

ACTION TRANSMITTAL No. 2019-41

DATE: September 5, 2019

TO: Transportation Advisory Board

FROM: Technical Advisory Committee

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SUBJECT: 2020 Regional Solicitation: Funding Category Minimum and
Maximum Funding Amounts and Inflation Factor

REQUESTED ACTION: Approval of minimum and maximum funding amounts for the 2020
Regional Solicitation.

RECOMMENDED MOTION: That the Transportation Advisory Board approve minimum and
maximum funding amounts for the 2020 Regional Solicitation
reflecting the following:

- decrease in the Traffic Management Technologies maximum from \$7 million to \$3.5 million;
- a \$1 million minimum and \$3.5 million maximum for the new Spot Mobility & Safety category;
- an increase in the Strategic Capacity (Roadway Expansion) maximum from \$7 million to \$10 million;
- an increase in the Transit Modernization minimum from \$100,000 to \$500,000;
- an increase in the TDM minimum from \$75,000 to \$100,000;
- and a decrease in the Multiuse Trails and Bicycle Facilities maximum from \$5.5 million to \$4 million with a recommendation to use one maximum amount, as opposed to multiple maximum amounts.

BACKGROUND AND PURPOSE OF ACTION: Shown on the following page are the minimum and maximum federal funding amounts used for the 2018 Regional Solicitation.

Traffic Management Technologies reflects a reduced federal maximum in line with the typical size of projects, as does the new Spot Mobility & Safety category.

Strategic Capacity (Roadway Expansion) shows an increased maximum meant to enable key expansion projects to get around 1/3 of the total project cost funded through the Regional Solicitation, particularly for interchange projects.

Transit Modernization and Travel Demand Management show increased minimum awards to assure that funding is not awarded to small projects that would be overwhelmed by the federal process.

Prior to the 2018 Solicitation, TAC recommended reducing the Multiuse Trails and Bicycle Facilities maximum to \$3.5M, to enable the funding of more projects. The \$5.5M was retained by TAB because larger projects are more effective. A \$4M maximum is shown to help fund more projects.

Modal Categories	Application Categories	Minimum Federal Award	Maximum Federal Award
Roadways Including Multimodal Elements	Traffic Management Technologies	\$250,000	\$7,000,000 \$3,500,000
	Spot Mobility and Safety	\$1,000,000	\$3,500,000
	Strategic Capacity	\$1,000,000	\$7,000,000 \$10,000,000
	Roadway Reconstruction/Modernization	\$1,000,000	\$7,000,000
	Bridge Rehabilitation/Replacement	\$1,000,000	\$7,000,000
Transit and TDM Projects	Bus Rapid Transit Program	N/A	TBD
	Transit Expansion	\$500,000	\$7,000,000
	Transit Modernization	\$100,000 \$500,000	\$7,000,000
	Travel Demand Management (TDM)	\$75,000 \$100,000	\$500,000
Bicycle and Pedestrian Facilities	Multiuse Trails and Bicycle Facilities	\$250,000	\$5,500,000 \$4,000,000
	Pedestrian Facilities	\$250,000	\$1,000,000
	Safe Routes to School	\$150,000	\$1,000,000

STAFF ANALYSIS: Staff recommends these changes. Further, staff recommends a determination that inflation not be added to projects selected, consistent with the approach from the last two cycles.

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

COMMITTEE COMMENTS AND ACTION: At its August 22, 2019, meeting, the TAC Funding & Programming Committee voted unanimously to recommend minimum and maximum funding amounts for the 2020 Regional Solicitation reflecting a decrease in the Traffic Management Technologies maximum from \$7 million to \$3.5 million; a \$1 million minimum and \$3.5 million maximum for the new Spot Mobility & Safety category; an increase in the Strategic Capacity (Roadway Expansion) maximum from \$7 million to \$10 million; an increase in the Transit Modernization minimum from \$100,000 to \$500,000; an increase in the TDM minimum from \$75,000 to \$100,000; and a decrease in the Multiuse Trails and Bicycle Facilities maximum from \$5.5 million to \$4 million with a recommendation to either use the \$4 million maximum or to allow one project to receive a maximum award above \$4 million but no higher than \$5.5 million.

Members were provided three options for addressing TAB’s interest in funding large Multiuse Trails and Bicycle Facilities while still enabling the funding of more projects. These were (see page 4):

1. Allow for different maximums for projects with barriers and those without.
2. Create two different trail categories (big and small projects).
3. Allow for only one project to be awarded up to \$5.5M, the rest at the maximum of \$4M.
4. Use a \$4M maximum

Members favored simply allowing for a \$4 million maximum (#4) with no adjustments, but also prefer #3 if any change is to occur. This would allow one large, high-scoring project to be funded each cycle. The group expressed concern that this approach would not likely produce many

more projects being selected if the same amount of funding was provided in this application category.

