FM 969 CORRIDOR

APPENDIX H

FUNDING SOURCES

Appendix I Funding Sources

1 Funding Sources

Traditional federal, state, and local funding sources are among the most attractive alternatives for financing a variety of transportation projects. These funding sources generally provide a definable, predictable flow of financial resources as well as a clearly defined set of rules, requirements, and how-to manuals to secure the funds; and they provide established institutional forums with clear lines of authority for achieving and carrying out stakeholder consensus.

The federal transportation funding program administered by CAMPO requires projects be included in a financially constrained long-range transportation plan that defines project and programmatic use of the anticipated federal funding.

To a similar extent, certain local funding resources, such as bond offerings, are also bound by programmatic constraints as most jurisdictions have bond caps or are limited by bond ratings that can make general obligation bond financing for large projects difficult.

The traditional funding sources described below include a summary of those available from the U.S. Department of Transportation (USDOT), state and local sources.

2 U.S. Department of Transportation Funding Sources

There are various federal transportation resources available for the funding of street and highway, public transit, and bicycle and pedestrian improvements. The USDOT channels financial assistance for transportation facilities and operations for those proposed for FM 969 through FHWA and FTA. Most of these programs require an 80 percent federal share and 20 percent non-federal match.

The new federal surface transportation bill, Moving Ahead for Progress in the 21st Century (MAP-21) enacted July 6, 2012, provides transportation funding through October 1, 2014. The information provided below reflects the changes included in the new bill based on available summary information. Approximately 60 programs have been eliminated or combined.[1,2]

The distribution of federal transportation funds is the responsibility of CAMPO. Being part of the MPO region means that federal funds for transportation projects can only be obtained if those projects are part of the financially constrained long-range transportation plan, and if they have been programmed for implementation in the Transportation Improvement Program (TIP). For

[1] Ehl, Larry, 2012. Cheat Sheet for MAP-21, New Federal Transportation Bill. Transportation Issues Daily. http://www.transportationissuesdaily.com/cheat-sheet-for-map21-new-federal-transportation-bill. June 29. Website accessed July 1, 2012.

[2] www.transportationissuesdaily.com/part-2-cheat-sheet-for-map21-new-federal-transportation-bill. Accessed June 30, 2012.

projects to be considered for inclusion in the TIP, each project is ranked based on systematic procedures to determine whether the project provides the greatest achievement of desired regional outcomes for every dollar expended. Since federal funding is limited, the competition among regional transportation improvement projects is high.

FM 969 is functionally classified as a principal arterial between US 183 and SH 130 but is not included on the National Highway System. East of SH 130, it is classified as a major rural collector.[3] Projects of regional significance proposed for FM 969 will need to be coordinated with CAMPO staff for the project to be evaluated for inclusion in the regional long-range transportation plan and TIP, or to be considered for funding through other federal transportation grant programs. A general overview of applicable FHWA and FTA related funding programs is provided in the following sections.

2.1 Federal Highway Administration

Federal and state roadways in the City of Austin are maintained by TxDOT and coordination of funding for vehicular transportation services must occur with the appropriate Austin District staff. Listed below are the relevant FHWA funding sources based on preliminary summaries of the new federal surface transportation programs as of July 1, 2012. Current allocation of the various FY 2012 FHWA funds to TxDOT Districts, MPOs, and projects is described in detail in TxDOT's *2012 Unified Transportation Program* (UTP) and amendments[4].

Transportation Mobility Program[5] – This program replaces the previous Surface Transportation Program but retains the same block grant funding program with subcategories for states and urban areas. These funds can be used for any road (including NHS) that is not functionally classified as a local road or rural minor collector. The funding ratio has been 80 federal/20 local. As mentioned above, projects are prioritized and selected by the CAMPO policy board for this program.

