

STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION

Office of Policy & Government Relations

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DATE: May 8, 2013
TO: Transportation Commission
FROM: Office of Policy & Government Relations
RE: TIGER V Grant Round

Commission Action Requested

The Department has vetted potential projects for the TIGER V program and seeks Commission approval to move forward in submitting the following projects to the U.S. Department of Transportation (USDOT). These three projects represent both urban and rural areas and are located in different regions of the state. The following table summarizes each project and grant request.

Project	Total Project Cost	Request Amount for TIGER V
I-25/Fillmore Street Diverging Diamond Interchange	\$24.2 million	\$11 million
Eisenhower/Johnson Memorial Tunnels Fire Suppression System	\$25 million	\$10 million
I-25 Ilex to 1 st Street	\$45 million	\$15 million

On receiving approval from the Commission, the Department will draft and submit applications for each project to the USDOT.

Background

On April 22, 2013, the USDOT announced the application process for the TIGER V discretionary grant program. TIGER V is largely similar to previous TIGER grant rounds, with several key differences. Most notably, there is an abbreviated timeline from the grant announcement through the application deadline. This turnaround – approximately six weeks – is the shortest of all TIGER grant rounds to date. The Department may submit up to three applications.

Internal Vetting Process. The CDOT Office of Policy & Government Relations (OPGR) has solicited projects from the CDOT Regions, HPTE, and DTR, and has established the following timeline to expeditiously review and recommend project applications.

- May 3, 2013 – Deadline to submit potential project applications/form to OPGR
- May 6, 2013 – Presentation to and review of projects by the SMT
- May 10, 2013 – Presentation of projects to the STAC
- May 16, 2013 – Presentation and approval of projects by the Transportation Commission
- June 3, 2013 – Deadline for projects to be submitted

After analyzing the TIGER V selection criteria, the Department weighed the following factors in considering which projects to recommend to the Commission for submitted to USDOT:

- **Size of the Request.** The largest grant received over the last two TIGER grant rounds was \$21.6 million, and of the 93 selected projects in TIGER III and IV, only 13 were over \$15 million. This indicates that projects with larger request amounts are less likely to be funded.
- **Percent of Project to be Completed with TIGER Funds.** While the match requirement is only 20 percent for urban projects, and no match is required for rural projects, the TIGER funds are intended to complete funding plans. On average, successful TIGER applications requested approximately \$1 in TIGER funds for every \$1 from local or state match sources. Projects with greater than half of the funding coming from TIGER are less likely to be funded.
- **Non-State DOT Financial Commitment.** We learned from previous unsuccessful applications that USDOT is looking for commitments beyond the state department of transportation (DOT), but rather whether private sector or local government partners are committing funds as well. After a failed North I-25 Managed Lane application under TIGER III with little financial support outside CDOT, local governments came together and committed over \$4 million to the project under TIGER IV, and the application was successful. Projects lacking financial commitment outside the state DOT are less likely to be funded.
- **Project Prioritization.** According to USDOT, one reason for the state's lack of success in previous TIGER rounds was the state's failure to prioritize our project requests. Under TIGER IV, we applied for three projects, ranked them, and our top priority was funded. Failing to hone in on one or two projects decreases the probability that Colorado will receive a TIGER V grant.
- **Grant Timing.** USDOT's application process is very detailed (see sections below). With applications due in under a month, it is unlikely that a brand new highway project without a previous TIGER IV application could be thoroughly drafted, vetted, and finalized in just a few weeks so as to be as competitive as possible.

Other Project Submissions. In addition to the three projects submitted for the Commission's consideration and approval, the CDOT Regions submitted two other projects there were received and vetted:

Project	Total Project Cost	Request Amount for TIGER V
I-25/Dillon Interchange	\$21 million	\$5 million
U.S. 6 and Wadsworth	\$122 million	\$60 million

TIGER V allows an applicant to submit up to three project applications. Although other worthy project submissions were received, the limit of three applications resulted in the three recommendations discussed above.

TIGER V Grant Summary

The following subsections describe details regarding the TIGER V grant round, including selection criteria, application deadlines, and eligible projects.

Funding/Project Awards/Timeline. Under TIGER V, \$474 million will be available, with \$20 million retained by the USDOT for administrative costs. Awards will range from \$10 million to \$200 million; although, it is highly unlikely that any project will receive an amount at or near this cap. No more than 25 percent of total funds may be awarded to projects in a single state. The USDOT will accept TIGER V applications up until June 3, 2013, at 3:00 PM (MDST).

