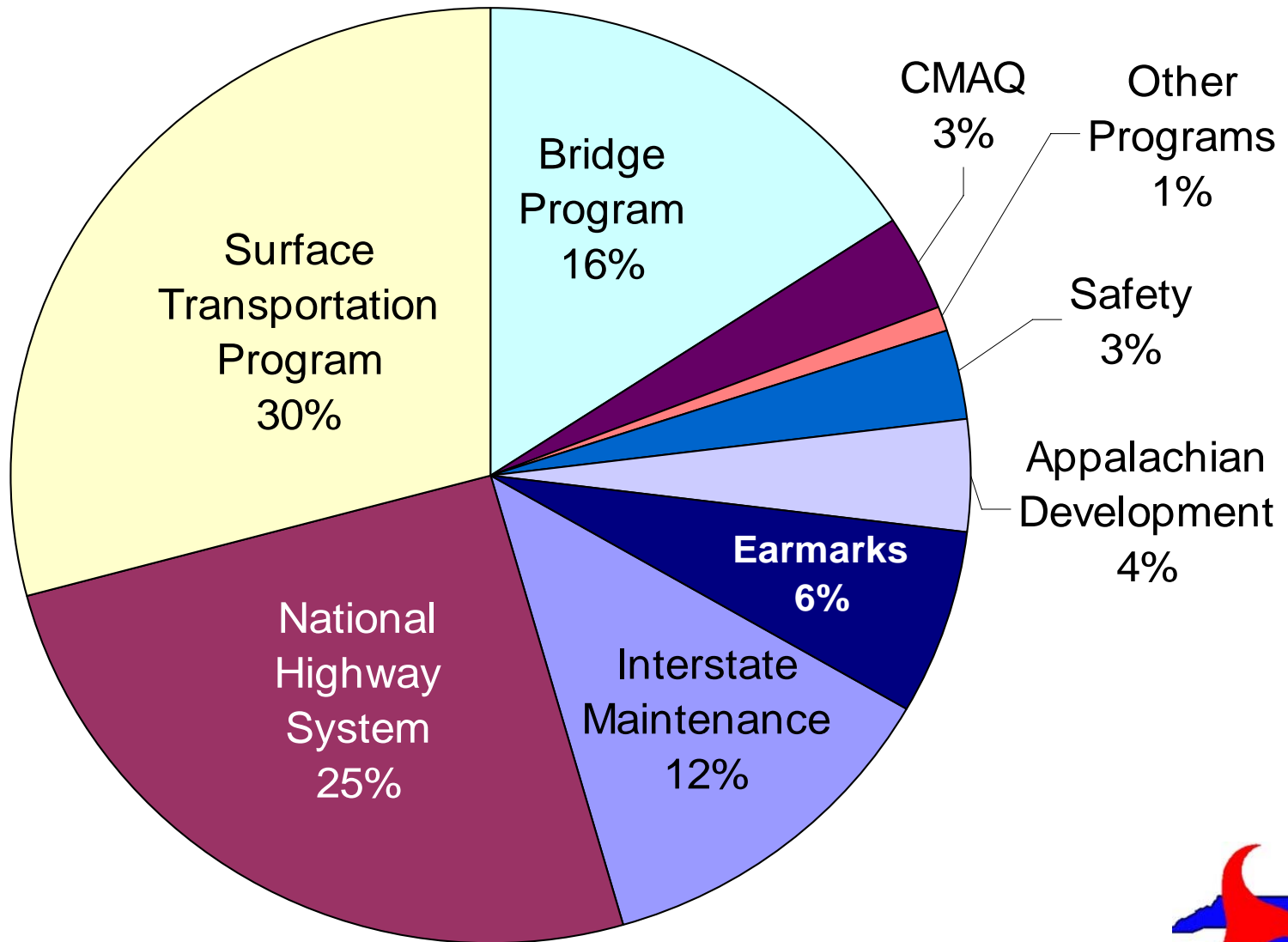
Highway Fund



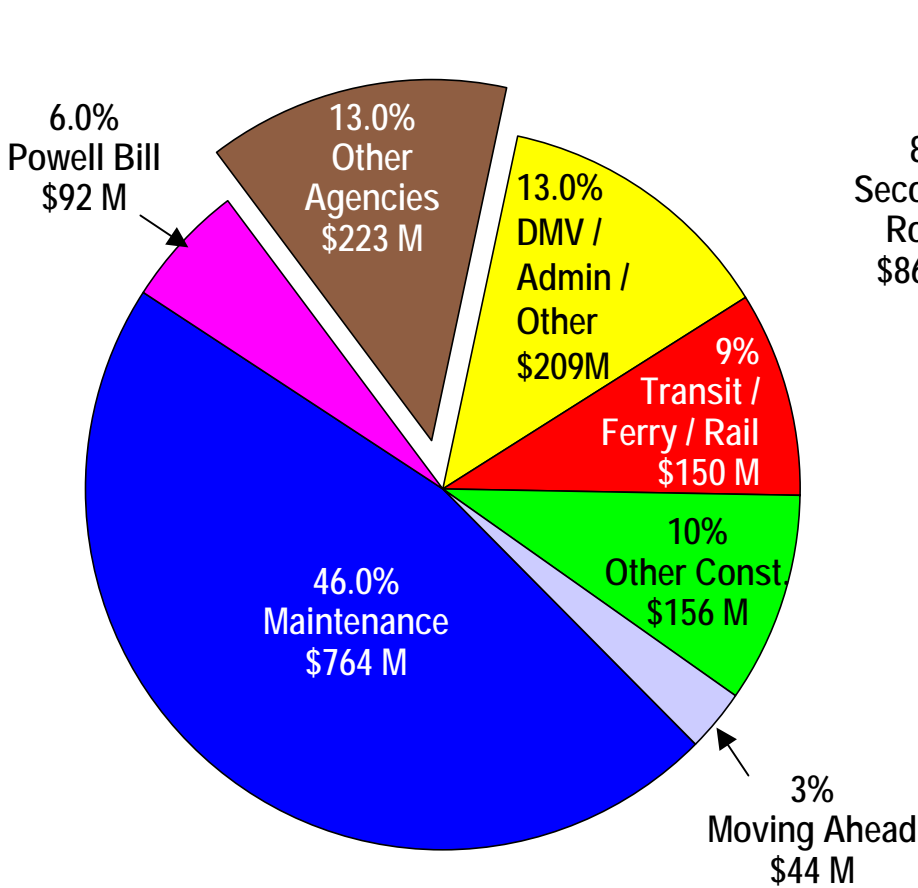
Highway Trust Fund



Federal-aid Funds

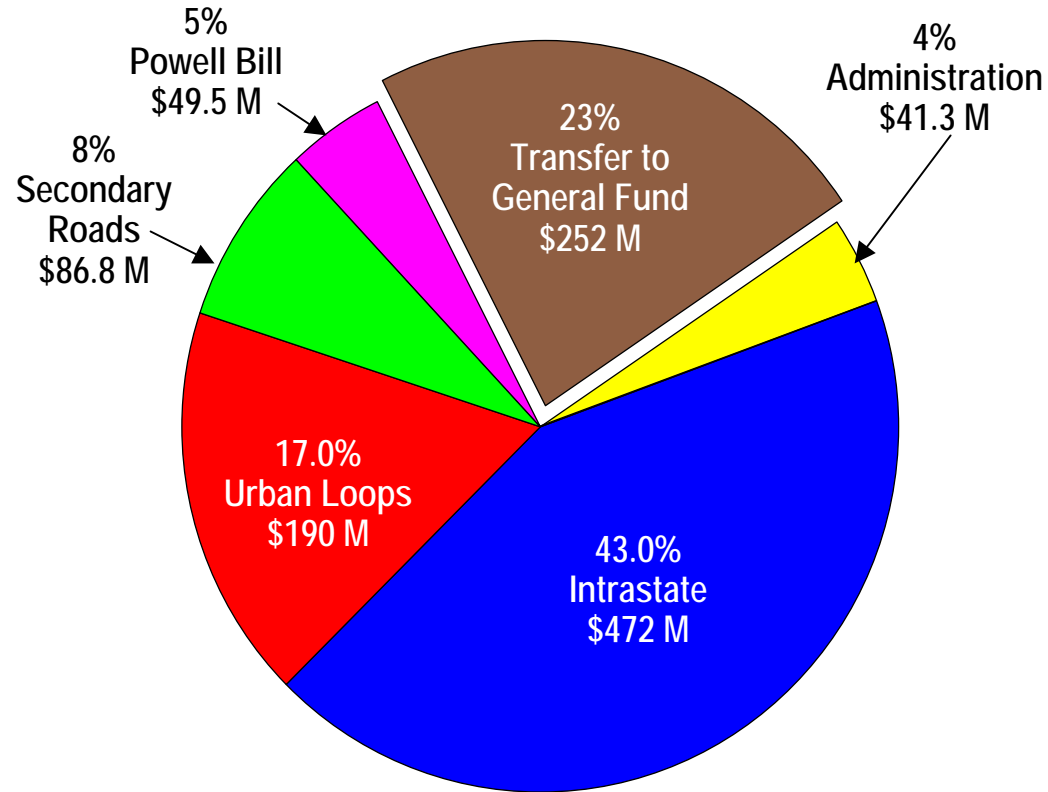


Budgeted Uses of State Funds



