

INFORMATION ITEM

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TO: Transportation Advisory Board
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SUBJECT: 2022 Regional Solicitation: Funding Categories and Minimum and Maximum Awards

Feedback collected during and following the 2020 Regional Solicitation points to several potential improvements to the application category definitions and federal minimum and maximum awards for each category. The below table shows the funding categories and federal maximum and minimum award amounts used for the 2020 Regional Solicitation.

Table 1: Application Categories and Federal Maximum and Minimum Awards

Modal Application Categories	Minimum Federal Award	Maximum Federal Award
Roadways Including Multimodal Elements		
• Traffic Management Technologies (Roadway System Management)	\$250,000	\$3,500,000
• Spot Mobility and Safety	\$1,000,000	\$3,500,000
• Strategic Capacity (Roadway Expansion)	\$1,000,000	\$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		
• Arterial Bus Rapid Transit Project	N/A	\$25,000,000
• Transit Expansion	\$500,000	\$7,000,000
• Transit Modernization	\$500,000	\$7,000,000
• Travel Demand Management (TDM)	\$100,000	\$500,000
Bicycle and Pedestrian Facilities		
• Multiuse Trails and Bicycle Facilities	\$250,000	\$5,500,000
• Pedestrian Facilities	\$250,000	\$1,000,000
• Safe Routes to School (Infrastructure Projects)	\$250,000	\$1,000,000

Potential Changes to Categories

Most of the application categories listed in Table 1 have been established for several Regional Solicitation cycles. In 2020, the Arterial Bus Rapid Transit and Spot Mobility and Safety categories were newly added, with Spot Mobility being removed from the Roadway Reconstruction and Modernization category. Additionally, the 2020 Regional Solicitation set aside funding for a

Unique Projects category, to be awarded in 2022. The TAB Unique Projects Work Group is currently developing the recommended structure for this new category.

Feedback from the 2020 Regional Solicitation points to some potential changes that could be considered for the 2022 Solicitation. In addition, feedback provided during the Regional Solicitation Before and After study pointed to a desire to have greater clarification on the overall purpose of each category. In response, staff has developed application category purpose statements that are being reviewed by the technical committees and will be brought to TAB for review and feedback in July. Other potential changes to the application categories are discussed below.

Bicycle and Pedestrian Bridges and Underpasses

Following the 2020 Regional Solicitation, concern was expressed that that bicycle and pedestrian grade separations (bridges or underpasses) are eligible in at least four different categories; the three bicycle/pedestrian categories, along with Transit Modernization. This leads to confusion about which category(ies) these projects should be part of each funding cycle. In the case of Transit Modernization, a proposed project needs to have a viable transit-related use to be eligible. In 2020, two overpass projects were applied for connecting Red Line stations on either side of Cedar Avenue. Such a project could be used generally by non-motorized users along with Red Line riders likely to need to cross the street either prior to the morning ride or following the evening ride. Note that neither project was funded.

How many were funded? In the 2020 Regional Solicitation, trail grade separation projects dominated neither scoring nor the number of applications submitted, as summarized by category:

- Multiuse Trails and Bicycle Facilities: 15 projects included grade separations. They ranked 5, 9, 10, 12, 16, 19, 21, 21, 23, 26, 27, 29, 32, 33, 35, and 36.
- Pedestrian Facilities: one bridge application, ranked 6 out of 8. One project funded.
- Safe Routes to School: one bridge application, ranked 3 out of 6. One project funded
- Transit Modernization: two bridge applications, ranked 3 and 5 out of 9. No projects funded. Both projects were skipped for funding due to \$7 million BRT maximum being reached.

Possible Solutions

- No change.
 - TAB is funding some, but not all of the submitted projects, so no change is needed.
- Tell applicants to apply for these projects in the Multiuse Trail category only, given that the higher maximum award of \$5.5M is more conducive to this more expensive project type.
- Create a new funding category for bicycle and pedestrian grade separations. This could separate these projects from other projects. Consideration would need to be given to whether this would replace another category and, eventually, how much funding to provide to grade separation projects versus other projects. In establishment of a potential funding category, consideration would have to be given to defining a “grade separation” project. Some applications are for expensive bridges while others include a small grade separation along a lengthy corridor project.