Eligible Applicants. The following entities are eligible to apply for a TIGER V grant: state governments, local governments, tribal governments, U.S. territories, transit agencies, port authorities, metropolitan planning organizations (MPOs), state or local government political subdivisions, and multi-state or multi-jurisdictional groups applying through a single lead applicant. An applicant is limited to no more than three applications.

Eligible Projects. Eligible projects are identical to that of all earlier TIGER grant rounds. Specific to Colorado's transportation network, eligible projects are: highway or bridge projects¹; public transportation projects²; and passenger and freight rail transportation projects. Research, demonstration, or pilot projects that do not result in "publically accessible surface transportation infrastructure" are not eligible.

Match Requirements. A 20 percent match from non-federal sources is required. The USDOT emphasized in the grant notice that in previous TIGER rounds, awarded projects attracted more than \$4 for every \$1 received in TIGER awards. However, this match requirement does not apply for projects from rural areas.

Rural Exemptions and Set-asides. TIGER V reserves \$120 million exclusively for projects in rural areas. These projects are exempt from the 20 percent match requirement. Rural awards will range from \$1 million to \$10 million.

Evaluation Criteria. The USDOT has two levels of selection criteria: (1) primary selection criteria (which will receive more weight during evaluations); and (2) secondary selection criteria. Due to the abbreviated timeline, project readiness and risk of delays are treated as primary selection criteria.

- **Primary Selection Criteria.** The USDOT will give priority to projects that have a significant impact on desirable long-term outcomes for the U.S., a metropolitan area, or a region. Applications that do not demonstrate a likelihood of significant long-term benefits will not proceed in the evaluation process. The following types of long-term outcomes are given priority:
 - **State of Good Repair** – improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize life-cycle costs and improve resiliency.
 - **Economic Competitiveness** – contributing to the economic competitiveness of the U.S. over the medium- to long-term.
 - **Livability** – fostering livable communities through policies and investments that increase transportation choices and access to transportation services for persons in across the U.S.
 - **Environmental Sustainability** – improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions, and benefiting the environment.
 - **Safety** – improving the safety of U.S. transportation facilities and systems.
 - **Project Readiness** – awarded projects must be able to have funds obligated by the end of the federal fiscal year: September 30, 2014. This is demonstrated by: (1) technical feasibility; (2) financial feasibility; (3) project schedule; and (4) assessment of project risks and mitigation strategies. This includes detailed statements of work focusing on project technical and engineering aspects, detailed project budgets, and evidence that the project construction can begin quickly upon receipt of a TIGER award.
- **Secondary Selection Criteria.** Secondary consideration will be given for: (1) innovation; and (2) partnership. For innovation, USDOT will give priority to projects using innovative strategies to pursue the long-term outcomes outlined above. This includes innovative technology, such as intelligent transportation systems, value pricing, or smart cards. For partnerships, USDOT will give priority to projects demonstrating strong collaboration among a broad range of participants.

¹ Only projects eligible under title 23 of the U.S. Code.

² Only projects eligible under chapter 53 of title 49 of the U.S. Code.

Resolution Number TC-_____

Instructing the Department to submit applications for projects under the USDOT TIGER V Discretionary Grant program

Approved by the Transportation Commission on:

WHEREAS, on April 22, 2013 the U.S. Department of Transportation (USDOT) published notices in the Federal Register for funding availability for the Transportation Investment Generating Economic Recovery Discretionary Grant Program (also known as TIGER V); and

WHEREAS, applications for the TIGER V discretionary grant program must be submitted to the U.S. Secretary of Transportation by June 3, 2013; and

WHEREAS, the USDOT's consideration of TIGER V discretionary grant applications will be based on job creation, near-term economic activity, project readiness, and long-term outcomes as primary selection criteria; and

WHEREAS, the Colorado Department of Transportation prepared a list of potential projects for CDOT to submit under the TIGER V discretionary grant program; and

WHEREAS, the USDOT limited at three the number of grant applications that CDOT could submit for consideration; and

WHEREAS, the Transportation Commission recognizes the TIGER V program has separate urban and rural funding pots; and

WHEREAS, confirms its support for one high priority urban project and one high priority rural project.

NOW THEREFORE BE IT RESOLVED, the Department is instructed to submit applications for the following projects under the USDOT TIGER V Discretionary Grant program:

- Urban Project: I-25/Fillmore Street Diverging Diamond Interchange
- Rural Project: EJMT Fire Suppression System
- Urban Project: I-25 Improvements from Ilex to 1st Street

NOW THEREFORE BE IT FURTHER RESOLVED, should any of the above listed projects not be able to meet the financial, technical or other requirements for a competitive TIGER V application, said project will not be submitted by CDOT.

Herman Stockinger, Secretary
Transportation Commission of Colorado