

ACTION TRANSMITTAL No. 2018-45

DATE: September 6, 2018

TO: Transportation Advisory Board
Joe Barbeau, Senior Planner (651-602-1705)

PREPARED BY: Elaine Koutsoukos, TAB Coordinator (651-602-1717)
Steve Peterson, Manager of Highway Programs and TAB/TAC
Process (651-602-1819)

SUBJECT: 2018 Regional Solicitation Qualifying Review

RECOMMENDED MOTION: Determine whether the City of Saint Paul: Electric Vehicle Community Mobility Network Project be considered a Unique Project

BACKGROUND AND PURPOSE OF ACTION: Metropolitan Council staff reviewed the qualifying criteria and policy consistency for all projects submitted in the 2018 Regional Solicitation. The following pages include notices sent to the contact person for each of the applications that had qualifying issues, along with project information. The Funding and Programming Committee voted on whether to disqualify applications that do not meet the requirements of the Qualifying Criteria and General Policies. The qualifying review decision ends with the TAC Funding and Programming Committee and does not continue to TAC. In this instance, TAC Funding and Programming Committee recommended that TAB weigh in on the decision for qualification of one project.

TAC Funding and Programming Committee recommended that TAB consider this as a unique project. If not, then TAB could direct staff to score the project in either transit expansion or travel demand management application categories, working with the applicant to revise its transit ridership projections. TAB could also disqualify the project.

If TAB determines that the project is a unique project, then the discussion of whether to fund the project should occur at the December and January TAB meetings. Staff would provide technical analysis and a review of the submittal. The final decision of whether to fund the project is recommended to take place in January with approval of the other Regional Solicitation projects. This proposed approach would allow TAB to evaluate the unique project request versus the other potential projects scored in the 10 application categories.

RELATIONSHIP TO REGIONAL POLICY: TAB develops and issues a Regional Solicitation for federal funding.

STAFF ANALYSIS: The following applications had potential qualifying review issues:

1. ROADWAY EXPANSION – Dakota County: CSAH 31 / CSAH 32 Intersection

Qualifying Issue: The proposed project is for intersection improvements, which should be scored in the Roadway Reconstruction/Modernization funding application category instead of the Roadway Expansion category where the project applied.

COMMITTEE COMMENTS AND ACTION: At its August 16, 2018, meeting, the Funding & Programming Committee unanimously approved a motion to move the application from Roadway Expansion to Roadway Reconstruction/Modernization.

2. ROADWAY RECONSTRUCTION/MODERNIZATION – City of Anoka: TH 10 & Thurston Ave/ Cutters Grove Ave Interchange

Qualifying Issue: The proposed project would construct an interchange at what is now a signalized intersection. New interchanges are included as an example of the type of project in the Roadway Expansion Category, but this application was submitted in the Roadway Reconstruction/Modernization and Spot Mobility category.

COMMITTEE COMMENTS AND ACTION: At its August 16, 2018, meeting, the Funding & Programming Committee unanimously approved a motion to move the application from Roadway Reconstruction/Modernization to Roadway Expansion.

3. TRANSIT EXPANSION – City of St. Paul: Twin Cities Electric Vehicle Community Mobility Network

Qualifying Issue: The City in, partnership with HOURCAR, proposes to operate a shared-mobility fleet of automobiles. The proposal does not fit in the Transit Expansion funding category as submitted.

Regional Solicitation Information

While FHWA CMAQ funds can be used for carsharing, FTA CMAQ funds cannot. Per the Federal Transit Administration, federal public transportation law does not define car sharing as a form of public transportation and funds cannot be used to operate those services. However, facilities functionally related to transit may be eligible. For example, parking spaces dedicated for the use of car-sharing at local transit stops. This project is not a transit project and was applied for in the incorrect category.

The Regional Solicitation applications are grouped into three primary modal categories:

1. Roadways Including Multimodal Elements
2. Transit and Travel Demand Management (TDM) Projects
3. Bicycle and Pedestrian Facilities

Each of these modal categories includes three to four application categories for a total of 10 application categories. Applicants for the Regional Solicitation select the appropriate application category for their proposed project based on the mode requiring the largest percentage of cost. For instance, a roadway reconstruction project that includes a new sidewalk would apply under the Roadway Reconstruction/Modernization application category because the roadway improvements are the largest cost for the project. If an applicant submits a project in the incorrect application category, the application may be disqualified. It is advised that applicants contact Metropolitan Council staff prior to submission if there are any questions about which application category is the most appropriate for their project. In the Regional Solicitation, the application categories define the criteria and provide examples as shown below:

The Transit Expansion application criteria and examples:

Definition: A transit project that provides new or expanded transit service/facilities with the intent of attracting new transit riders to the system. Expansion projects may also benefit existing or future riders, but the projects will be scored primarily on the ability to attract new

riders. Routine facility maintenance and upkeep is not eligible. If a project includes both expansion and modernization elements, it is the applicant's discretion to choose which application category the project would best fit. However, an application can be disqualified if it is submitted to the wrong category. It is suggested that applicants contact Council staff for consultation before the application deadline to determine eligibility.