One member brought up the inflation factor, suggesting that applicants need to be aware of whether or not inflation might be added to projects. In the section where applicants fill in the cost estimate, it explains that no inflation will be provided to project awards.

At its September 4, 2019, meeting, the Technical Advisory Committee voted unanimously to recommend minimum and maximum funding amounts for the 2020 Regional Solicitation reflecting a decrease in the Traffic Management Technologies maximum from \$7 million to \$3.5 million; a \$1 million minimum and \$3.5 million maximum for the new Spot Mobility & Safety category; an increase in the Strategic Capacity (Roadway Expansion) maximum from \$7 million to \$10 million; an increase in the Transit Modernization minimum from \$100,000 to \$500,000; an increase in the TDM minimum from \$75,000 to \$100,000; and a decrease in the Multiuse Trails and Bicycle Facilities maximum from \$5.5 million to \$4 million with further recommendation to use only one maximum funding amount.

Members wanted to provide TAB feedback that the options to establish different maximum funding amounts in the Multiuse Trails and Bicycle Facilities category are confusing and that, in TAC's opinion, the best course of action is to have one maximum amount. Therefore, if TAB wishes to continue to accommodate large projects, keeping the maximum at \$5.5 million is preferable to using multiple maximums.

TAC added a fifth option, which is to keep the maximum at \$5.5 million.

1. Allow for different maximums for projects with barriers and those without.
2. Create two different trail categories (big and small projects).
3. Allow for only one project to be awarded up to \$5.5M, the rest at the maximum of \$4 million.
4. Use a \$4 million maximum.
5. Keep the maximum at \$5.5 million.

ROUTING

TO	ACTION REQUESTED	COMPLETION DATE
TAC Funding & Programming Committee	Review & Recommend	8/22/2019
Technical Advisory Committee	Review & Recommend	9/4/2019
Transportation Advisory Board	Review & Adopt	
Transportation Committee	Review & Recommend	
Metropolitan Council	Concurrence	

At its July 17 meeting, TAB discussed the Multiuse Trails and Bicycle Facilities \$5.5M maximum. Some TAB members were content with the \$4.0M maximum suggested by the Policy Work Group, though preferences for options as low as \$2.0M and as high as \$5.5M were expressed. While TAB members value the funding of large projects, they also appreciate the notion of funding a larger number of projects.

Staff was instructed to work with technical committees on options that could help fund larger projects and still spread the funding to more projects. Below are ideas generated and the pros and cons developed in conjunction with the technical committees. TAC F&P preferred option #4, with #3 being a second-place preference. TAC preferred option #4 with #5 being a second-place preference. TAC felt strongly that options #1, 2, and 3, would lead to confusion for applicants and committee members.

1. Allowing for different funding maximums for projects with bicycle barriers and those without.

Generally, a larger maximum award was needed to fund multiuse trail bridges over major highways or railroad tracks. However, the last funding cycle, the top three scoring projects were all over \$5M and none of them were trail bridge projects. Instead, they were linear projects in the urban core.

- Pro: Enables two funding levels, which can fund larger projects and could spread the funds.
- Con: History shows that some large projects do not have barriers. Therefore, this could provide for two funding categories dominated by large projects or for large projects without barriers not being able to request a higher amount of federal funds.

2. Creating two different categories, essentially for “big” and “small” projects.

Similar to #1 above, this is meant to enable funding key larger projects and while still funding a lot of small projects. In order to be effective, it would be important to limit the number of large projects.

- Pro: Enables funding a small number of big projects while funding more small projects. Also enables like projects to compete against like projects.
- Con: Applicants must decide which category to apply in. This would be another funding category to split the same amount of total funding between when TAB has to make funding decisions.

3. Keep one category, but allow only one project to receive over \$4M.

This would enable a lower general maximum, which could fund more projects, but allow for the best-scoring larger project to receive between \$4M and \$5.5M. Other projects asking for over \$4M that score within the “funded” range would have the option to accept \$4M. There would be no guarantee that a larger project would be funded (i.e., if no larger projects score high enough to be included within the “funded” range).

- Pro: Funds the highest-scoring “big” project; simple to implement. Enables other big projects to take the lower maximum.
- Con: The second or third highest project that asked for more than \$4M may only be awarded \$4M and it may be difficult for the project sponsor to come up with the increased local match.

4. Use a \$4M maximum

- Pro: Easy and in line with traditional Regional Solicitation practice.
- Pro: Allows for more projects to be funded relative to the other options.
- Con: Does not help to address TAB’s interest in funding large projects.

5. Use a \$5.5M maximum

- Pro: Easy and in line with traditional Regional Solicitation practice.
- Pro: allows larger projects to continue to be funded.
- Con: Does not help to address TAB’s interest in funding more projects.