

ITEM 9 - Information

May 19, 2010

Update on the TPB Regional Priority Bus Project under the Transportation Investments Generating Economic Recovery (TIGER) Program, and Briefing on the “TIGER II” Grant Program Announced on April 26

Staff

Recommendation:

- Receive update on the status of the TPB Regional Bus Project TIGER grant.
- Receive briefing on the new “TIGER II” Grant Program as described in the enclosed materials.

Issues:

None

Background:

Over the past two months, TPB staff has worked closely with FTA and the agencies responsible for implementing the Regional Priority Bus Project components under the \$58 million TIGER grant to meet initial grant requirements. The Board will be updated on these requirements, which include FTA approval of project scopes, schedules and budgets by May 15.

On April 26, USDOT released in the Federal Register the Interim Notice of Funding Availability (NOFA) for \$600 million in discretionary surface transportation grant funding. Because the

requirements of the new program are quite similar to the TIGER Program, it is referred to as “TIGER II.” The Board will be briefed on the key features of this new grant program.

TIGER II DISCRETIONARY GRANTS PROGRAM

TIGER II Funding: On Monday, April 26, 2010, the Department of Transportation solicited applications for the TIGER II discretionary grant program, a \$600 million competitive grant program for surface transportation projects. Pre-applications are due on July 16, 2010, and final applications are due on August 23, 2010. The pre-application will include basic information on projects and will be used by DOT to determine eligibility, the presence of the appropriate match and whether NEPA has been initiated.

Funding is available to units of government – including state, tribal and local governments, transit agencies, port authorities, MPOs and multi-jurisdictional entities – for capital investments in highway or bridge projects; public transportation projects; passenger and freight rail transportation projects; port infrastructure investments; and intermodal facilities.

Individual awards can be \$10-200 million, with up to 80% of project costs eligible for federal funding. \$140 million is reserved for projects in rural areas, where 100% of project costs are eligible for funding and project awards can be as low as \$1 million. No one state can receive more than 25% of program funds.

Up to \$150 million is available to support TIFIA financing, and up to \$35 million is available for transportation planning grants. Applicants may apply for capital grants, TIFIA financing or planning grants, though applicants for capital grants may be awarded TIFIA financing or a planning grant, if it is determined that is the most appropriate award.

Public Comments: The solicitation also provides two weeks for comments on the proposed selection criteria and guidance for awarding TIGER II Discretionary Grants. The Department will take all comments into consideration and may revise the solicitation by May 28, 2010.

HUD Community Challenge Grants: DOT and HUD are requesting comments on a proposal to solicit and evaluate applications for TIGER II transportation planning grants and HUD's \$40 million in Community Challenge Grants jointly. Activities eligible for HUD's grants are corridor or station-area plans, revisions to zoning or building codes and creating or preserving affordable housing for low-income families near transit.

Because the DOT's TIGER II planning funding and HUD's Community Challenge Planning Grant funding is for similar, related purposes DOT and HUD are interested in conducting a multi-agency evaluation and award process. This multi-agency approach is consistent with DOT's and HUD's participation in the "Partnership for Sustainable Communities" to help Americans in all communities – rural, suburban and urban – gain better access to affordable housing, more transportation options, lower transportation costs and a cleaner environment.

Selection Criteria: The Department will give priority to projects that have a significant impact on the following long-term outcomes:

- **State of Good Repair:** Improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize life-cycle costs.
- **Economic Competitiveness:** Contributing to the economic competitiveness of the United States over the medium- to long-term.
- **Livability:** Fostering livable communities through place-based policies and investments that increase transportation choices and access to transportation services for people in communities across the United States.
- **Sustainability:** Improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and benefitting the environment.

- Safety: Improving the safety of U.S. transportation facilities and systems.

Projects will also be evaluated based on the extent to which they include the following:

- Job Creation & Economic Stimulus: The Department will give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, particularly jobs and activity that benefit economically distressed areas.
- Innovation: Priority will be given to projects that use innovative strategies to pursue the long-term outcomes outlined above.
- Partnership: The Department will give priority to projects that demonstrate strong collaboration among a broad range of participants and/or integration of transportation with other public service efforts.

TIGER Discretionary Grant Process and Awards: DOT received over 1400 applications totaling almost \$60 billion for the \$1.5 billion TIGER Discretionary Grant program created under ARRA. In February, 51 awards were announced for projects ranging from bridge replacements, freight rail corridor improvements, streetcar extensions, and bicycle/pedestrian networks. The largest grant award was \$105 million for a multi-state freight rail project, and the average award size was \$30 million.

DOT expects the TIGER II Discretionary Grant program to be just as competitive, though the total funding available is lower.