Highway Fund

**No TIP
Highway \$**

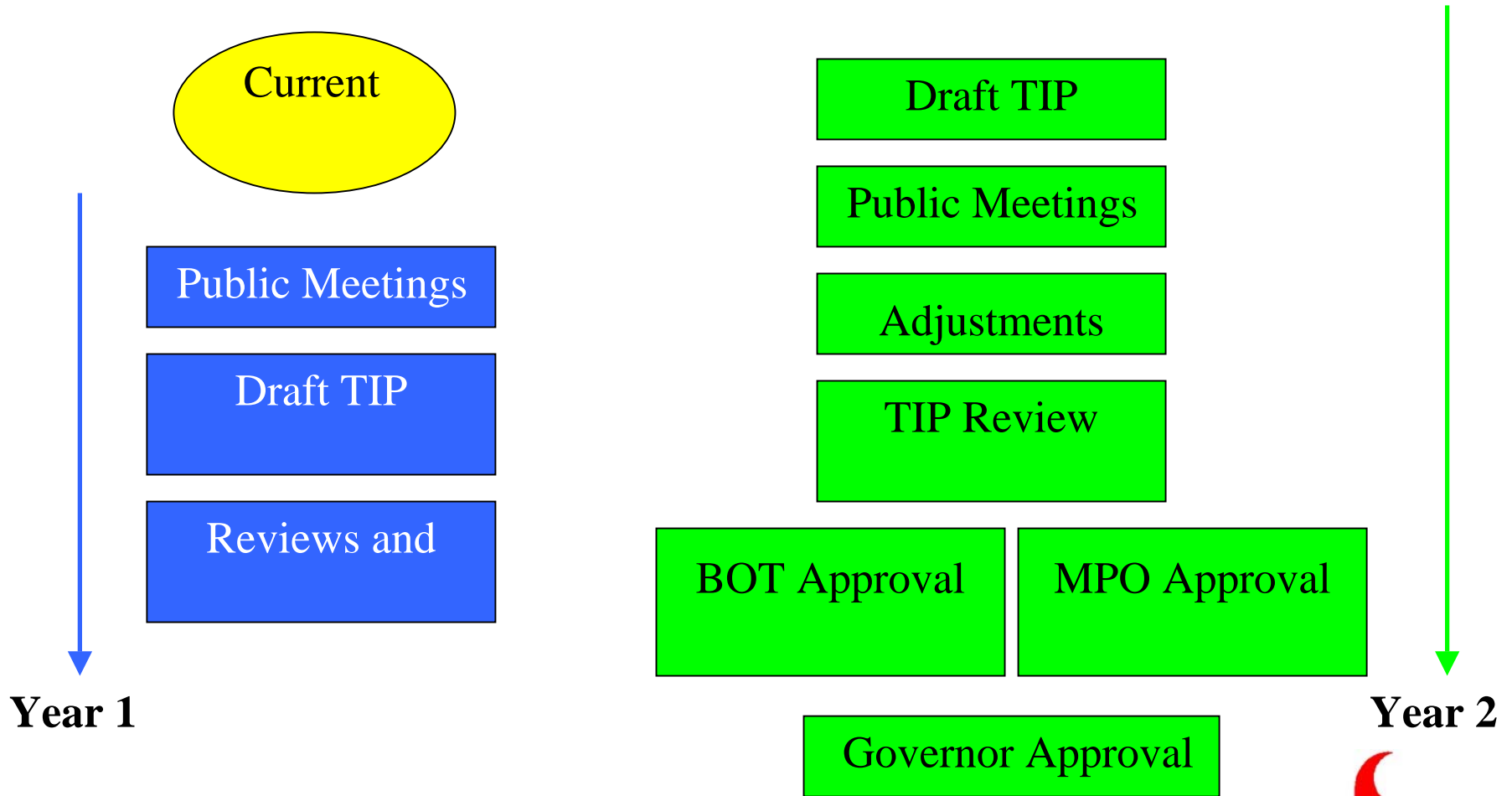


Highway Trust Fund

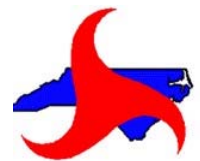
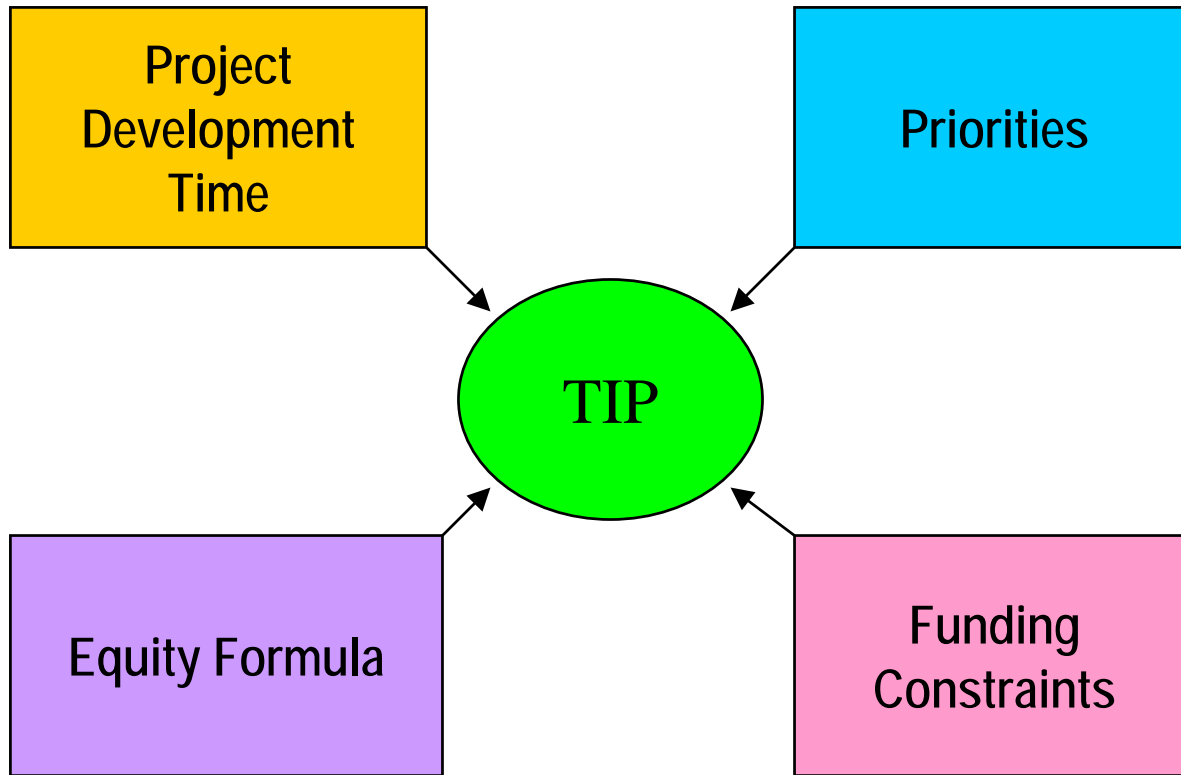
**Legislatively Mandated
Projects Only**