Transportation Enhancement Program – The Transportation Enhancement Program (SAFETEA-LU Sec. 1112, 1113, 6003), a former subcategory of STP funding, was designed to assist states with enhancing the aesthetics, diversity, and environmental condition of the nation's multimodal transportation system. Each state was required to dedicate 10 percent of their STP funds to transportation enhancement activities. Eligible projects for Transportation Enhancement Program funding included the striping of bike lanes, promotion of bicycle safety along roadways designated as federal-aid highways, acquisition of scenic easements and scenic or historic sites, and any aesthetic or environmental improvements to roadways. States administered

[3] Texas Department of Transportation (TxDOT). TxDOT Statewide Planning Map, 2012. http://www.txdot.gov/travel/planning_map.htm Website accessed July 6, 2012.
[4] TxDOT (Texas Department of Transportation), 2012. *2012 Unified Transportation Program*, http://www.txdot.gov/business/governments/unified_transportation.htm Website accessed June 26, 2012.
[5] U.S. Senate, 2012. Committee on Environment and Public Works. Summary of Moving Ahead for Progress in the 21st Century (MAP-21). http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=6d1e2690-6bc7-4e13-9169-0e7bc2ca0098. Website accessed July 1, 2012.

Transportation Enhancement Program grants through a competitive application process.[6] This program has been merged with the Safe Routes to School, Recreational Trails and Scenic Byways for a new Transportation Alternatives Program that is under a modified Congestion Mitigation and Air Quality Improvement Program.[7]

Metropolitan Planning Funds – MPO (23 USC § 505) planning grants are available for providing financial assistance to the planning of future highway programs and local public transportation systems, as well as the planning of the financing of such programs and systems. MAP-21increases the allocation to MPOs from 12.5 % to 14% of highway funding.[8]

Highway Bridge Program – Under the previous Highway Replacement and Rehabilitation Program, funding was set aside through the Highway Bridge Program (23 USC § 144) to help states repair or replace bridges that are categorized as "structurally deficient" or "functionally obsolete". Resources from the Highway Bridge Program were distributed to each state based on their need or estimated cost of repair and rehabilitation of hazardous highway bridges [9](FHWA, 2011a). TxDOT prioritizes need based on the results of biennial inspection of all bridges located on public roadways. For NHS routes, this program has been consolidated with the National Highway Performance Program. Those bridges not on the NHS will be funded under the new Transportation Mobility Program.[10]

Highway Safety Improvement Program – The Highway Safety Improvement Program (HSIP) (23 USC § 148) provides assistance to states to dramatically reduce traffic related fatalities and injuries on all public access roadways. Each state must initially apply HSIP funding to improve rural roadways that are at a high risk for traffic related crashes. Once states have met the federal requirements for improving safety on their high risk rural roads, they can utilize the remaining funding for any safety related improvement.[11] The program will receive and increase in funding under MAP-21.[12]

Congestion Mitigation and Air Quality – Urban areas that do not meet national ambient air quality standards are designated as non-attainment areas by the U.S. Environmental Protection Agency. The five-county CAMPO region has not been named a non-attainment region for the 2008 eight-hour Ozone standard, however, the region may fall into this category if the EPA adopts more stringent standards in 2013. Congestion Mitigation and Air Quality (CMAQ) (23

---

[6] FHWA (Federal Highway Administration), 2011a. Factsheets on Highway Provisions. http://www.fhwa.dot.gov/safetealu/factsheets.htm. Website accessed May 5, 2012.

[7] U.S. Senate, 2012. Committee on Environment and Public Works. Summary of Moving Ahead for Progress in the 21st Century (MAP-21). http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=6d1e2690-6bc7-4e13-9169-0e7bc2ca0098. Website accessed July 1, 2012.

[8] U.S. House of Representatives, 2012. Committee of the Conference.Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012

[9] Ibid.

[10] Ibid.

[11] FHWA (Federal Highway Administration), 2011b. Section 402 Highway Safety Funds. http://safety.fhwa.dot.gov/policy/section402/. Website accessed May 5, 2012.

