

MEMORANDUM OF AGREEMENT
BETWEEN
THE CITY OF CHICAGO AND THE CMAP COUNCIL OF MAYORS
REGARDING
THE DISTRIBUTION AND ACTIVE PROGRAM MANAGEMENT
OF LOCALLY PROGRAMMED SURFACE TRANSPORTATION BLOCK GRANT FUNDS
UNDER THE FIXING AMERICA'S SURFACE TRANSPORTATION ACT

The following agreement is entered into between the city of Chicago (hereafter referred to as the City) and the Chicago Metropolitan Agency for Planning (CMAP) Council of Mayors (hereafter referred to as the Council). The agreement entered into on this ____ day of _____, 2017 is for the purpose of programming local Surface Transportation Block Grant funds (hereafter referred to as STP) made available to northeastern Illinois under the Fixing America's Surface Transportation (FAST) Act.

The parties do hereto mutually agree, through their duly authorized representatives, to the following:

1. Shared Local Fund. The City and Council agree to establish a shared local fund available to the City and Councils for the purpose of funding important regional projects that address regional performance measures and the goals of ON TO 2050.
 - a. Set-aside. The shared local fund will be established using a set-aside of the region's annual allotment of STP funding, as follows:
 - i. In FFY 2020, the set-aside shall be 10%;
 - ii. In FFY 2021, the set-aside shall be 12.5%; and
 - iii. In FFY 2022 and all subsequent years, the set-aside shall be 15%.
 - b. Use of carryover/obligation authority. In collaboration with the Illinois Department of Transportation (IDOT), excess unobligated federal funding, also known as carryover, will be made available to the parties for programming and obligation and shall be used for the shared local fund in the amount of:
 - i. \$30 million in FFY 2020;
 - ii. \$25 million in FFY 2021; and
 - iii. \$20 million in FFY 2022.This obligation authority will be in addition to the obligation authority associated with the annual allotment of STP, Congestion Mitigation and Air Quality (CMAQ), and Transportation Alternatives Program (TAP) funds to the northeastern Illinois region.
 - c. Project selection committee. The City and Council agree to establish a Shared Fund Project Selection Committee, composed as follows:
 - 3 Votes from the Council of Mayors Executive Committee
 - 3 Votes from the City of Chicago
 - 1 Vote from IDOT
 - 1 Vote from the Counties
 - 1 Vote from the Regional Transportation Authority or a designated Service Board representative
 - 1 Vote from CMAP staff, only in the event of a tied vote

The Shared Fund Project Selection Committee will be supported by CMAP staff and shall have the authority to:

- i. Review applications and recommend projects to the MPO Policy Committee for the shared local fund
 - ii. Develop a project selection methodology for the shared local fund and update as needed;
 - iii. Update performance measures described in section 2; and
 - iv. Develop an Active Program Management system, applying to both the local programs and the shared fund, as described in section 3.
 - v. Develop parameters for providing assistance to disadvantaged communities, including defining eligible communities, as described in section 6.
2. Local Distribution. After the set-asides described above, the remainder of the region's annual STP allotment will be distributed via a performance-based formula to the eleven regional councils of mayors and the City for programming by each entity as described below.
- a. Performance Measures. The City and Council agree to apply the following performance measures on the local jurisdiction system of roadways, functionally classified as collectors or higher, for determining relative need:
 - i. Pavement Condition. To be measured as lane-miles in poor condition as defined in 23 CFR 490.
 - ii. Bridge Condition. To be measured as square feet of deck area in poor condition as defined in 23 CFR 490.
 - iii. Congestion. To be measured as congested centerline miles, until such time as data is available to calculate peak hour excess delay as defined in 23 CFR 490.
 - iv. Safety. To be measured as the number of annual serious injuries and fatalities for the most recent year from IDOT's annual crash data extract.
 - v. SOV travel. To be measured as the total number of single occupant vehicle (SOV) commuters based on the most recent American Community Survey.
 - b. Distribution. The City and Council agree that initial annual programming allotments for FFY 2020 – FFY 2024 shall be determined by applying the sum of the City's and each Council's relative performance for the five measures, using data current as of the deadline in section 5 and weighted equally, to the total funding available for local distribution. CMAP staff shall be responsible for computing all measures. The FFY 2020 distribution for each council and the City shall be no more than 10% above or below its FFY 2017 distribution, and the FFY 2021 distribution shall be no more than 20% above or below its FFY 2017 distribution; in no case shall the performance-based distribution result in an individual council allotment below \$3,000,000. Beginning in FFY 2025 an improvement score, to be developed by the Shared Fund Project Selection Committee, shall be incorporated into the distribution calculation. Attachment A to this agreement contains an illustrative example of the distribution, using data currently available.
 - c. Project Selection. The City and Council agree that each individual subregional council and the City shall establish its own points-based methodology for selecting projects and that a minimum of 25% of those points shall be allocated to regional priorities:
 - i. Green Infrastructure. Points awarded to projects that use green infrastructure to manage stormwater.