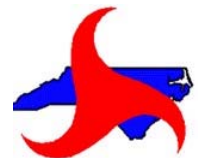
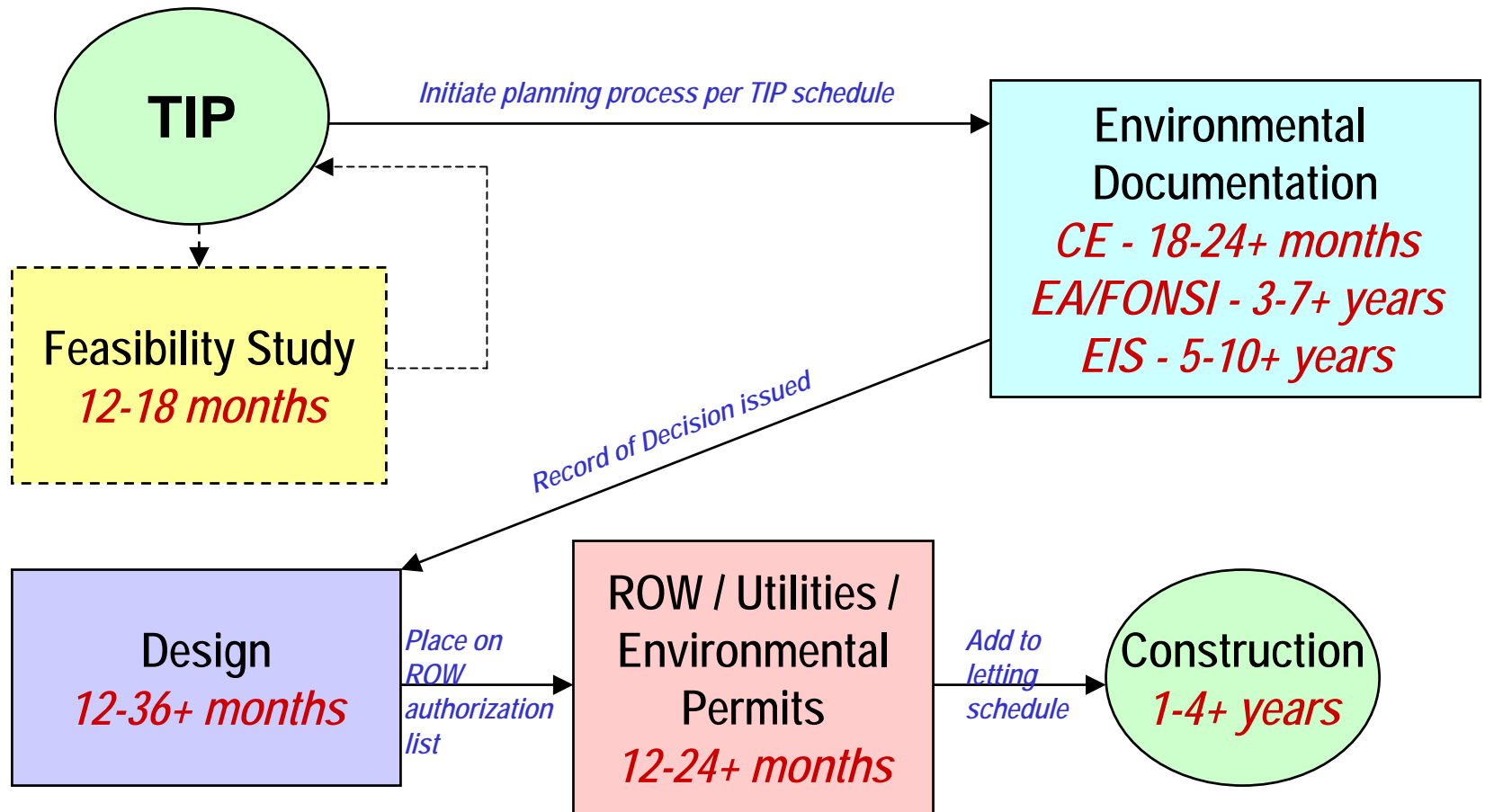
Two Year TIP Process



Factors Impacting the TIP Process



Project Development Stages



The Programming Process

Needs:

•Travel Services

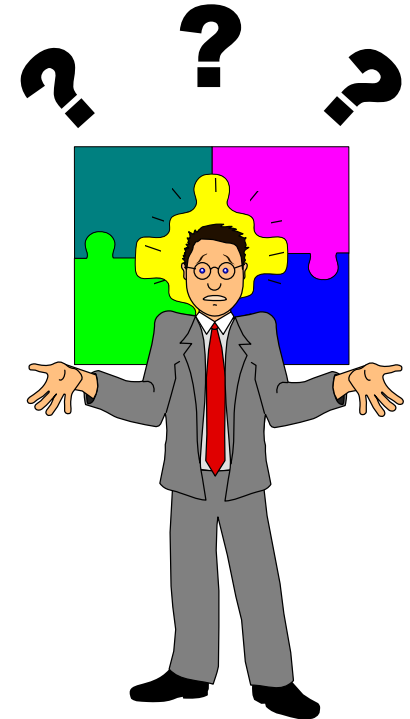
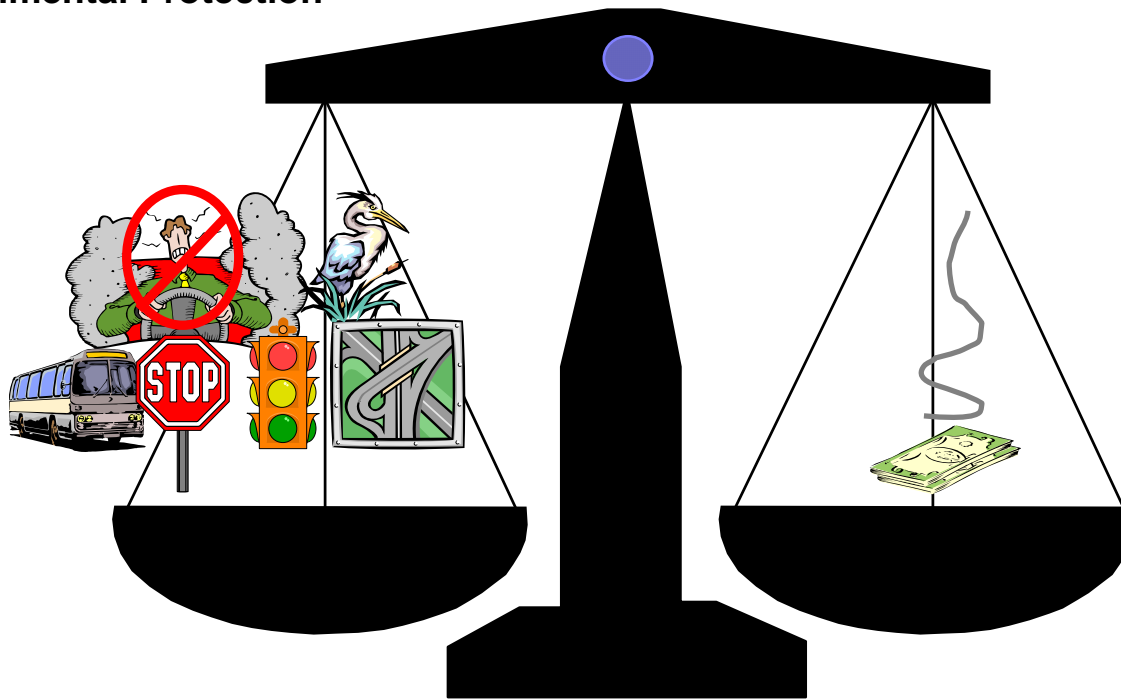
- Reduce congestion
- Improve safety
- Enhance mobility