Examples of Transit Expansion Projects:

- Operating funds for new or expanded transit service
- Transit vehicles for new or expanded service
- Customer facilities for new or expanded service, new transit centers or stations, along a route
- Park-and-ride facilities or expansions

The Travel Demand Management application criteria and examples:

Definition: Transportation Demand Management (TDM) provides residents/commuters of the Twin Cities Metro Area with greater choices and options regarding how to travel in and throughout the region. Projects should reduce the congestion and emissions during the peak period. Similar to past Regional Solicitations, base-level TDM funding for the Transportation Management Organizations (TMOs) and Metro Transit will be not part of the competitive process.

Examples of TDM Projects:

- Bikesharing
- Carsharing
- Telework strategies
- Carpooling
- Parking management
- Managed lane components

Contact with staff:

On April 19, Elaine Koutsoukos had a conference call with HourCar and explained to them that the project as they described it was a project eligible under the TDM category. Because of the high cost of the project, she advised them that they could split up the project into smaller projects, as long as the projects did not overlap service areas. Another option she presented was to work with a transit provider to add electric charging stations to park-and-ride lots. The transit provider could then apply for the project under Transit, as the project would then be within a transit project. This would meet the definition of first-last mile project, providing service beyond the end of a transit route.

On June 28, HourCar submitted their methodology for estimating ridership. After staff review, Elaine Koutsoukos informed HourCar that the project they submitted for review was a TDM project, not a transit project. HourCar responded that the project would be submitted by the City of St. Paul in the Transit Expansion category, and they would make their best case to the TAB as to why this is an appropriate use of the funds.

Additional Information:

HourCar received funding for a project under TDM category in the 2013 Regional Solicitation, showing that carsharing is eligible under the TDM category. HourCar submitted an application under TDM in the current 2018 solicitation, following advice of breaking their project into

smaller projects. The project overlaps the area in the application submitted under Transit Expansion.

Options Proposed to TAC Funding & Programming Committee

- A. Disqualify the application.
- B. Allow the application to compete in the Transit Expansion category.
- C. Allow the project to move to the TDM category to compete against similar project types. This shift would reduce the potential federal maximum award from \$7,000,000 (Transit Expansion) to \$500,000 (TDM) and require the applicant to provide new responses to seven out of ten scoring measures.

Staff Recommendation: Option A or C. Consider disqualifying the application or allowing the project sponsor to provide missing information that would enable it to compete in the Travel Demand Management category. Given that the project is not a transit project, allowing it to compete in the Transit Expansion category is not recommended.

COMMITTEE COMMENTS AND ACTION:

Paul Schroeder from Hourcar and Bill Dermody from St. Paul were present to answer questions. Schroeder said that the program will provide a focus at rail and bus stations. Lehmann asked about ridership methodology. Schroeder responded that ridership was determined using comparable programs in Paris and today's Hourcar service. Koutsoukos said that the trips wouldn't be on transit, they would be transfers from transit routes. Furthermore, FTA doesn't consider car-sharing to be a transit mode, despite the potential for CMAQ to be used for car-sharing. Hager said that this program is similar to dial-a-ride, which is eligible. Burrows said that dial-a-ride takes more than one person on a trip; this is more similar to car rental. Schroeder said that this is municipally-sponsored, and therefore not car rental.

Robjent asked if a similar project was funded recently. Peterson responded that a charging station project was "unique" a few years ago, but a project can't be unique if it fits elsewhere. Lehmann asked about the scoring process for unique projects. Koutsoukos responded that it goes straight to TAB for determination, without scoring. Bly suggested updating the project categories in the future, but that unique is the best solution for now. Smith said that the application doesn't exclude this kind of project under transit.

Cole Hiniker said that in the TPP shared use is not included in the definition of transit; a drivers license is required for using Hourcar. Robjent asked about fee structure. Schroeder responded that the fee structure may be re-examined because electric cars are cheaper to run. The program will engage low-income communities.

Schroeder said that the solicitation supports park and rides. Hiniker responded that park and rides have drop off spaces. Hager said that the solicitation needs to get comfortable with new and different projects; this project does the same work as a transit line. Robjent asked if the project would drop out if moved to TDM; Dermody responded yes. Robjent suggested it should be a unique project. Lux agreed. It likely won't meet the criteria and will score poorly. Thompson recommended scoring it as-is.

Brown said that the ridership is the biggest risk in scoring the project. Peterson said that the ridership numbers might not be able to be used; hard to determine if car-share users are new transit riders. Koutsoukos said that in the application 28% of users would be new transit riders. Schroeder said that 90% of Hourcar members already use transit, but that with this program they will use transit more often.

