CDOT
CO

INTERCHANGE

A Monthly Publication from the CDOT Office of Policy & Government Relations

ISSUE 147 FEB 2018

# Talkin' Infrastructure

During his State of the Union address on January 30th, President Trump called for Congress to pass a bi-partisan $1.5 trillion infrastructure investment plan. He further stated that every Federal dollar should be leveraged by partnering with State and local governments and, where appropriate, tapping into private sector investment.

The plan from the White House has not formally been released but is said to focus on rebuilding infrastructure and accelerating the approval process for permits. Preliminary information that has leaked to the media and stakeholders may give some insight into the final plan. Some of the details related to transportation include:

**Financing:** Allow states flexibility to toll on interstates and reconcile grandfathered restrictions on the use of highway toll revenues with current law. Broaden TIFIA (Transportation Infrastructure Finance and Innovation Act) eligibility to airport, non-federal maritime and inland waterway ports projects. Provide States with the flexibility to commercialize interstate rest areas. Remove application of federal requirements for projects with de minimis Federal share.

**Highways:** Raise the cost threshold for significant project requirements to $1 billion; authorize utility relocation before completion of NEPA (National Enviromental Policy Act); provide small highway projects with relief from the same Federal requirements as major projects.

**Transit:** Require value capture financing as condition of Capital Investment Grants (New Starts/Small Starts). Eliminate constraints on P3s for transit projects.

**Airports:** Create more efficient FAA (Federal Aviation Administration) oversight of non-aviation development activities at airports. Reduce barriers to alternative project delivery for airports;. Clarify authority for incentive payments under the Airport Improvement Program (AIP) and move oversight of AIP funds to post-expenditure audits.

*...continued on page 2*

Save The Date

TRANSPORTATION MATTERS SUMMIT

September 28 • 2018

**www.codot.gov/summit**

# Infrastructure Talk

...continued from page1

Highlights of the funding breakdown for the Administrations infrastructure proposal with percentages are outlined below:

**Infrastructure Incentives Initiative (50%)**. This would be a new discretionary grant program for States, MPOs, local jurisdictions, tribes, special districts, public utilities, and private entities (with public entity sponsorship). Grant solicitations would occur every 6 months. The maximum Federal share is 20% of total project cost. No one State can receive more than 10% of total amount available. Half of the grant criteria is evidence supporting how the applicant will secure and commit new, non-federal revenue to create sustainable, long-term funding; an additional 20% of the grant criteria is evidence supporting how the applicant will secure and commit new, non-federal revenue for operations, maintenance and rehabilitation.

**Transformative Projects Program (10%)**. Discretionary grants administered by the Commerce Department for funding and technical assistance for innovative and transformative infrastructure projects that may be unable to secure financing through the private sector due to the uniqueness of the program. Solicitations would occur once per year. Varying levels of Federal share would be available depending on the funding track: Demonstration (up to 30% Federal share); Project Planning (up to 50% Federal share); Capital Construction (up to 80% Federal share). For the capital construction track, the Federal Government would have the right to share in the generated project value.

**Rural Infrastructure Program (25%)**. Formula and grant distribution for a variety of rural infrastructure investments (transportation, broadband, water and wastewater, power, and water resources).

- Formula distribution to States (80%) – based on the share of total rural lane miles in each State and share of total adjusted rural population in each State. Funds must be used for projects in rural areas with a population of less than 50,000. Funds would be provided to the Governor of each State.

- Performance Grants (20%) – To qualify, States must publish a comprehensive rural infrastructure investment plan (RIIP) within 180 days of receipt of formula funds.

**Federal Credit Programs (7.05%)**. Increase the capacity of existing Federal lending programs: Transportation Infrastructure Finance and Innovation Act (TIFIA), Railroad Rehabilitation and Improvement Financing (RRIF), Water Infrastructure Finance and Innovation Act (WIFIA), and United States Department of Agriculture Rural Utilities Lending Programs.

CDOT continues to track these issues closely and will provide updates as more information becomes available.