•Economic Development

•Equity

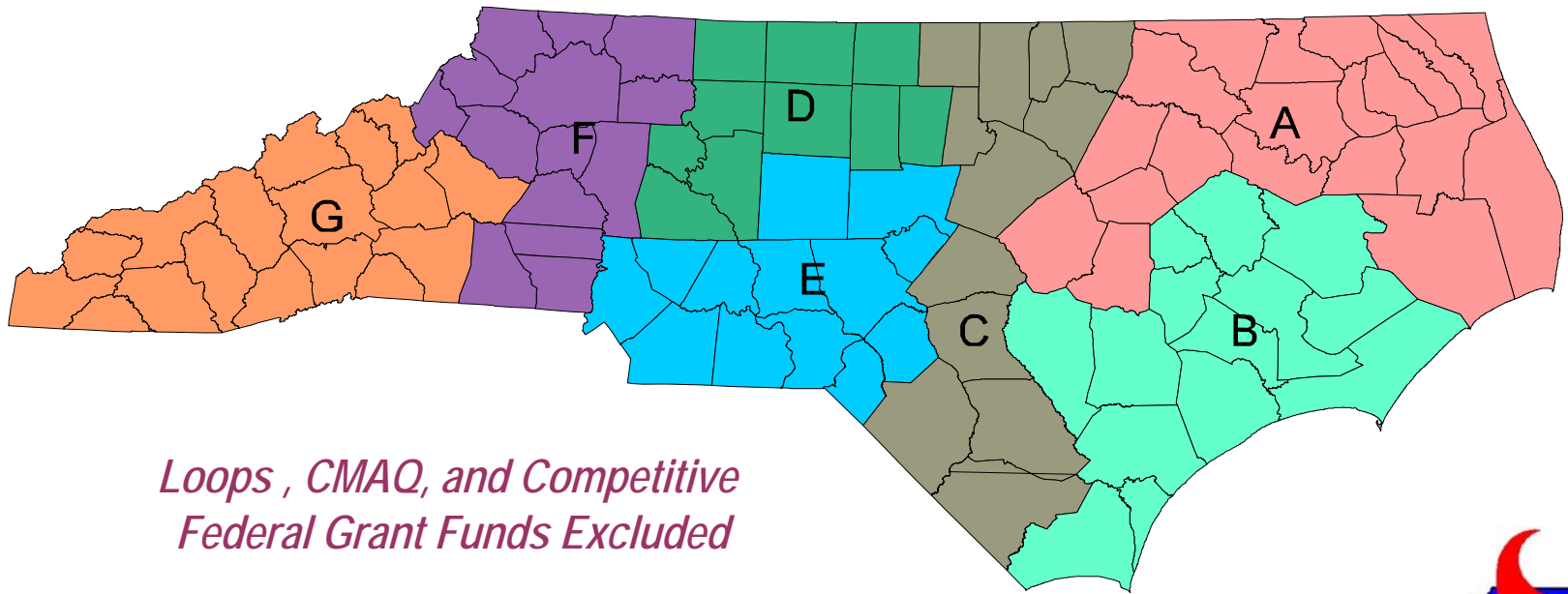
•Environmental Protection

Cost vs.
available
funds



1989 Equity Formula

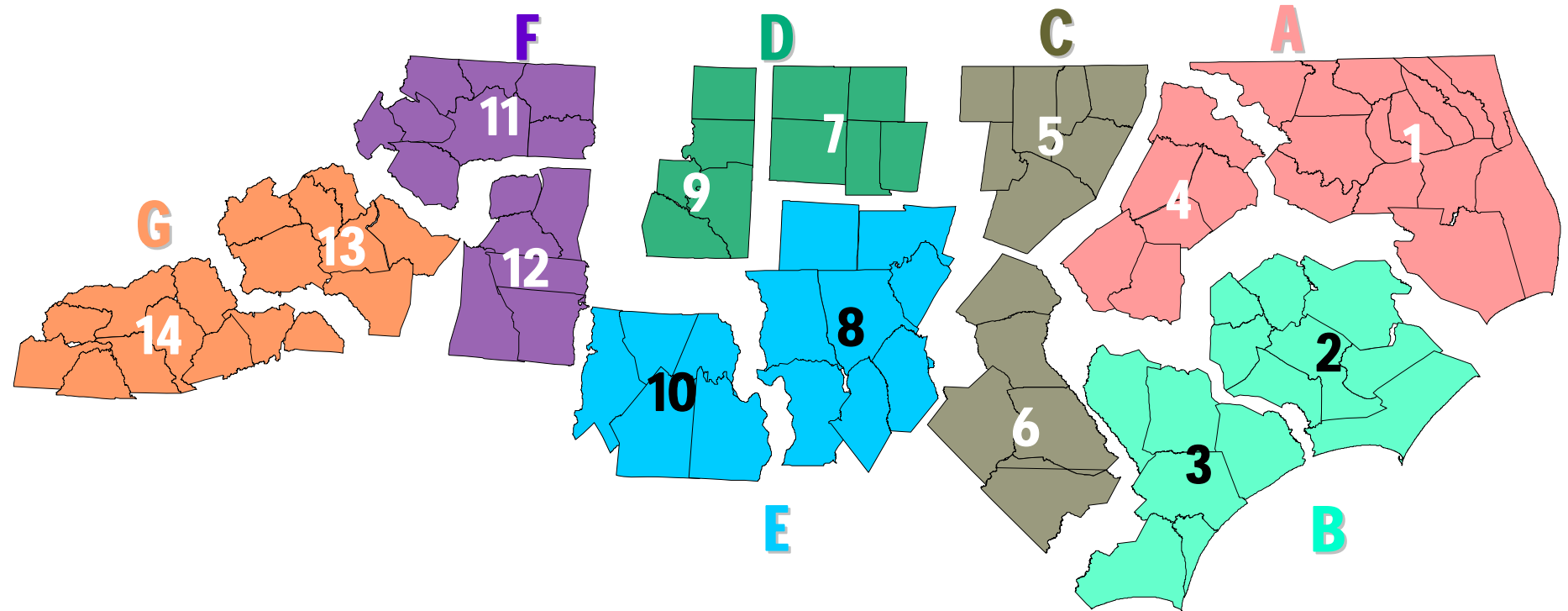
50% POPULATION OF REGION AS PERCENT OF STATE	25% REMAINING INTRASTATE SYSTEM MILES	25% EQUAL SHARE
---	--	--



*Loops , CMAQ, and Competitive
Federal Grant Funds Excluded*



Relationship Between Divisions and Funding Regions

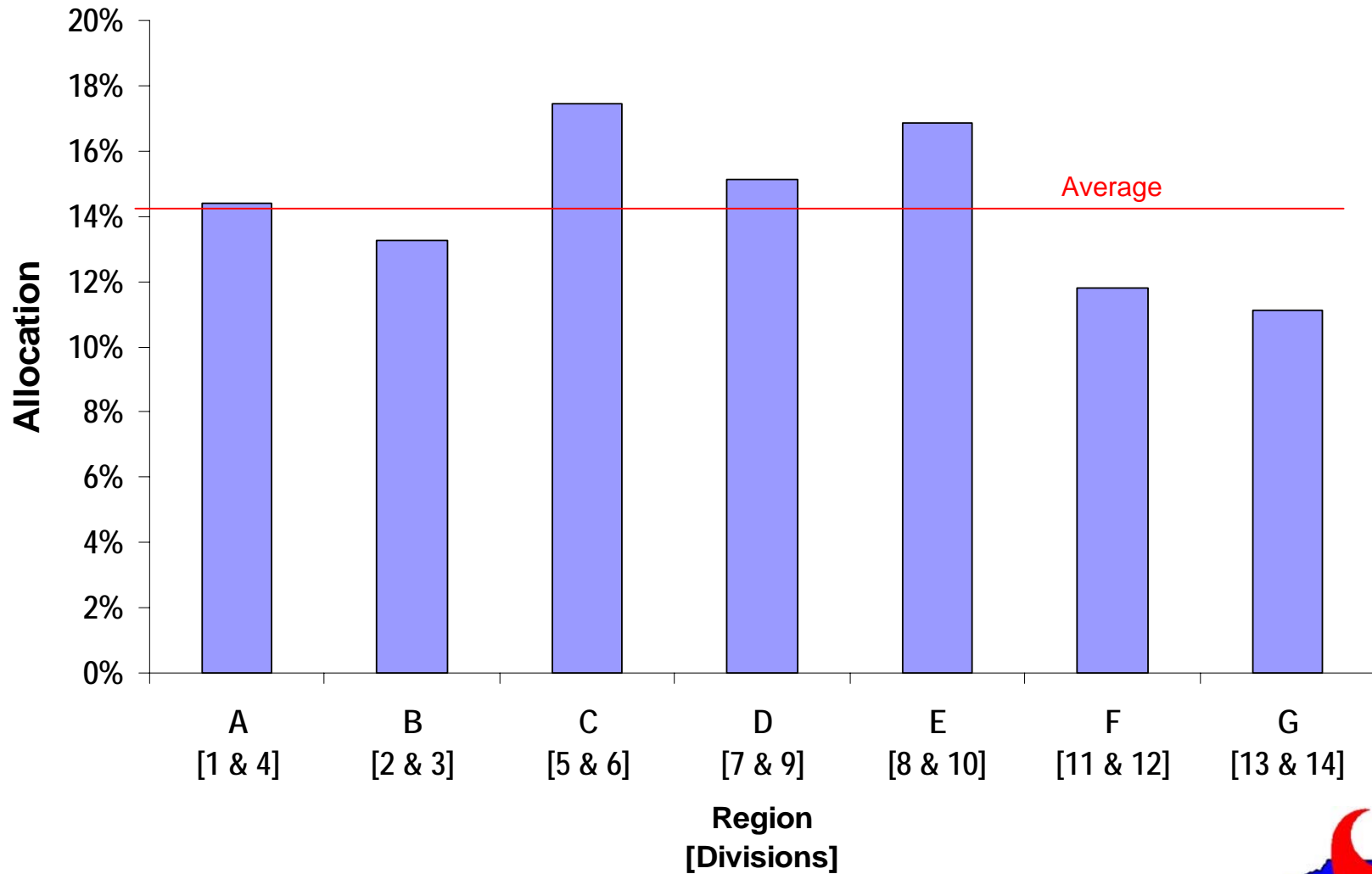


Annual Funding Balance

Year Region	2004	2005	2006	2007	2008	2009	2010	Total
A								
B								
C								
D								
E								
F								
G								
Total								

