

ACTION TRANSMITTAL – 2021-30

DATE: September 8, 2021

TO: Transportation Advisory Board

FROM: Technical Advisory Committee

PREPARED BY: Joe Barbeau, Senior Planner (joseph.barbeau@metc.state.mn.us)
Steve Peterson, Manager of Highway Planning and TAB/TAC Process (steven.peterson@metc.state.mn.us)
Elaine Koutsoukos, TAB Coordinator (elaine.koutsoukos@metc.state.mn.us)

SUBJECT: 2022 Regional Solicitation: Funding Category Minimum and Maximum Funding Amounts

REQUESTED ACTION: Approval of the minimum and maximum funding amounts for the 2022 Regional Solicitation

RECOMMENDED MOTION: That TAB adopt minimum and maximum federal funding amounts for the 2022 Regional Solicitation reflective of the 2020 Regional Solicitation, with the following changes:

- Increasing the minimum award in Traffic Management Technologies to \$500,000.
- Increasing the maximum award in Pedestrian Facilities to \$2,000,000.

BACKGROUND AND PURPOSE OF ACTION: Shown in Table 1 are the minimum and maximum federal funding amounts used for the 2020 Regional Solicitation. One change that has been discussed is a reduction of the Strategic Capacity maximum from the \$10M that was established in 2020 back to \$7M, based on the deference the larger amount provides to the category. In 2020, this amount was increased to enable key expansion projects to get around 1/3 of the total project cost funded through the Regional Solicitation, particularly for interchange projects. No change from 2020 has been recommended by any committee as of this date.

Prior to the 2016 Regional Solicitation, modest inflation adjustments were made to each federal award, based on program year (usually around 2% per year). This practice was eliminated in 2016 to enable funding of more projects.

Table 1: Application Federal Minimum and Maximum Awards

Modal Application Categories	Min Federal Award	Max Federal Award
Unique Projects	\$500,000	\$4,000,000*
Roadways Including Multimodal Elements		
• Traffic Management Technologies	\$ 250 500,000	\$3,500,000
• Spot Mobility and Safety	\$1,000,000	\$3,500,000
• Strategic Capacity	\$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 2,000,000
• Safe Routes to School (Infrastructure)	\$250,000	\$1,000,000

*The maximum award for unique projects is total amount available for this application category in a funding cycle. For the 2022 funding cycle, the total amount available is approximately \$4,000,000.

STAFF ANALYSIS: Staff recommends maintaining the minimum and maximum federal awards for the Roadways, Transit/TDM, and Bicycle/Pedestrian Facilities categories. For Unique Projects, staff recommends a \$500,000 minimum, while the maximum of approximately \$4,000,000 is reflective of the total available after funding the Travel Behavior Inventory. Further, staff recommends a determination that inflation not be added to projects selected, consistent with the approach from the last three cycles.

In response to a request at the August 19, 2021, Funding and Programming Committee meeting, staff explored the impacts of the increased maximum funding from \$7M to \$10M in the Strategic Capacity category. This increase has only been used for one cycle thus far. In that cycle, five projects received \$10M and had they received \$7M, roughly \$15M would have been able to be distributed in other modes and/or in other roadway categories. While all three modes were funded within their TAB-established ranges, Transit was funded near the bottom of its range, while the Bicycle/Pedestrian and Roadways categories were funded above their ranges. It is therefore likely that additional transit projects would have been funded. Each cycle, the funding scenarios tend to be products of various circumstances and it is therefore not necessarily the case that the impact will be the same in the next Solicitation. In fact, the impact could just as likely to lead to fewer Strategic Capacity projects being funded than otherwise would have been with a \$7M maximum federal award.

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

COMMITTEE COMMENTS AND ACTION: At its August 19, 2021, meeting the TAC Funding and Programming Committee unanimously recommended approval of the 2020 minimum and maximum federal funding amounts, with the following changes:

- Increasing the minimum award in Traffic Management Technologies to \$500,000.
- Increasing the maximum award in Pedestrian Facilities to \$2,000,000.

Members discussed the possibility of raising the Traffic Management Technologies and Bicycle and Pedestrian Facilities minimum amounts as a way prevent applicants from subjecting themselves to too many federal rules and too much administration for small projects. With lack of a certain consensus, the increased minimum federal amount for the Bicycle and Pedestrian categories was not included in a motion. Members also favored increasing the federal maximum award in the Pedestrian Facilities category to \$2M. The results of this discussion are highlighted in the above recommendation and are tracked in Table 1.

Regarding the \$10M maximum in Strategic Capacity, one member chose not to discuss a recommendation, viewing it as a policy consideration, though that member did request the above-discussed impact of the increase from \$7M to \$10M.

At its September 1, 2021, meeting, the Technical Advisory Committee unanimously recommended approval of the 2020 minimum and maximum federal funding amounts, with the following changes:

- Increasing the minimum award in Traffic Management Technologies to \$500,000.
- Increasing the maximum award in Pedestrian Facilities to \$2,000,000.

Members discussed that the \$10M federal maximum is valuable to delivering interchanges, which are increasing in cost, adding that a lot of safety elements are included in those projects (i.e., they have much broader benefits than just mobility). Additionally, there was discussion about increasing federal minimums awards, which had been discussed for the bicycle and pedestrian categories at Funding & Programming. Members suggested that for smaller projects, there may be value in removing federal funds from projects and swapping them with local funds to avoid the administrative challenges of using federal funds (sometimes called a federal funds exchange).

ROUTING

TO	ACTION REQUESTED	DATE SCHEDULED / COMPLETED
TAC Funding & Programming Committee	Review & Recommend	8/19/2021
Technical Advisory Committee	Review & Recommend	9/1/2021
Transportation Advisory Board	Review & Adopt	9/15/2021