- ii. Reinvestment. Points awarded to projects that serve a reinvestment area as defined in ON TO 2050.
- iii. Multi-modal freight movement. Points awarded to projects that benefit freight movement.
- iv. Economically disconnected areas. Points awarded to projects that improve equity through benefits to economically disconnected areas as defined in ON TO 2050.
- v. Complete streets. Points awarded to projects from sponsors that have adopted a complete streets ordinance. (Applicable to councils only.)
- vi. Transit supportive density. Points awarded to projects from sponsors that have permitted density at transit-supportive levels where transit is available or planned. (Applicable to councils only.)

Within the overall 25% weight, each individual subregional council and the City may weight these criteria according to their own local prerogatives.

3. Active Program Management. The Council and City agree to use a uniform active program management system for the shared local fund and local distributions to ensure projects are obligated in a timely manner to avoid having a large unobligated balance of STP funds due to unreasonable or excessive delay. The active program management system will be developed in coordination with CMAP staff and agreed upon by the Shared Fund Project Selection Committee established in section 1.c. of this agreement, and will contain, at a minimum:
 - a. deadlines for projects to be initiated;
 - b. deadlines for project phases to be obligated;
 - c. grace periods for local reprogramming of funds;
 - d. policies for project and phase eligibility; and
 - e. policies for re-distribution of unobligated funds.

4. Phase-in. The Council and City agree that the provisions of this agreement shall be phased in over a period of three years during which time the following will occur:
 - a. Pause new programming. The addition of new projects or phases of projects to local programs that would cause the City or a council to exceed in three years, the amount of their FFY 2017 allotment times three shall pause upon execution of this agreement.
 - b. Regional fiscal constraint. All individual funding balances, whether positive or negative, shall be forgiven. A single regional balance of funding shall be established from:
 - i. the existing carryover balance available for obligation that is not reserved for use in the shared local fund in FFY 2020 - 2022;
 - ii. the entire northeastern Illinois allotment for FFY 2018 and FFY 2019; and
 - iii. the amount of the FFY 2020 northeastern Illinois allotment that is not set-aside for the shared local fund.
 - c. Honor existing commitments. All project phases programmed within FFY 2018 – FFY 2020 in each suburban council’s adopted multi-year program as of the execution of this agreement will continue implementation on a “first ready, first funded” basis, until such time as any of the following occur:
 - i. all committed project phases have been obligated or voluntarily withdrawn by the project sponsor;
 - ii. all available funds described in section 4.b. above have been exhausted; or
 - iii. the start of FFY 2021.

Documented adopted policies for maximum funding caps and cost increases shall be honored for applicable projects or project phases. For sponsors seeking cost increases that are within councils without established policies, CMAP staff will determine if the requested funding is anticipated to be available and will provide a staff recommendation for approval or denial by the Council of Mayors Executive Committee. In the absence of an adopted program, the commitment to the City of Chicago shall be defined as three times the annual allotment, including the 5% regional set-aside, to which the City was entitled for FFY 2017. The City shall notify CMAP staff of changes to their established program prior to seeking federal obligation in order to facilitate regional accounting.

5. Implementation Deadlines. The Council and City agree that:
 - a. Shared Fund Project Selection Committee voting procedures shall be established by December 31, 2017.
 - b. The Shared Fund Project Selection Committee shall adopt the shared local fund project selection methodology, referenced in Section 1.c., no less than three months prior to the initial call for projects or FFY 2021 – FFY 2025 program development to be funded with the shared local fund.
 - c. Individual subregional councils and the City shall each adopt local project selection methodologies, as referenced in Section 2.c., no less than three months prior to the initial call for projects or FFY 2021 – FFY 2025 program development to be funded with the local distribution.
 - d. The Shared Fund Project Selection Committee shall establish an Active Program Management system by June 30, 2018.
 - e. Complete and uniform performance data shall be collected by CMAP, in coordination with local partners, by June 30, 2019, and shall be updated at least every five years.
 - f. Performance-based distribution allotments shall be determined by December 31, 2019, and shall be re-calibrated every five years based on the updated data.
 - g. The methodology for recalibrating distribution to account for improved performance shall be established by the Shared Fund Project Selection Committee by December 31, 2019.
6. Other Provisions. The Council and City agree to these additional provisions.
 - a. Assistance for disadvantaged communities. Eligible communities, as defined by the Shared Fund Project Selection Committee, shall be permitted to request Transportation Development Credits in lieu of required local match for the construction phase of projects based on credit availability and with the approval of IDOT and within federal and state policies and guidance.
 - b. Transparency. The City and Council agree, in support of the principles and procedures of the Grant Accountability and Transparency Act (GATA) and in the interest of promoting transparent decision-making and opportunities for public engagement, that:
 - i. Project selection methodologies shall be published on the City, individual subregional council, and/or CMAP websites;
 - ii. Recommended programs of projects shall be subject to a minimum public comment period; and
 - iii. Final programs or projects, and any subsequent updates thereto, shall be published on the City, individual subregional council, and/or CMAP websites.