Jorgensen asked about the benefits of membership. Schroeder responded that insurance and gas is included. Daniel Peña asked if car-sharing replaces transit use. Schroeder responded that the Shared Use Mobility Center report suggested this model is good for the Twin Cities. After car2go left it is unlikely another provider will return. Bly said it's a great project but doesn't fit our model. Smith asked what the current ridership methodology is. Hiniker responded that new routes use comparable routes. Existing routes with increased level of service use an incremental approach. Application assumes all users are transit riders. Robjert asked how the program would change behavior. Schroeder said it would facilitate increased transit use.

The Funding & Programming Committee unanimously approved a motion to move the item directly to TAB at its September meeting to consider as a unique project, and if moved to transit or TDM, staff should work with Hourcar to change the ridership projections.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding & Programming	Review & Recommend	August 16, 2018
Transportation Advisory Board	Review & Recommend	



CITY OF SAINT PAUL
Melvin W. Carter, Mayor

Paul Kurtz, City Engineer
800 City Hall Annex
25 W. Fourth Street
Saint Paul, MN 55102-1660

Telephone: 651-266-6203
Fax: 651-266-6222

August 13, 2018

Dear Members of the Technical Advisory Committee Funding and Planning Committee:

Thank you for this opportunity to respond to Action Transmittal 2018-45, dated August 10, 2018, which suggests that our project "is not a transit project and is thus mis-categorized." We take issue with this finding and the accompanying recommendations for the reasons stated below.

Project Summary

Our EV Community Mobility Project will create 70 mobility hubs in St. Paul and Minneapolis. Each mobility hub will have 4 Level 2 EVSE chargers for battery electric vehicles (BEVs). A subset of these hubs (up to 20) will also have Level 3 DCFC fast chargers, which will be community-facing and available for use by the public. The mobility hubs will support a fleet of 150 BEVs that will be purchased for this project. The vehicles will be deployed as a one-way carsharing network in the Twin Cities. We intend to partner with HOURCAR, the Twin Cities' nonprofit carsharing company, on implementation of the project. Should the project be approved for funding, the City intends to enter into a joint powers agreement with the City of Minneapolis to deploy the project; Minneapolis has submitted a letter of support for the project. Our project also leverages a \$4 million match from Xcel Energy to develop charging infrastructure.

Carsharing Is Eligible for Federal Funding

To avoid any confusion, it must be clearly stated at the outset that our project is 100% eligible for federal funding under CMAQ. Carsharing is specifically highlighted in MAP-21, and is listed as an eligible category in the 2013 CMAQ Interim Guidance published by FHWA:

12. Carsharing The MAP-21 specifically highlights carsharing projects in the amended section November 12, 2013 27 on traffic demand. These efforts involve the pooling of efficient, low emission vehicles, provided to travelers who have occasional need for a vehicle but not the constant, daily necessity that demands ownership. As with any CMAQ project, sponsors need to demonstrate an emissions reduction from the carsharing program. If a programwide emissions reduction cannot be demonstrated, CMAQ funding may be available to support vehicle costs under Alternative Fuels and Vehicles eligibility, discussed in Section VII.F.17. (pp. 26-27)



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The successor to MAP-21, the FAST Act, has retained the same guidance on carsharing; the guidance document is attached for your reference. As an all-electric carsharing network, our project achieves significant emissions reductions. Elements of the project (specifically the charging stations) would also be eligible to receive federal funds under Alternative Fuels and Vehicles as noted above. Other regions have used CMAQ funding for carsharing projects, including some multi-million dollar applications; a list of carsharing projects funded by CMAQ is attached to this letter for your reference.

Carsharing is a Mode of Transit

We submitted our project in the “Transit Expansion” category because the new service will provide a new mode of transit. As with other “traditional” forms of transit, the proposed service is a one-way or round-trip transportation mode, is shared use, is not human-powered, is a public carrier, and complements existing transit but does not rely on it. Like other transit expansion projects, this project will have independent utility for one-way trips. As with “traditional” transit, the EV community mobility network will integrate seamlessly with other transit modes, reduce auto ownership, reduce vehicle miles traveled (VMT), and reduce emissions. We estimate the service will be used by 328,500 new riders in its third year. Thorough documentation of all these points can be found in our application. In short, our project meets all the goals and objectives established in the Transit Expansion category.

It has been suggested that carsharing may not meet the federal definition of “public transportation.” However, the Transit Expansion application nowhere specifies that projects submitted in this category must meet this federal definition. Local application categories are entirely distinct from federal funding sources (e.g., FHA CMAQ vs. FHWA STBGP), and are regionally, not federally, determined. Here’s what Andrew Emanuele, Community Planner for the FHWA Minnesota Division, had to say on this subject (the entire email string is attached to this letter):

FHWA does not approve the funding. We distribute the federal money to MPOs, and often serve as the final authority on eligibility issues, but the actual approval and categorical breakdowns (including spending caps) belong to the MPO. This allows MPOs to prioritize funding for local projects free from federal influence.

Since our project qualifies for federal CMAQ funding, and since it meets the goals articulated in the Transit Expansion application, we submit that it was properly submitted as a Transit Expansion project.