[12] U.S. House of Representatives, 2012. Committee of the Conference.Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012

USC § 149) funds are apportioned to non-attainment urban areas for use on projects that contribute to the reduction of mobile source air pollution through reducing vehicle miles traveled, fuel consumption, or other identifiable factors. The matching ratio for this program has been 80 federal/20 local, except for traffic signal systems, park & ride lots, and ridesharing projects which are 100 percent federally funded.[13] MAP-21 adds particulate matter as one of the pollutants to be addressed by proposed projects and requires a performance plan for large urban area to track the improvements in air quality.[14]

Recreational Trails Program – The Recreational Trails Program (23 USC § 206) was a funding resource dedicated to constructing and maintaining motorized and non-motorized trails. Half of this resource was equally divided among all states, and the other half was distributed to qualifying states that have non-highway recreational fuel consumption. State agencies, such as transportation or parks and wildlife departments, were responsible for administering the associated Rails to Trails Program through a competitive application process. Eligible recipients of the Recreational Trails Program financial assistance included local and regional agencies, and non-profit organizations.[15] This program has been merged under MAP-21 into the Transportation Alternatives Program under CMAQ.[16]

Safe Routes to School – Safe Routes to School (SRTS) (SAFETEA-LU Sec. 1404) was a federal grant program that was designed to fund improvements in safety and air quality near primary, elementary, and middle schools. Other goals of SRTS were to encourage children to use alternative travel modes to school including biking and walking, and fund the planning and implementation of projects that meet the program's objectives. Resources from this program were distributed to every state based on need or enrollment of students. Each state department of transportation was responsible for administering the SRTS program through a competitive grant application. Eligible recipients of SRTS financial assistance included any state, local, regional, and non-profit organization that exhibited need and met the planning and implementation requirements of the program. Potential projects that met SRTS funding requirements included infrastructure improvements such as traffic calming, constructing sidewalks, and other bike and pedestrian pathways. The SRTS program also provided funding for non-infrastructure programs such as education and outreach programs; signage, security and other enforcement measures; and program administration costs. In most states, it was necessary to have a SRTS Infrastructure Plan

[13] FHWA (Federal Highway Administration), 2011a. Factsheets on Highway Provisions. http://www.fhwa.dot.gov/safetealu/factsheets.htm. Website accessed May 5, 2012.
[14] U.S. House of Representatives, 2012. Committee of the Conference.Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012
[15] FHWA (Federal Highway Administration), 2011a. Factsheets on Highway Provisions. http://www.fhwa.dot.gov/safetealu/factsheets.htm. Website accessed May 5, 2012.
[16] U.S. House of Representatives, 2012. Committee of the Conference.Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012.

before improvements can qualify for funding under the SRTS program.[17] SRTS has been consolidated under Transportation Alternatives in MAP-21.[18]

2.2 Federal Transit Administration

Capital Metro provides service within its designated service boundary and CARTS provides the bus service in the rural areas and between rural areas and the City of Austin. FTA provides transportation planning assistance, financial assistance to transit operators in urban communities and rural areas, as well as capital improvement funding. These resources are formula based and distributed according to population size and density. MAP-21 includes modifications to FTA programs as noted.

Planning – FTA Section 5305 – Funds are available for planning activities that support the economic vitality of a metropolitan area, increase the safety and security of the transportation system, and increase the accessibility and mobility across and between modes. Major new fixed guideway projects or extensions to existing systems financed with New Starts funds, typically receive these funds through a full funding grant agreement that defines the scope of the project and specifies the total multi-year federal commitment to the project.[19] The Capital Metro Green Line commuter rail may be eligible for these funds. MAP-21 requires the planning process to incorporate a more comprehensive performance-based approach.[20]

Urbanized Area – FTA Section 5307 – The Urbanized Area Formula Funding Program makes federal resources available to urbanized areas for transit planning, transit capital and operating assistance in urbanized areas with a population of 50,000 or more (FTA, 2011a). As previously mentioned in **Section 3.4.3**, the UZA boundaries were updated by the U.S. Census in March 2012. The boundary changes will reduce the CARTS service area. To fill the gap between the Capital Metro service area and the new UZA boundary, Travis County or another entity may need to request a sub-allocation of these funds to provide transit service. As an example, Harris County Transit provides service to those areas in Harris County that are not a part of the METRO service area. MAP-21 moves the Job Access and Reverse Commute program to this section.[21]

Bus and Bus Facilities/Major Capital Investments/Fixed Guideway Modernization –Section 5309/5309(b)(1)/5309(b)(2) – Similar to the other funding sources, the FTA capital grant program requires a 80 percent federal funding share and a minimum 20 percent non-federal

[17] FHWA (Federal Highway Administration), 2011a. Factsheets on Highway Provisions. http://www.fhwa.dot.gov/safetealu/factsheets.htm. Website accessed May 5, 2012.
[18] U.S. House of Representatives, 2012. Committee of the Conference.Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012.
[19] FTA Formula Grants for Section 5305, 5307, 5310, 5316, and 5317. FTA, 2012. http://www.fta.dot.gov/grants/13093.html. Website accessed May 12, 2012.