- c. Period of agreement. The terms of this agreement shall remain in effect as long as the participating parties deem appropriate, and shall be subject to review and renewal upon:
 - i. passage of new federal transportation authorization legislation replacing the FAST Act;
 - ii. request or recommendation of the US DOT as a part or condition of any certification review of the metropolitan planning process; or
 - iii. substantial changes to the overall condition of transportation funding and needs in northeastern Illinois.

The City and the Council hereby cause this memorandum of agreement to be executed on the day and year identified in the first paragraph.

SIGNED:

Jeffery D. Schielke
Chairman, Council of Mayors
Mayor, City of Batavia

Rebekah Scheinfeld
Commissioner, Department of Transportation
City of Chicago

ATTEST:

Randall S. Blankenhorn
Secretary
Illinois Department of Transportation

Joseph C. Szabo
Executive Director
Chicago Metropolitan Agency for Planning

ATTACHMENT A: Illustrative Local Distribution of Funding

Local distribution change due to formula

	FFY17 allotment	FFY20 allotment	Difference	Percent Difference
Central	\$3,138,388	\$3,000,000	-\$138,388	-4%
Chicago ¹	\$63,871,101	\$56,548,195	-\$7,322,906	-11%
DuPage	\$11,271,468	\$11,326,208	\$54,740	0%
Kane/Kendall	\$9,868,205	\$10,140,582	\$272,377	3%
Lake	\$8,507,921	\$11,081,203	\$2,573,282	30%
McHenry	\$3,958,003	\$4,161,715	\$203,712	5%
North Central	\$3,778,438	\$4,318,685	\$540,247	14%
North Shore	\$3,968,555	\$4,689,047	\$720,492	18%
Northwest	\$8,687,388	\$6,464,370	-\$2,223,018	-26%
South	\$6,327,698	\$5,347,400	-\$980,298	-15%
Southwest	\$4,592,442	\$4,588,518	-\$3,924	0%
Will	\$7,165,240	\$7,757,461	\$592,221	8%

¹Chicago FFY 2017 allotment includes the 5% region project set-aside

²Kane/Kendall FFY 2017 allotment includes STP funds accumulated by Plano (\$591,525) and Sandwich (\$781,854) prior to joining the CMAP Planning region.

Local distribution change due to formula, with a smoothed phase-in (showing first year only) limiting the change (+/-) to 10% in FFY20 and 20% in FFY21.

	FFY17 allotment	FFY20 adjusted	Difference	Percent Difference
Central	\$3,138,388	\$3,000,000	-\$138,388	-4%
Chicago ¹	\$63,871,101	\$57,483,991	-\$6,387,110	-10%
DuPage	\$11,271,468	\$11,198,233	-\$73,235	-1%
Kane/Kendall	\$9,868,205	\$10,026,004	\$157,799	2%
Lake	\$8,507,921	\$9,358,713	\$850,792	10%
McHenry	\$3,958,003	\$4,114,692	\$156,689	4%
North Central	\$3,778,438	\$4,156,282	\$377,844	10%
North Shore	\$3,968,555	\$4,365,411	\$396,856	10%
Northwest	\$8,687,388	\$7,818,649	-\$868,739	-10%
South	\$6,327,698	\$5,694,928	-\$632,770	-10%
Southwest	\$4,592,442	\$4,536,672	-\$55,770	-1%
Will	\$7,165,240	\$7,669,809	\$504,569	7%

¹Chicago FFY 2017 allotment includes the 5% region project set-aside

²Kane/Kendall FFY 2017 allotment includes STP funds accumulated by Plano (\$591,525) and Sandwich (\$781,854) prior to joining the CMAP Planning region.