Our Decision-Making Process

Our project is admittedly unique and unusual in the region. Given the distinctive elements of our project, we made numerous efforts over an extended period to communicate with TAB staff in order to determine the proper category in which to submit the application. On January 29, 2018, representatives from HOURCAR, our partner on the project, met with Theresa Cain of Metro Transit, who administers the TDM portion of the Regional Solicitation. Ms. Cain indicated that the TDM category was intended primarily for education, outreach, and small-scale upgrades to existing bikesharing and carsharing infrastructure, not for large-scale capital projects. Ms. Cain suggested our project would best fit into the Transit Expansion or Transit Modernization categories.

On April 19, 2018, our project team had a phone conference with Ms. Cain and Elaine Koutsoukos to discuss our application. Ms. Koutsoukos indicated that an EV carsharing project such as we proposed would be eligible in the Transit Expansion or Transit Modernization categories so long as it was submitted by an authority, municipality, or state agency, not a nonprofit organization (e.g., HOURCAR). During that conference, we raised the question of whether our project should in fact be considered a “unique” project, and requested a meeting with the TAB to ensure eligibility and proper categorization. On April 26, Ms. Koutsoukos responded via email (the entire email string is attached to this letter):

After discussion with Chair Hovland, he said that TAB doesn't give applicants an extra chance to present their projects to the Board, so you won't be able to present... Because elements of your project are eligible under the applications, both TDM (as a non-profit) and Transit Expansion or Transit Modernization (if working with a transit provider to provide the 'last-mile' connection), it would not be considered as a unique project.

After receiving this guidance that our project would be eligible in any of these three categories and carefully reviewing the applications, we selected the Transit Expansion category. Given Ms. Cain's guidance, it seemed clear to us that the project did not fit well into the TDM category. If apples-to-apples comparisons are what the TAB is seeking in the application process, it hardly seems fair to judge a large municipal construction project against a small nonprofit program teaching kids how to ride bikes (as an example). Although the TDM application mentions carsharing as a category, there is nothing in the Transit Expansion or Transit Modernization categories that specifically precludes carsharing, and the guidance we received suggested our project could fit into these categories. The Transit Modernization category is reserved for projects that depend entirely on an existing transit service or location (i.e., last mile solutions at Park and Ride). Because our project connects with existing transit infrastructure but does not rely on it, we determined that Transit Expansion was the best category for our project, and proceeded accordingly.

In late June, we submitted our ridership estimates for the project to TAB staff. In early July, we heard from Ms. Koutsoukos that staff had concerns about the eligibility of the project in the Transit Expansion category. At that point, hundreds of staff hours and thousands of dollars in consulting and other fees had already been expended to prepare the application, and less than two weeks remained before the deadline. We determined that the best course of action would be to submit the application as planned in the Transit Expansion category, recognizing that project eligibility would likely have to be determined by this committee, the TAC, and ultimately by the TAB.

Our Recommended Options

We recognize that our project has unique elements; this is why we requested guidance in the first place. We followed the instructions in the application to reach out to TAB staff if we had questions about which category to apply in. If TDM were the only category in which a project that included carsharing elements could be considered, this guidance should have been communicated to us when we requested it early in the process. **At this point, we submit that the most equitable and expedient course of action is to score the project in the category in which it was submitted.** If it fails on the merits, so be it. But if it succeeds in accomplishing the goals and objectives established

by the category, then there is no compelling reason to disqualify it, especially given that it qualifies for CMAQ funding. Let the process take its course.


If the committee determines that the project cannot move forward in the Transit Expansion category, **a second option we recommend the committee consider is revisiting the question of whether the project should be recategorized as a unique proposal.** The plain fact of the matter is that no project like ours has ever been submitted to the Regional Solicitation, and there is no category that was truly designed to receive such an application. This almost certainly accounts for the confusing, conflicting, and contradictory guidance we received from staff throughout this process. We submit that the committee could determine at this point that the project is in fact unique and does not fit into any of the existing categories, allowing it to proceed along a different path.

Conclusion

The Shared-Use Mobility Center's 2017 Twin Cities Action Plan strongly recommends that a one-way carsharing network be reinstated in the Twin Cities using CMAQ funds. Our project represents a unique opportunity to reinstate a one-way carsharing service to the Twin Cities that is municipally sponsored and publicly controlled. We have consulted with multiple for-profit carsharing operators throughout the country and internationally as part of this process, and have learned that none of them is currently looking at the Twin Cities as a potential market. One-way carsharing is not returning the region unless we take action. The opportunity cost of disqualifying this project or limiting it to a category in which it cannot be fully funded is that the gap left by the departure of car2go will persist, and will be filled primarily by TNCs at the expense of publicly-sponsored transportation options. Our project leverages a very significant investment from Xcel Energy; the \$4 million contribution is likely among the largest matches of any of the proposals submitted. It will bring charging infrastructure to disadvantaged neighborhoods that are years, if not decades, away from this kind of investment. And it will make our region more attractive to potential employers and employees who are considering relocating here, benefits that will be shared by the entire region, not the Twin Cities alone.