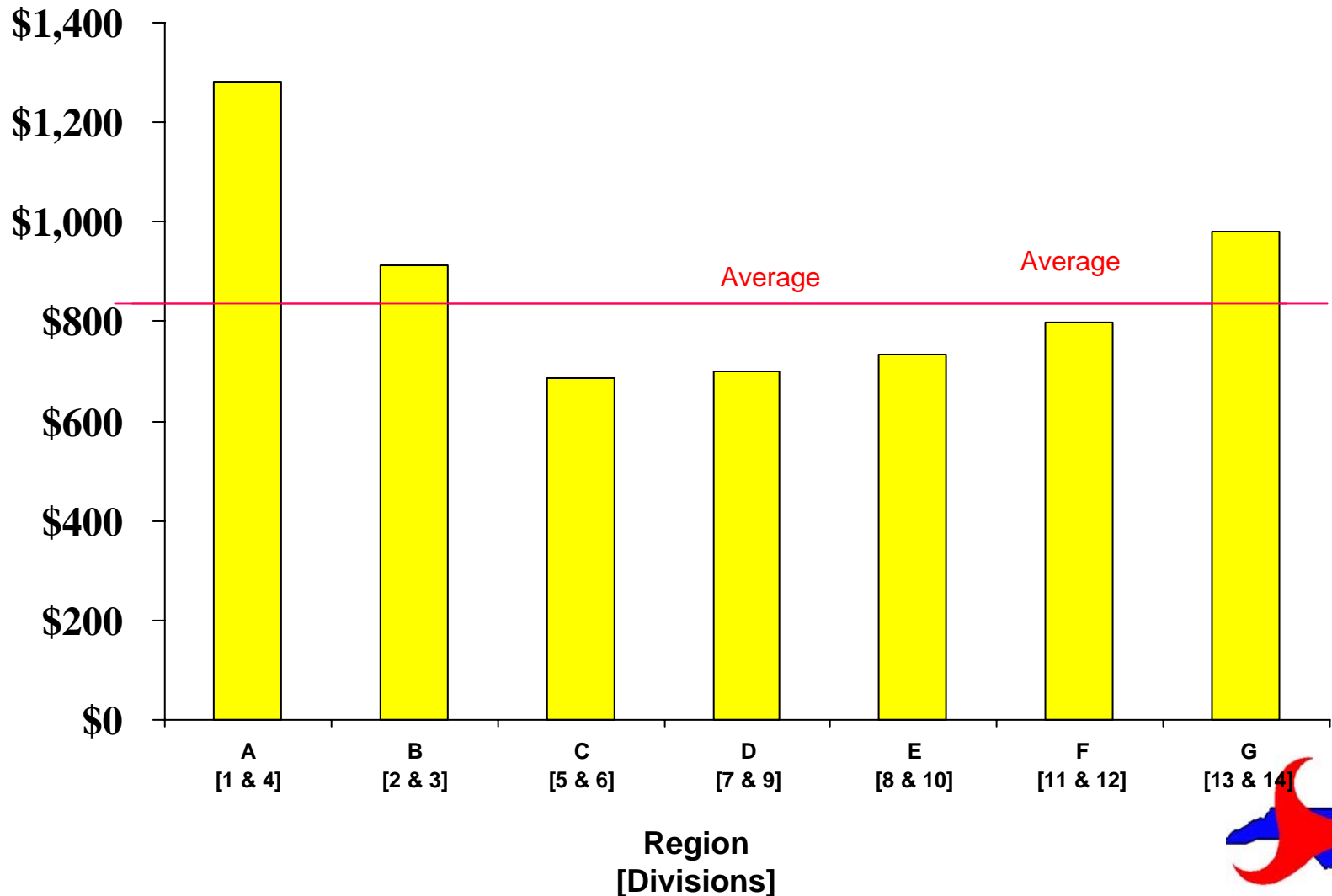


TIP Equity Formula Allocations - 2006-2012

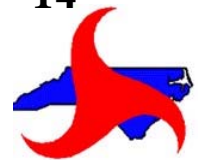
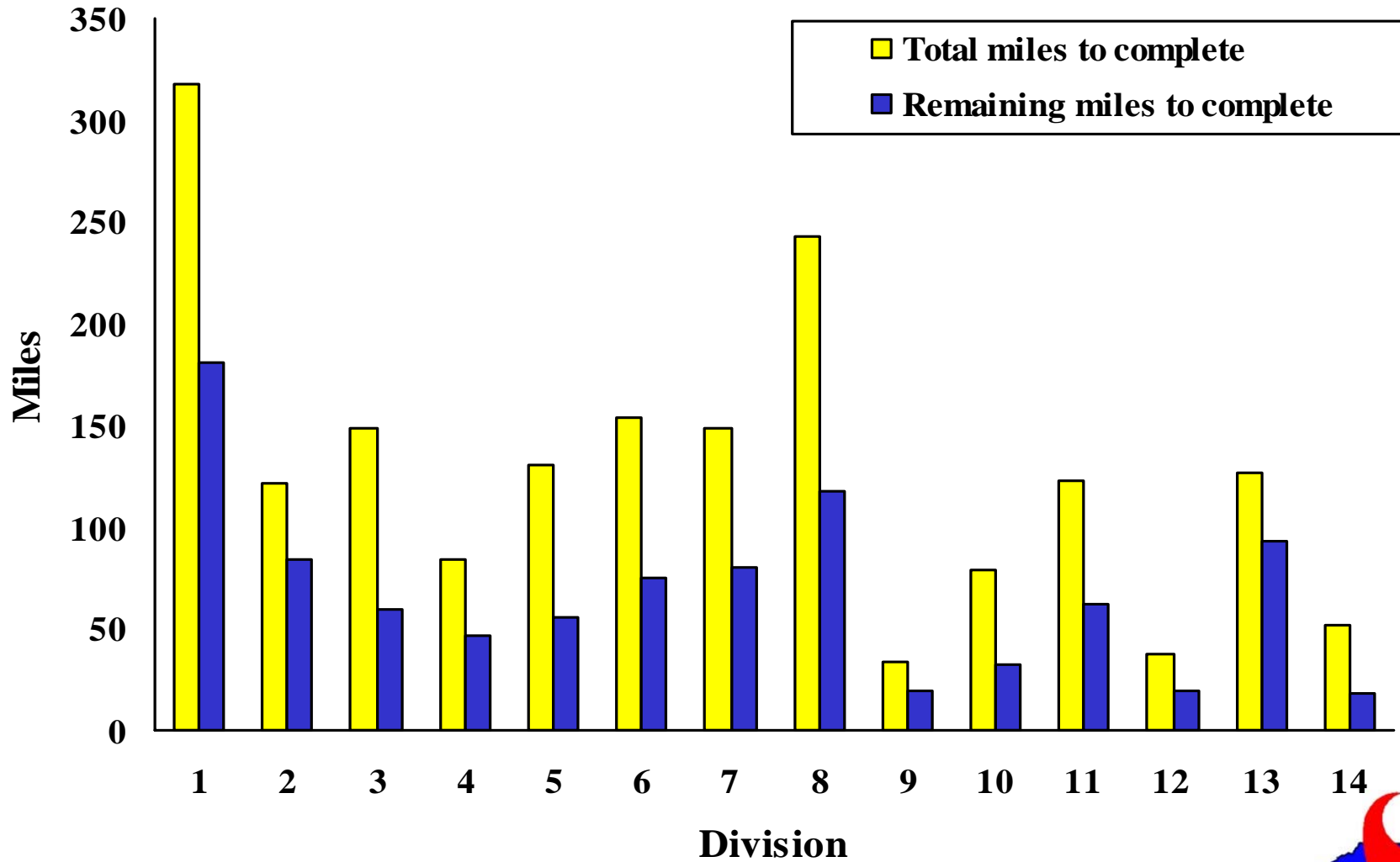