[20] U.S. House of Representatives, 2012. Committee of the Conference. Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012.
[21] Ibid

match. Eligible recipients for FTA capital formula grants include any publically-owned transit operator or governmental agency that has the authority to accept and disperse federal resources. Most capital improvement projects that qualify for FTA funding include vehicle, computer and software acquisition, and the construction of maintenance and transit centers. Other capital improvements that enhance multimodal connections to transit also qualify for this FTA grant funding.

Eligible activities include commuter rail, a busway/high occupancy vehicle facility, or an extension of these. Projects become candidates for funding under this program by successfully completing the appropriate steps in the major capital investment planning and project development process.[22] The CAMPO 2035 MTP shows high-capacity transit on FM 969, however the recent work by the CAMPO Transit Working Group does not include FM 969 as a priority corridor.[23]

There are a few changes to this program in the new federal bill. MAP-21 streamlines the New Starts process to expedite the review of projects under $100 million. Another modification is an expanded definition of Bus Rapid Transit.

Elderly and Disabled – FTA Section 5310 – This funding provides support the special transportation needs of elderly individuals and individuals with disabilities.[24] MAP-21 merges this program with New Freedom (FTA Section 5317) and increases the funding levels compared to current levels.[25]

Job Access Reverse Commute – FTA Section 5316 – This funding was available for transportation projects that support the development and maintenance of transportation services designed to transport low-income individuals to and from jobs and activities related to their employment and to support reverse commute projects.[26]This program has been merged under FTA Section 5307, Urbanized Area Grants.[27]

New Freedom – FTA Section 5317 – This funding was available for transportation projects that support new public transportation services and alternatives beyond those required by the Americans with Disabilities Act (ADA) that are designed to assist individuals with disabilities with accessing transportation service, including transportation to and from jobs, and employment

---

[22] Discretionary Grant Programs (Competitive) for for Section 5309. FTA, 2011. http://www.fta.dot.gov/grants/13093.html. Website accessed May 12, 2012.
[23] Project Connect, 2012. Transit Working Group Meeting Presentation, June 1, 2012. http://txprojectconnect.files.wordpress.com/2011/11/twg-june-1-ver11latest.pdf . Website accessed July 5, 2012.
[24] FTA Formula Grants for Section 5305, 5307, 5310, 5316, and 5317. FTA, 2012. http://www.fta.dot.gov/grants/13093.html. Website accessed May 12, 2012.
[25] U.S. House of Representatives, 2012. Committee of the Conference. Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012.
[26] FTA Formula Grants for Section 5305, 5307, 5310, 5316, and 5317. FTA, 2012. http://www.fta.dot.gov/grants/13093.html. Website accessed May 12, 2012.
[27] U.S. House of Representatives, 2012. Committee of the Conference. Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012.

support services.[28] This program has been merged with FTA Section 5310 program serving elderly and disabled populations.[29]

3 Local Funding Sources

Any costs for street and highway, public transit, and bicycle and pedestrian improvements not covered by federal and/or state programs are the responsibility of the local governmental jurisdictions. Local funding can come from a variety of sources including property taxes, sales taxes, user fees, special assessments, and impact fees. The most common potential sources are discussed below.

State funding for highway projects is used primarily as match for federal funding. Highway projects that are built with 100% state funds are generally preventative maintenance rehabilitation projects.

Property Taxes – Property taxation has historically been the primary source of revenue for local governments in the United States. Property taxes account for more than 80 percent of all local tax revenues. Property is not subject to federal government taxation, and state governments have, in recent years, shown an increasing willingness to leave this important source of funding to local governments.