As a member of the TAC Funding and Programming Committee, you are charged with ensuring this project gets a fair chance. Thanks for your consideration in this matter.

Sincerely,



Paul Kurtz
City Engineer
Saint Paul Public Works

City/Region	Applicant	Amount of Award (Date)	Details
Denver	eGo Carsharing (direct applicant)	\$260k for 12 vehicles (2012)	Direct contract between CDOT and eGo Carsharing. Funds went directly to vehicle purchase. Project description: <i>“Purchase and make available 12 vehicles for new car share pods (locations) which will be located in close proximity to B-cycle stations in both Denver and Boulder. Co-locating these shared mobility options will help maximize the TDM benefits of both programs and also allow for effective cross-promotion to local businesses and residents of all the programs involved.”</i>
Rochester (NY)	City of Rochester	\$350k for carshare (2016) as part of \$1.2MM request	NYS DOT explicitly called for these type of projects in both 2016 and 2018 solicitations: <ul style="list-style-type: none"> - Both Carsharing and Electric Vehicle Charging Stations stated as “FHWA CMAQ eligible activities” - Encouraged projects include: “Development of alternative fuel infrastructure and clean vehicle deployment projects”
Chicago	I-Go Carsharing (Sponsored by Pace Transit)	\$2.33MM (2009)	Standalone project to expand the non-profit carsharing program regionally. Was approved as part of regional project solicitation review by Chicago Metropolitan Agency for Planning CMAQ Project Review Committee. While approved by the regional body, these funds were returned due to FHWA eligibility concerns that were later reversed as part of MAP-21 Act in 2015 (23 USC 149).
San Francisco Bay Area	Metropolitan Transportation Commission (MTC)	\$2.0MM RFP (2014) part of 5-yr plan to invest \$12MM in CMAQ funds in carshare	MTC requested \$2.0MM in funds directly for regional carshare expansion. These funds were approved and then the agency moved to RFP and selected seven (7) cities for funding to launch or expand carsharing projects. In 2017, MTC began a study to determine how best to scale this investment up from \$2.0MM to \$5.0MM.
Northern New Jersey	n/a	n/a (2017)	Example of MPO (North Jersey Transportation Planning Agency) that explicitly called out carsharing as an eligible activity and categorized it competitively with other transit projects (simply <i>Transportation Clean Air Measures</i>)
North Carolina DOT	n/a	n/a (2017)	Example of State DOT that that explicitly calls out carsharing as an eligible project category without specifying which improvement type it is categorized under.

Paul Schroeder

From: Emanuele, Andrew (FHWA) <andrew.emanuele@dot.gov>
Sent: Monday, August 13, 2018 9:13 AM
To: Paul Schroeder
Subject: RE: following up on vm

Hello Paul,

FHWA does not approve the funding. We distribute the federal money to MPOs, and often serve as the final authority on eligibility issues, but the actual approval and categorical breakdowns (including spending caps) belong to the MPO. This allows MPOs to prioritize funding for local projects free from federal influence.

What I can say, however, is that car sharing projects are definitely eligible under FHWA's CMAQ category (in relation to TDM).

Thanks,

Andrew

From: Paul Schroeder [mailto:pauls@hourcar.org]
Sent: Friday, August 10, 2018 3:45 PM
To: Emanuele, Andrew (FHWA) <andrew.emanuele@dot.gov>; Riesenber, Kris (FHWA) <Kris.Riesenber@dot.gov>
Subject: RE: following up on vm

Thanks Andrew. I just want to be clear about one thing:

If our project, which involves charging infrastructure development (make-ready construction and EVSE installation) and purchase of electric vehicles for a municipally-sponsored and controlled carsharing network, were recommended for funding using CMAQ dollars, would it be approved for funding?

From: Emanuele, Andrew (FHWA) <andrew.emanuele@dot.gov>
Sent: Friday, August 10, 2018 3:22 PM
To: Paul Schroeder <pauls@hourcar.org>; Riesenber, Kris (FHWA) <Kris.Riesenber@dot.gov>
Subject: RE: following up on vm

Hello Paul,

Apologies for the late response – I just returned from a conference in St. Cloud. I did speak with Elaine there regarding your application, albeit not in great detail. From what I've seen, there are differences in CMAQ eligibility based on FTA's definition vs FHWA's definition. In this case, it appears the application wouldn't be eligible under a transit definition, but would under aspects of TDM (Travel Demand Management). What pieces would be eligible and what wouldn't, however, would need some investigation.

I'm available after 2:00 on Monday if you'd like to chat. Let me know.