TIP Equity Formula per Capita Allocations

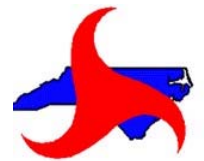
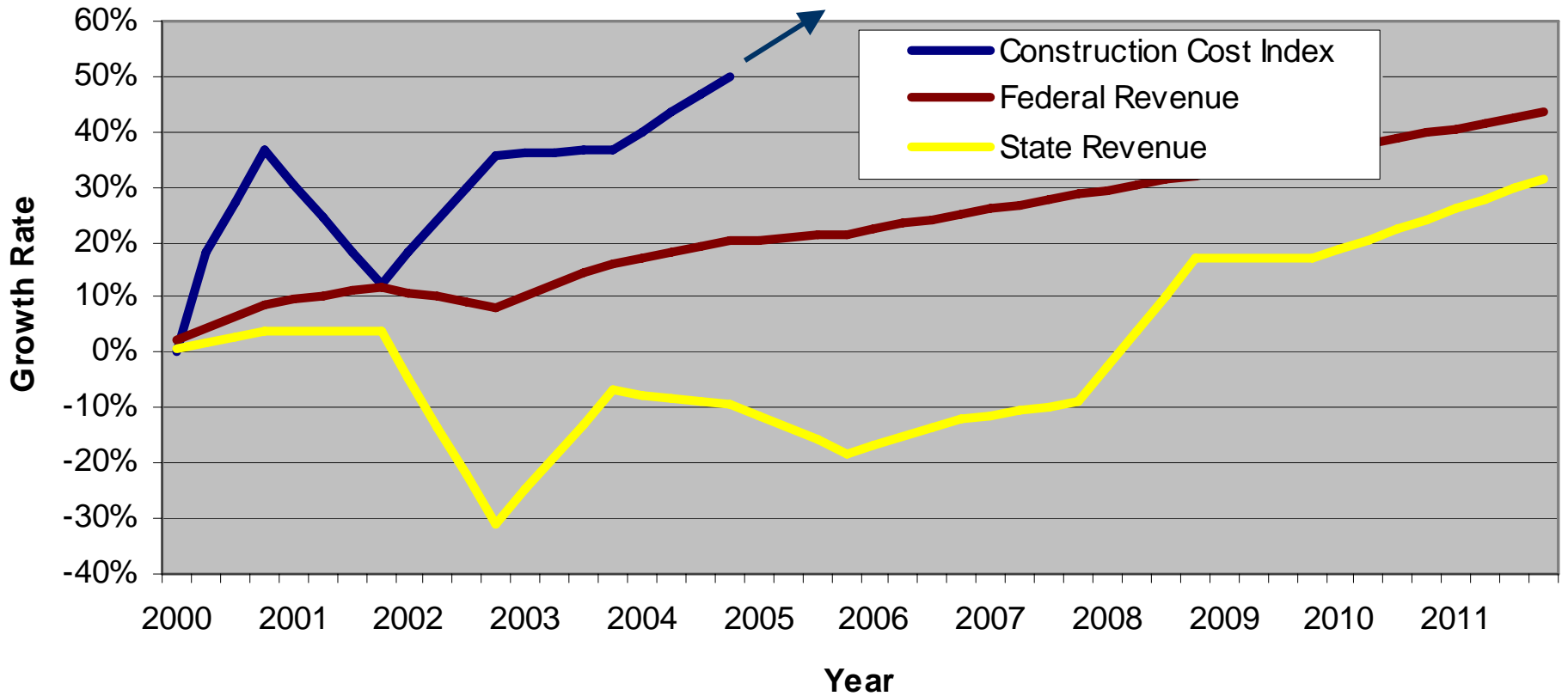
2006-2012 TIP



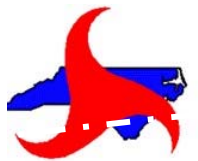
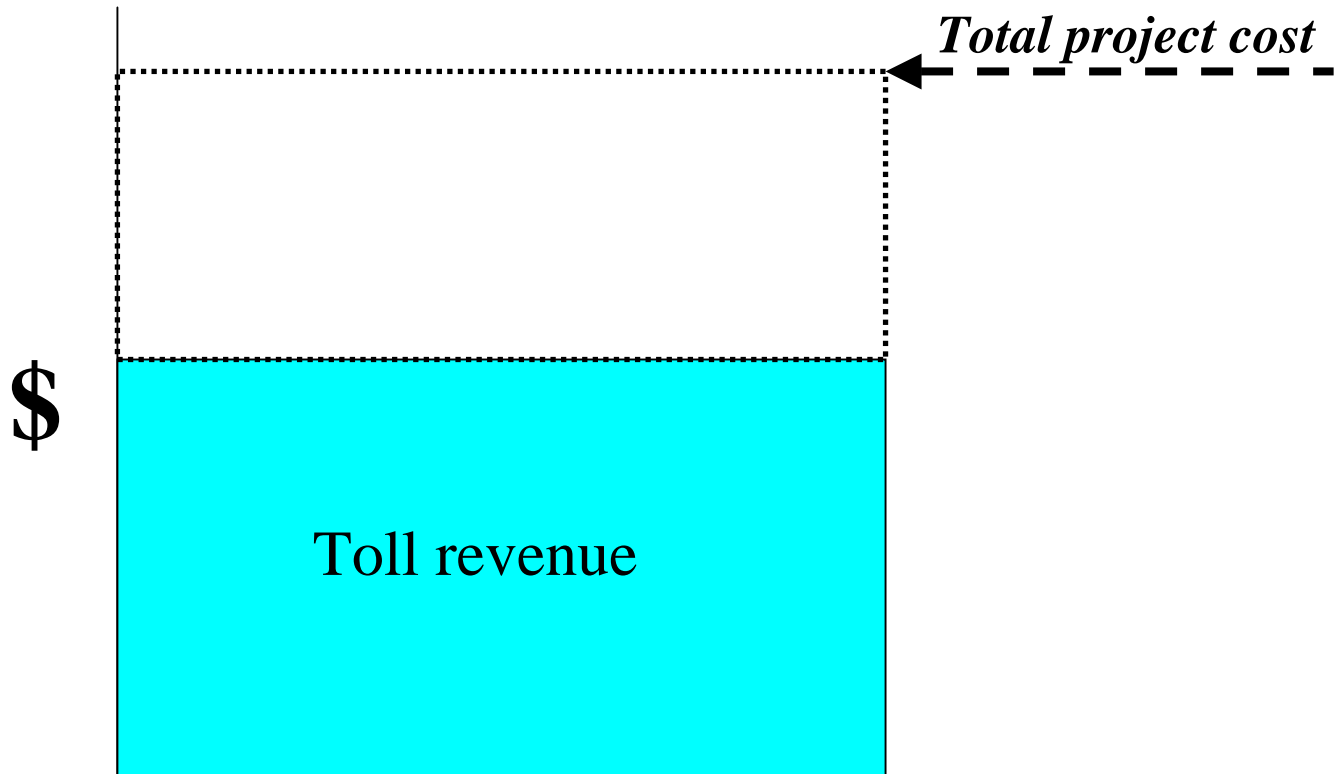
Remaining Intrastate Mileage by Division