General Sales Taxes – The general sales tax is also an important revenue source for local governments. The most commonly known form of the general sales tax is the retail sales tax, which is imposed on a wide range of commodities. The rate is usually a uniform percentage of the selling price. The City of Austin collects a two percent sales tax, with one percent dedicated to Capital Metro.

User Fees – User fees are fees collected from those who utilize a service or facility. The fees are collected to pay for the cost of a facility, finance the cost of operations, and/or generate revenue for other uses. User fees are commonly charged for public parks, water and sewer services, transit systems, and solid waste facilities. The theory behind the user fee is that those who directly benefit from these public improvements pay for the associated cost.

Special Assessments – Special assessment is a method of generating funds for public improvements, whereby the cost of a public improvement is collected from those who directly benefit from it. In many instances, new streets are financed by special assessment. The owners of property located adjacent to the new streets are assessed a portion of the cost of the roadway, based on the amount of footage they own adjacent to the transportation improvement. Special assessments have also been used to generate funds for general improvements within special districts, such as central business districts. In some cases, these assessments are paid over a period of time, rather than as a lump sum payment.

---

[28] FTA Formula Grants for Section 5305, 5307, 5310, 5316, and 5317. FTA, 2012. http://www.fta.dot.gov/grants/13093.html. Website accessed May 12, 2012.
[29] U.S. House of Representatives, 2012. Committee of the Conference. Joint Explanatory Statement. http://docs.house.gov/billsthisweek/20120625/HR4348crJESih.pdf. Website accessed July 1, 2012.

Impact Fees – Development impact fees have been generally well received in other states and municipalities in the United States. New developments create increased traffic volumes on the streets around them. Development impact fees are a way of attempting to place a portion of the financial burden on developers who are creating or adding to the need for improvements.

Bond Issues – Property tax and sales tax funds can be used on a pay-as-you-go basis, or the revenues from them can be used to pay off general obligation or revenue bonds. Bonds are issued by local governments upon approval of the voting public. The Travis County Pass-Through Finance project will be financed through certificates of obligations, a form of bond financing. The proposed improvements included in this report were considered by the City of Austin's Bond Election Advisory Task Force for the proposed 2012 bond package.

4 Innovative Financing

Revenue bonds may hold some promise, but they require a revenue stream that can be used to underwrite the repayment over time. One way to combine the federal funding with revenue bonds or other financing is through the use of various innovative finance strategies, which are described in the following sections.

4.1 Integration of Anticipated Federal Funds with Debt Instruments

The USDOT has authorized various innovative finance strategies that can be used to leverage federal program funds. These approaches apply techniques used in the private sector banking and capital finance to leverage public sector funding. Although attractive in concept, it should be noted that except in limited cases, these techniques do not provide additional funds; they primarily provide leverage to existing funds by allowing federal program dollars to be integrated in some way with debt instruments. Although careful attention must be given to how much of future year funding can safely be dedicated, the primary benefit of these approaches is the ability to complete projects in the short term by dedicating future program funds to long-term repayment.

Although these approaches introduce an element of modest, but predictable risk not normally associated with the federal funding program, they also provide substantial benefit. Among these benefits are:

The ability to complete an entire project in a reasonable time frame and begin receiving full benefits at a much earlier stage than if the project was implemented in multiple phases.

The project sponsor can avoid the escalation of construction costs associated with delay, significantly counterbalancing and in some cases offsetting the cost of debt financing.

These approaches provide a mechanism for more measured use of federal program dollars by spreading a series of smaller payments over the life of the metropolitan transportation plan as opposed to large expenditures in a given fiscal year.

The most likely of these types of programs for FM 969 is the State Infrastructure Bank, a revolving loan fund administered by TxDOT. Numerous cities, counties, and toll authorities have

borrowed funds from the Texas State Infrastructure Bank to pay for items ranging from ROW acquisition and utility adjustments to construction.[30]

4.2 Direct or Indirect User Fees

Non-federal sources of revenue to provide a funding stream for bonding or other debt strategies include user fees such as tolls or value capture. The following group of potential funding sources often requires cooperation and voluntary participation of other governmental entities.