Thanks,

Andrew Emanuele
Community Planner

FHWA - Minnesota Division
380 Jackson Street, Suite 500
St. Paul, MN 55101
651.291.6124

From: Paul Schroeder [<mailto:pauls@hourcar.org>]
Sent: Friday, August 10, 2018 2:30 PM
To: Riesenber, Kris (FHWA) <Kris.Riesenber@dot.gov>
Cc: Emanuele, Andrew (FHWA) <andrew.emanuele@dot.gov>
Subject: RE: following up on vm

Hello again Andrew. I have a call today at 3 PM with Elaine Koutsoukos. I'm trying to get an explanation regarding the eligibility of carsharing projects to receive CMAQ funding. Elaine has pointed us to a FAQ document on the FHWA website that reads as follows:

Is car sharing an eligible expense? It depends on the source and use of funding. Federal public transportation law does not define car sharing as a form of public transportation and funds cannot be used to operate those services. However facilities functionally related to transit may be eligible. For example, parking spaces dedicated for the use of car-sharing at local transit stops.

However, in the 2013 Guidance for CMAQ projects, we find the following:

12. Carsharing The MAP-21 specifically highlights carsharing projects in the amended section November 12, 2013 27 on traffic demand. These efforts involve the pooling of efficient, low emission vehicles, provided to travelers who have occasional need for a vehicle but not the constant, daily necessity that demands ownership. As with any CMAQ project, sponsors need to demonstrate an emissions reduction from the carsharing program. If a programwide emissions reduction cannot be demonstrated, CMAQ funding may be available to support vehicle costs under Alternative Fuels and Vehicles eligibility, discussed in Section VII.F.17. (pp. 26-27)

There seems to be a discrepancy between the FAQ (which suggests that federal funds can be used only for "facilities functionally related to transit," and the CMAQ Guidance and <AP-21/FAST ACT.

My assumption is that MAP-21/FAST-ACT and the CMAQ guidance would prevail in this case, given that they are established by statute, while the FAQ provides only generic guidance (It depends...").

I am also attaching a list of carsharing projects in other regions that have been approved for federal funds.

Can you clarify whether carsharing projects are eligible to receive CMAQ funding, assuming that they demonstrate an emissions reduction, as per the guidance?

Paul

From: Paul Schroeder
Sent: Friday, August 10, 2018 1:07 PM
To: 'Riesenber, Kris (FHWA)' <Kris.Riesenber@dot.gov>
Cc: Emanuele, Andrew (FHWA) <andrew.emanuele@dot.gov>
Subject: RE: following up on vm

Kris, thanks. Hello Andrew. Just left you a vm. I'm available and can prioritize a phone call this afternoon, except between 3 and 4 PM. Could also talk Monday. Let me know what works for you.

Paul

From: Riesenberg, Kris (FHWA) <Kris.Riesenberg@dot.gov>
Sent: Friday, August 10, 2018 10:04 AM
To: Paul Schroeder <pauls@hourcar.org>
Cc: Emanuele, Andrew (FHWA) <andrew.emanuele@dot.gov>
Subject: RE: following up on vm

Hi Paul,

I'm on vacation until next Monday. Andrew Emanuele, from my team, has been working with Met Council staff related to your application. He can field your questions. I will touch base with him on Monday to see what is needed since I have been out of the loop.

Thanks,
Kris

From: Paul Schroeder <pauls@hourcar.org>
Sent: Thursday, August 9, 2018 4:19:35 PM
To: Riesenberg, Kris (FHWA)
Cc: Smith, Amanda (MPCA)
Subject: following up on vm

Hi Kris, Paul Schroeder here, I'm the CEO of HOURCAR, a nonprofit carsharing company in the Twin Cities. I'm reaching out to you at the suggestion of Amanda Smith at PCA. We submitted a proposal to the Regional Solicitation last month in partnership with the City of St. Paul; you may be familiar with this. The folks at TAB have asked some questions about our application, and I'm reaching out to you to try to get some clarity about the federal guidance regarding eligibility of carsharing projects for CMAQ funds. Do you have time for a call tomorrow or early next week? We are being invited to present at the TAC Funding and Programming Committee next Thursday, and I'd appreciate your help and guidance in advance of that meeting.

My cell # is 971-808-8113. I appreciate your consideration and look forward to our conversation.

Best,
Paul

Paul Schroeder

From: Koutsoukos, Elaine <elaine.koutsoukos@metc.state.mn.us>
Sent: Thursday, April 26, 2018 1:23 PM
To: Paul Schroeder; Creighton Randall
Cc: Cain, Theresa
Subject: RE: Hourcar fuding discussion

Follow Up Flag: Follow up
Flag Status: Completed

Hi Paul,

After discussion with Chair Hovland, he said that TAB doesn't give applicants an extra chance to present their projects to the Board, so you won't be able to present. TAB hasn't allowed projects to present earlier in the past. It would give an unfair advantage to some projects over others.

Applicants can only submit their project in one category. Because elements of your project are eligible under the applications, both TDM (as a non-profit) and Transit Expansion or Transit Modernization (if working with a transit provider to provide the "last-mile" connection), it would not be considered as a unique project.