TIP Revenues v. Construction Costs



Toll Financing



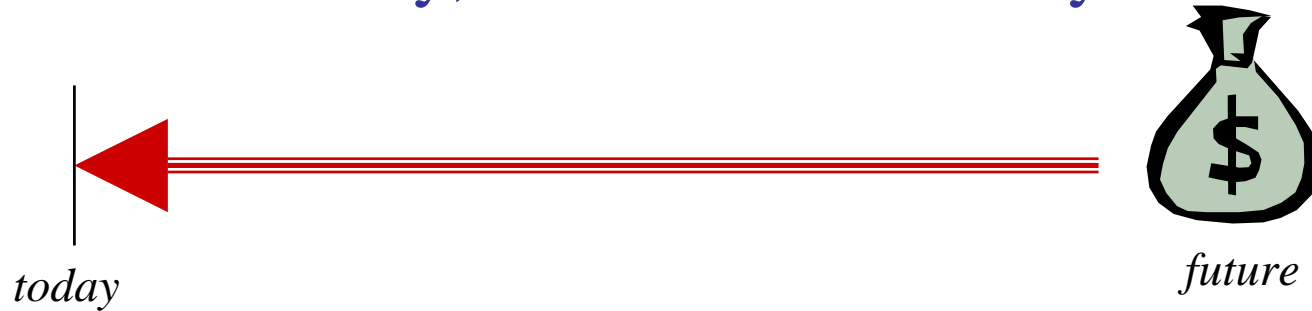
GARVEE Bonds – The Legislation

- Grant Anticipation Revenue Vehicle
- GS 136-18 amended in 2005 to allow for their issuance
- Provisions of law:
 - the total outstanding principal debt cannot exceed the prior fiscal year's total federal transportation authorization to NC
 - the maximum annual principal and interest of debt can not exceed 15% of the expected average annual federal revenue shown in the current the seven-year TIP
 - NC is not obligated to pay back the debt except from the federal revenues

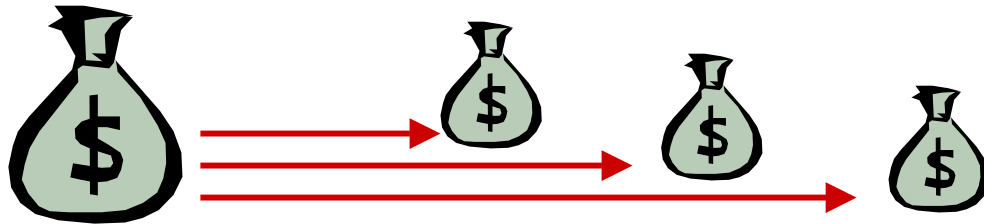


GARVEE Bonds – The Basics

- Not new money, but advanced money



- \$950 million in probably 2 or 3 borrowings

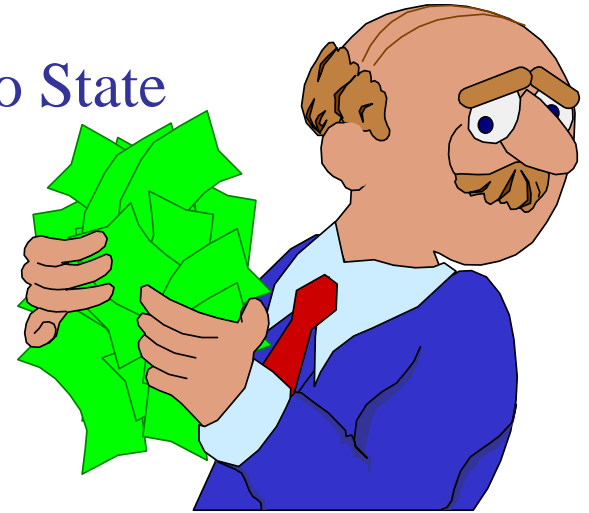


- Equity subject (even if spent on Loop projects)



GARVEE Bonds – The Advantages

- Makes good economic sense
 - Interest rate on debt < current double-digit construction inflation
 - Only federal funds committed - no risk to State
 - As debt is paid, we can re-borrow



- Gets important projects on the ground quicker and cheaper



GARVEE Bonds – The Projects

- No finalized list of projects yet
- Projects being screened based on adopted criteria:
 - NEPA ready by December 2009
 - Regional significance
 - Federal project
 - Logical project termini
 - Strategic Corridor
 - Turnpike projects eligible



GARVEE Bonds – Local Candidates (Sample)

- **Division 10**

- **I-85, Cabarrus County (I-3803B)**
- **I-77, Huntersville, (I-3311E)**
- **I-77 at West Catawba Ave., Cornelius (I-4733)**
- **US 52 Extension, Albemarle (R-2320G)**
- **NC 49, Cabarrus Co. (R-2533CA)**
- **US 74 Independence Blvd, (U-0209B)**
- **Charlotte Outer Loop, NC 115 to I-85 (R-2248E & R-2123CE)**
- **Monroe Bypass (R-2559B&C)**

- **Division 12**

- **I-40/77 Interchange Statesville (I-3819)**
- **I-85/US 321 Interchange Gastonia (FS-0212C)**
- **NC 16, Catawba Co. (R-3100A&B)**
- **NC 73, Lincoln Co. (Part of R-2706)**
- **Shelby Bypass, (R-2707)**



GARVEE Bonds – The Schedule

- Project criteria approved by BOT – 12-05
- Project list to be finalized in Spring, 2006
- Hope to sell first bonds in Fall, 2006



Safe Earmarking 101

MYTH:

All earmarks = New \$ = Good Thing

FACT:

Most earmarks = Restriction of Old \$ = Bad Thing

High Priority Projects (HPP) are not new money, but merely tell us how to spend money we were already getting



Safe Earmarking 101

Therefore, we prefer HPP earmarks only on projects that are already programmed in the TIP for 3 primary reasons:

- 1) We don't want to get money for a project we can't deliver;
 - 2) We don't want to skew priorities already established by MPOs & the Board;
- &
- 3) We want to avoid displacing money from previously programmed projects.



Safe Earmarking 101

Allocated Programs (a.k.a discretionary programs)

Generally new money, BUT – usually comes with matching requirements, as much as 50%

Therefore, (again) we only suggest projects that are already programmed in the TIP, for the same reasons stated above



Most federally funded projects require state and/or local matching funds.

Who pays the MATCH?

	STATE	LOCAL
Projects funded in the TIP by BOT initiative	✓	
CMAQ		✓
STP-DA		✓
Locally requested federal earmark projects		✓