Technical Discussion: Members did not express interest in changes to any categories.

Federal Minimum and Maximum Awards

The maximum federal funding amounts exist primarily to enable the spread of funds to a larger number of projects. The minimum federal amounts exist primarily to prevent the inefficient use of

federal funding as small projects can be overburdened by federal requirements and the extra costs associated therein. The setting of maximum and minimum awards can also impact the number and geographic spread of funded projects. Increased maximum and minimum awards could reduce the number of funded projects.

Minimum Federal Awards

Some minimum federal award amounts changed marginally from 2018 to 2020, including increasing the minimum amount in Transit Modernization from \$100,000 to \$500,000. Recent discussion at TAC has suggested that the funding of 56 smaller projects is not as impactful or efficient as funding a smaller number of larger projects. Increasing the minimum award is one way to address this concern. This would be most impactful in the three bicycle and pedestrian categories, which saw six projects under \$500,000 funded in 2020. These small projects expanded the geographic spread of the program, as they are located in Columbia Heights, Mahtomedi, Grant Township (Washington Co.), Inver Grove Heights, Oakdale, and Burnsville.

One potential opportunity area would be to increase Multiuse Trails and Bicycle Facilities minimum award from \$250,000 to \$500,000. There was also one small project funded in Transit Modernization, in Chaska.

In roadways, increasing the Traffic Management Technologies minimum award from \$250,000 to \$1,000,000 may be considered by the committees (there were no applications submitted in this category below \$1,000,000 in 2020). This potential change would make Traffic Management Technologies and Spot Mobility and Safety the same in terms of minimum and maximum awards.

Technical Discussion: Members are open to the idea of increasing the minimum federal funding amount for Traffic Management Technologies from \$250,000 to \$1 million, particularly given that applications tend to be at least \$1 million. At the Funding & Programming Committee meeting, members were also open to the idea of raising the minimum for the Multiuse Trails and Bicycle Facilities to \$500,000 even though one project from the category was funded for lower than that in 2020, though TAC members expressed more concern with the impact on smaller communities. Members did not favor increasing the minimum amount for Safe Routes to School since these tend to be smaller projects and a way to include cities in the funding process as applicants. Some members suggested that low-cost projects are inefficient due to federal requirements, which could be mitigated by increased use of removing federal funds from projects.

Maximum Federal Awards

Among previously established funding categories, only two maximum federal award amounts were changed from 2018 to 2020. The Traffic Management Technologies maximum award was reduced from \$7M to \$3.5M and the Strategic Capacity maximum award was increased from \$7M to \$10M. The rationale for the latter is that project costs are increasing. It can be difficult to generate local funds, along with several other competitive sources, needed for the match in order to deliver these regional projects (mostly new interchanges). With project costs exceeding \$30M for a new interchange, the increase to \$10M was intended to pay for about one-third of the total project cost. Of the 17 applications submitted in the Strategic Capacity category in 2020, 11 were for amounts higher than the previous \$7M maximum, including seven at the full \$10M. All seven funded projects requested¹ more than that, including six at the full \$10M.

Technical Discussion: While some members discussed the impact that the \$10 million federal maximum for Strategic Capacity had on the categorical balance in 2020, the preferred solution

¹ Two projects were awarded \$7M; partial funding to enable additional geographic balance.

appeared to be increasing the maximum in Roadway Reconstruction/ Modernization to \$10 million as opposed to bringing the Strategic Capacity maximum back to \$7 million. It was also suggested that the \$1 million federal maximum award for the Pedestrian category is low, given the impacts these projects can have on catch-basins and storm sewers.

Beyond the potential changes discussed above and the application category purpose statements to be discussed in July, no other changes to application categories and federal minimum and maximum awards are anticipated at this time.

Prioritization Criteria and Weighting

The draft application category criteria and weighting shown in Attachment 1 will be discussed at the July TAB meeting. The proposed weighting is identical to the 2020 criteria weighting and the 2020 Solicitation feedback did not suggest a desire for change. Members are being provided this a month in advance to review the existing weighting and consider whether any changes are desired and should be discussed at the July meeting. Please contact staff with any questions or proposed changes prior to July 9th so that staff can be prepared to provide potential options.