Elaine

Elaine Koutsoukos

TAB Coordinator | Transportation Advisory Board
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390 North Robert Street, St. Paul, MN 55101
metro council.org

From: Paul Schroeder <pauls@hourcar.org>
Sent: Wednesday, April 25, 2018 12:36 PM
To: Koutsoukos, Elaine <elaine.koutsoukos@metc.state.mn.us>; Creighton Randall <creighton@mobilitydevelopment.org>
Cc: Cain, Theresa <Theresa.Cain@metrotransit.org>
Subject: RE: Hourcar fuding discussion

Elaine, thanks for the conversation last week. I'm holding May 16 on my calendar as a possible date for a presentation to the TAB, please confirm with me at your earliest that we're on the agenda. Thanks!

Paul

From: Koutsoukos, Elaine <elaine.koutsoukos@metc.state.mn.us>
Sent: Thursday, April 19, 2018 10:07 AM
To: Creighton Randall <creighton@mobilitydevelopment.org>
Cc: Paul Schroeder <pauls@hourcar.org>; Cain, Theresa <Theresa.Cain@metrotransit.org>
Subject: RE: Hourcar fuding discussion

Randall and I are connected via the conference call line. We'll wait for you and talk while we wait.

From: Creighton Randall <creighton@mobilitydevelopment.org>
Sent: Thursday, April 19, 2018 9:57 AM
To: Koutsoukos, Elaine <elaine.koutsoukos@metc.state.mn.us>
Cc: Paul Schroeder <pauls@hourcar.org>; Cain, Theresa <Theresa.Cain@metrotransit.org>
Subject: Re: Hourcar fuding discussion

Should we use a conf. call line instead? Mine is:

(515) 739-1272

access code: **111023**

On Thu, Apr 19, 2018 at 9:48 AM, Koutsoukos, Elaine <elaine.koutsoukos@metc.state.mn.us> wrote:

Where is the Hour Car office. If in downtown St. Paul, I can walk over, because I am having difficulty getting the Skype working.

From: Paul Schroeder <pauls@hourcar.org>
Sent: Thursday, April 19, 2018 8:45 AM
To: Cain, Theresa <Theresa.Cain@metrotransit.org>; Creighton Randall <creighton@mobilitydevelopment.org>; Koutsoukos, Elaine <elaine.koutsoukos@metc.state.mn.us>
Subject: Re: Hourcar fuding discussion

Teresa, I have a 9 AM meeting offsite, depending on how it lasts, I'll either be back at the our car office or join you on Skype. Sorry, I thought this was just going to be a Skype meeting.

Get [Outlook for iOS](#)

From: Cain, Theresa <Theresa.Cain@metrotransit.org>
Sent: Thursday, April 19, 2018 8:40:21 AM
To: Creighton Randall; Paul Schroeder; Koutsoukos, Elaine
Subject: Hourcar fuding discussion

I set this meeting up with a Skype option. Otherwise we are meeting at hourcar offices. Still a go for everyone?

--

Creighton Randall
Principal Consultant
Mobility Development Partners



CITY OF SAINT PAUL
Melvin W. Carter, Mayor

Paul Kurtz, City Engineer
800 City Hall Annex
25 W. Fourth Street
Saint Paul, MN 55102-1660

Telephone: 651-266-6203
Fax: 651-266-6222

September 5, 2018

To the Members of the Transportation Advisory Board of the Metropolitan Council:

Thank you for the opportunity to provide this letter in support of the recommendation of the Technical Advisory Committee Funding and Programming Committee, that our EV Community Mobility project be considered for funding as a Unique Project in the TAB process. We urge the TAB to endorse the recommendation of the TAC F&P Committee for the reasons stated below.

Our project provides exceptional value to the region

The EV Community Mobility project uses an extraordinary private match to offer a new transportation choice, one that will both create remarkable new connectivity and has the potential to attract jobs and investment to the region in a way that few other projects can.

This project will create 70 mobility hubs in Saint Paul and Minneapolis, each with four Level 2 chargers for battery electric vehicles (BEVs). A subset of these hubs (up to 20) will also have Level 3 fast chargers. The mobility hubs will support a fleet of 150 BEVs that will be deployed as a one-way carsharing network in the Twin Cities. In addition to supporting the EV fleet, the charging infrastructure will be community-facing and available for use by the public.

- Our project brings a much larger proportion of outside funding than almost any other project submitted to the Regional Solicitation. Most projects provide only the minimum match of 20%, most often with local government funds. Our project is a \$6.7 million request with a \$4 million (40%) match from Xcel Energy; this is an extraordinary match in both amount and source. This project will add substantial new private investment into regional transportation, thereby maximizing return on public investment.
- Our proposed all-electric one-way carsharing network will increase the desirability and competitiveness of the region as a destination for companies and entrepreneurs, relative to cities such as Chicago, Seattle, and Portland (which all have robust one-way carsharing networks). Both employees and employers consistently say they favor regions that offer choices like these.



