

# National Capital Region Transportation Planning Board

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## MEMORANDUM

TO: TPB Technical Committee

FROM: Monica Bansal  
Department of Transportation Planning

SUBJECT: Status Update on the TIGER II Grant Application Development Process

DATE: May 28, 2010

On April 26, 2010, U.S. DOT released an interim notice of funding availability for the TIGER II discretionary grant program. The TIGER II program is so named because of its similarity in scope and administration to the TIGER grant program, such as a shared focus on long-term goals like livability and sustainability and a multimodal scope. U.S. DOT staff has indicated that several projects submitted under the first TIGER program were competitive and would be competitive if resubmitted under TIGER II. The region was very successful under TIGER I, with a \$60 million award for a network of priority bus improvements. However, there were compelling elements of the application that were not funded, such as a regional bike-sharing system. Therefore, this new round of TIGER grants provides the region with a good opportunity to resubmit bike-sharing in a regional application. This program addresses many of DOT's long-term goals and objectives, such as providing regional benefits and strengthening regional partnerships, promoting multimodal travel by increasing connectivity and feasibility of using transit throughout the region, and increasing affordable transportation options.

The idea of resubmitting the bike-sharing proposal and including a bicycle infrastructure component for TIGER II funding was discussed at the May 19 TPB meeting and generated positive interest. The TPB gave staff a green light to proceed in developing a regional application that would center on bike-sharing, but would also include bike infrastructure projects to improve connectivity between bike-sharing locations and transit stations, bike paths, and activity centers. These latter components are being developed in partnership with WMATA.

### **What is TIGER II?**

The TIGER II program is a competitive discretionary grant program administered through the U.S. DOT Office of the Secretary. The program is funded with \$600 million appropriated through the FY2010 Appropriations Act, \$425 million of which is available for capital projects in urban areas. The grant program is similar to the original TIGER program in that it focuses on five primary criteria: state of good repair, safety, sustainability, livability, and economic competitiveness; and two secondary criteria: innovation and partnership. Like TIGER, TIGER II will be administered out of the U.S. DOT Office of the Secretary rather than a specific modal administration in order to encourage applications across all modes. Additionally, TIGER II also retains TIGER's emphasis on comprehensive benefit-cost analysis as a method of comparing projects across various modes.

TIGER II differs from TIGER in four major areas. First, the funding is not stimulus-related and as such TIGER II grants require a 20% local match. Second, the overall funding amount is

much less than TIGER and as such the minimum grant requirement is less, at \$10 million. Third, all projects are required to submit a benefit-cost analysis regardless of grant request amount. Lastly, because the funding is not stimulus-related, less emphasis has been placed on completing projects within a two year timeframe.

The TIGER II application timeframe is extremely tight, with pre-applications due on July 16 and final applications on August 23.

### **The general proposal**

The TPB is proposing to submit a regional application for bike sharing and, in partnership with WMATA, complementary bike infrastructure that facilitates connections between bike-sharing stations and transit, the bike network, and activity centers.

A bike-sharing system works similar to a car-sharing system, such as ZipCar, where a user becomes a member by paying a fee and has access to any available bike throughout the region by paying a small, additional per-hour fee. A user is able to take a bike from any bike-sharing station in the region and return it to any other location in the regional system. Not only does bike-sharing allow users to access more destinations via a healthy and non-polluting mode, but it also allows users to ride between a transit station and his/her destination, effectively extending the reach of the current transit system and solving the “last mile problem”.

The proposed regional system would expand the current and planned systems in DC and Arlington County and would connect to the extensive transit and bicycle networks throughout the region. The planned DC and Arlington bike-sharing systems have already gone forward with a joint decision to use Montreal’s Bixi system. This joint planning effort strengthens our ability to formulate and implement a regional bike-sharing system.

As a complement to the bike-sharing and to facilitate more bicycle connections throughout the region, the proposal also includes bicycle infrastructure to improve connections between the bike-sharing locations and transit (bus, rail, and commuter rail), existing bicycle paths, and activity centers. This can include a variety of access and safety improvements, such as bike lanes, paths, and signage, among others. These improvements would greatly enhance the attractiveness of bike-sharing and biking in general to potential users by making biking safer and more convenient.

### **What’s our status?**

TPB staff has been working with the TPB Bicycle and Pedestrian Subcommittee (BPS), as well as the bike-sharing partners from the TIGER process to begin developing a TIGER II application. The proposal above was discussed at the May 18<sup>th</sup> BPS meeting and a deadline of May 26<sup>th</sup> was set for members to express interest in participating in the regional grant application.

To date, the following jurisdictions have expressed interest in participating:

1. District of Columbia, for 1000 additional bikes in their bike-sharing scheme
2. Arlington County, for 750 additional bikes in their planned bike-sharing scheme
3. City of Fairfax
4. City of Alexandria
5. Montgomery County (100-200 bikes in an initial bike-sharing scheme)
6. City of College Park (bike-sharing and possible cycle-tracks or side paths)
7. Prince George’s County

Additional expressions of interest are still welcome. If TPB staff is not currently reaching out to a jurisdiction adequately, an appropriate point of contact should be given to staff.

### **What are the issues?**

The two major obstacles to participation expressed by jurisdictions are both financial: (1) local match and (2) operating expenses for bike-sharing.

For a majority of the interested parties, the local match is proposed to be met by leveraging programmed projects that can be included in this grant request, such as already planned bike-sharing and bicycle infrastructure within bike-sharing locations. Other sources include developer contributions and tax-increment financing. Although many jurisdictions have potential sources of match, meeting the full 20% requirement is still difficult for most. The possibility for jurisdictions with a considerable amount of planned bike-sharing or bike infrastructure, such as DC, to leverage programmed money as match and share with jurisdictions that cannot meet the match requirement on their own was posed at the May 19<sup>th</sup> TPB meeting.

The other major issue is the ability to provide operating costs for the bike-sharing system. Many jurisdictions expressed an inability to find operating dollars in their budgets, despite the relatively low associated costs. It is possible that additional information on operating costs and projections would assist jurisdictions in making this determination. For instance, bike-sharing operating costs are estimated at \$155 per bike per month. Some cost-recovery is expected, with an expectation that revenues would equal costs after four or five years. In Arlington County, it is estimated that cost recovery from subscription and user fees will rise from 19% in the first year to 65% in the fourth year, with eventual full cost recovery. These percentages will vary based on the size and density of the system and should thus be used only as a guideline. Additionally, partnerships with the business community and possible sponsorships should be explored as sources for ongoing funding.

A related issue may be meeting the \$10 million minimum grant request, because of these two financial obstacles to participation.

### **The timeline for next steps**

The deadline for the application is August 23<sup>rd</sup>, 2010. There is a pre-application deadline of July 16<sup>th</sup>, at which point some major details must be determined, such as match amounts and sources. In anticipation of this deadline, a more detailed proposal will be presented to the TPB at their June 16<sup>th</sup> meeting for approval.

In the coming days, TPB staff will hold a meeting of bike-sharing partners and points of contact to date to determine project details. This proposal is regional in nature where the project proposal in one jurisdiction impacts what could/should be considered in another jurisdiction. This meeting is intended to work through some of these questions, as well as the aforementioned financial issues.