Tolls – Tolls are considered a direct user fee and provide a reliable, predictable revenue stream for repayment over time. Except for projects where volumes are high and alternative routes are inconvenient due to distance or high levels of congestion, tolls typically provide only a portion of the total revenue needed to fully fund a project. For this reason, most toll projects are either in heavily congested urban areas, or are associated with a bridge across a river or other physical constraint. Indirect user fees such as pass-through tolls through which per vehicle amounts paid to a facility operator by a third party such as a sponsoring governmental entity and not by facility users. Travis County has executed a pass-through finance agreement with TxDOT as described in **Section 3.6.2, Travis County Projects**. TxDOT will reimburse Travis County for 71% of the construction cost as a negotiated cost per vehicle using the improved roadway.

Value Capture – If a project is being billed as an economic development project, then by definition, some sector of the community should benefit economically by the implementation of the project. Value capture strategies leverage the increase in economic value that the project brings to the community and apply this increase to paying for the transportation improvements. A common mechanism in this category is described:

> Tax increment financing mechanisms use future gains in taxes, usually ad valorem property taxes, to finance the current improvements that will create those gains. This strategy works best in an environment where development levels are low or where development is taking place at a relatively slow pace. This strategy is most effective when the development that brings about the incremental increase in tax revenue would clearly not have taken place without the existence of the roadway, such as the development of office or industrial parks in a previously rural area.

Tax increment financing mechanisms are most commonly associated with land use development or redevelopment projects. While transportation improvements can be included as they benefit the land use projects, they are not the sole focus as transportation projects do not generate ad valorem property taxes.

Value capture strategies are among the hardest to carry out, but may be a viable option for generating local funds to help with major projects, such as a transit oriented development project. They require the cooperation of more government entities and the consensus of a broader set of stakeholders than any of the other approaches. Typically, a tax referendum is required. Value

[30] TxDOT, 2012. Texas State Infrastructure Bank. http://www.txdot.gov/business/governments/sib.htm. Website accessed June 29, 2012,

capture strategies also require an in-depth understanding of the potential economic impacts of the project. This deeper understanding is required both to:

- Mitigate risks that would accrue if the anticipated tax revenues do not materialize.
- Quantify the anticipated increase in tax revenue or economic benefit, and to demonstrate to the stakeholders that this benefit is not only real, but is derived directly and exclusively from the implementation of the transportation project.

Despite the higher hurdles, when associated with a well thought-out project, value capture strategies are among the most sustainable because they are community based and do not dip into existing programmatic resources or revenue streams to the detriment of other initiatives. The value capture strategies are particularly powerful and persuasive when combined with State Infrastructure Bank Financing.

4.3 Municipal Economic Development Tools

Similar to previously discussed indirect user fees, there are additional economic development tools available to the City of Austin to finance improvements within the city limits, including venue project taxes, interlocal agreements, or various economic development districts.

Interlocal Agreements – Rather than undertaking individual initiatives, city and county leaders can work together to try to attract and retain business development. Such cooperation is formalized with an interlocal agreement, which outlines each entity's respective duties. The Interlocal Cooperation Act (Government Code – Chapter 791) also allows local governments to contract with the state or a council of governments to allow for the joint pursuit of governmental functions often related to economic development.

Public Improvement District – Similar to the previously discussed value capture strategy, the Public Improvement District Assessment Act (Local Government Code - Chapter 372) allows a city to finance needed public improvements by levying and collecting special assessments on property within its jurisdiction. By forming a Public Improvement Districts, cities can establish a funding source for the upgrade of substandard utility and public services as well as public facilities, including street, sidewalk, and transit improvements. The Public Improvement District must be petitioned, an improvement plan developed, and a resolution adopted which authorizes the creation of the Public Improvement District.

Municipal Management District – Municipal Management Districts (Local Government Code - Chapter 375) are fairly new and are created within an existing commercial area to finance facilities and infrastructure enhancements beyond those already provided by the governing entity. Improvements are paid for by assessment, property tax, or impact fee charged to property owners located within the district. Municipal Management Districts are petitioned by affected property owners. There are additional revenue vehicles available, such as Municipal Development Districts (Local Government Code - Chapter 377), Neighborhood Empowerment Zones (Local Government Code - Chapter 378), or Local Government Corporations (Texas Transportation Code - Section 431.101).