An Affirmative Action Equal Opportunity Employer



- Our 70 proposed mobility hub sites link to over 90% of the bus and rail lines in the region. It is among the most transit-connected projects ever submitted to the Regional Solicitation. As a result, it will serve users from across the region and even the state, including those who travel in and need such a service to complete their trip.
- By design, the project will provide enhanced connectivity to transit and reduced travel time for people living in ACP50 neighborhoods (areas of concentrated poverty, >50% people of color). The proposed service territory includes underserved areas such as Dayton’s Bluff, the North End, and North Minneapolis.
- Our all-electric service will substantially reduce emissions and improve air quality for everyone in the region, especially people living in disadvantaged neighborhoods, which are often located adjacent to major corridors and disproportionately exposed to NOx and particulates.
- Our project closely aligns with the goals of Thrive MSP 2040 and the 2040 Transportation Policy Plan, especially:
 - **Goal C:** “Increase the availability of multimodal travel options, especially in congested highway corridors... Improve multimodal travel options for people of all ages and abilities to connect to jobs and other opportunities, particularly for historically under-represented populations.”
 - **Goal D:** “Invest in a multimodal transportation system to attract and retain businesses and residents.”
 - **Goal E:** “Reduce transportation-related air emissions.”

Our project closes a gap that will not be filled in any other way

In 2017, the Shared-Use Mobility Center worked with more than 75 stakeholders, held regional workshops, and researched best practices to understand how to improve regional mobility. Among the key findings of the resulting Twin Cities Action Plan is that the departure of car2go in 2016 left a major gap in the region’s transportation network. The Action Plan strongly recommends that a one-way carsharing service be restored to the Twin Cities, with an emphasis on serving disadvantaged communities, and that CMAQ funds sourced through the Regional Solicitation be allocated for this purpose. Our project closely follows this recommendation. Designating the project to be Unique will be a significant step forward for the region in developing public-private partnerships that embrace shared mobility, while maintaining municipal control and local transit service at the core of these partnerships.

In the process of developing this project, we have consulted with numerous carsharing operators throughout the US and internationally. None of them is currently looking at the Twin Cities as a potential market. Simply put, one-way carsharing is not returning the region unless we take action. Not funding this project means that the gap in the region’s transportation network left by the departure

of car2go will persist. Further, we cannot assume that Xcel's offer will still be available two years from now at the next Regional Solicitation; they may decide to fulfill their corporate goals in other areas or through other means. This is a critical moment of opportunity.

Placing our project into the existing “Unique” category upholds the integrity of the Regional Solicitation process

Given the distinctive elements of our project, we made numerous efforts over an extended period beginning in January 2018 to communicate with Metropolitan Council staff in order to determine the proper category in which to submit the application. Unfortunately, we were given confusing and conflicting information as to which category our application should be submitted in, as documented in our letter to TAC F&P. We don't fault staff for this; it simply underscores the fact that transportation is evolving rapidly, and it is difficult for an administrative process such as the Regional Solicitation to update its categories and definitions fast enough to keep pace with changes that are happening in real time (for example, car2go was still operating in the Twin Cities at the last Regional Solicitation in 2016). The fact is that no project like ours has ever been submitted to the Regional Solicitation, and there is no category that was truly designed to receive such an application. That's why the Unique project category created by the TAB is so important for the future of the region: it allows innovative, cutting-edge projects to receive due consideration.

When the TAB developed the “Unique Project” category, it did so in the recognition that some projects simply do not fit neatly into any of the other categories. Unique projects are not outside the process; they are squarely within it. The TAB knew that in the absence of such a category, projects of potentially exceptional value to the region might be forced into categories where they did not fit well and scored unfavorably against dissimilar projects, or else placed in categories (such as TDM) where they could not be fully funded. Declaring a project like this to be Unique doesn't disrupt the Regional Solicitation; rather, it keeps the process intact while allowing for innovation and advances in technology that may have been unforeseeable when the definitions were being drafted.

Recommended Options

- 1. The TAC F&P Committee recommended that our project be considered for funding as a Unique Project.** We hope the TAB will endorse this recommendation and allocate full funding for the project in view of its significant benefit to the region. We respectfully request that TAB consider funding the project, first by reallocating funds made available by projects that have withdrawn, deferred, or come in under budget in the current program term (2018-2020). This would minimize any impact our project may have on other worthy projects submitted in this round. We then recommend funding the rest of the project with funds taken “off the top” from the entire CMAQ funding allocation for the 2018 Regional Solicitation (2020-2021 funding).
- 2. Next, the TAC F&P recommended that if the TAB could not follow the Committee's preferred recommendation, the project be returned to the Committee for further**

consideration. In this case, we ask that the TAB send the project back to TAC F&P with a recommendation that it be evaluated in the Transit/TDM category, and that every effort be made to find a way to fully fund the project given its exceptional value to the region.

Thank you for your consideration in this matter, and for all your efforts to make our region more connected and vibrant.

Sincerely,

A handwritten signature in black ink that reads "Paul T. Kurtz". The signature is written in a cursive style with a horizontal line underneath the name.

Paul T. Kurtz
City Engineer
Saint Paul Public Works