



DATE: March 16, 2016
TO: Transportation Commission
FROM: Herman Stockinger, Office of Policy & Government Relations
SUBJECT: USDOT's TIGER VIII and FASTLANE Discretionary Grant Programs

Purpose

To provide information to the Transportation Commission on the next round of federal TIGER grants, USDOT's new FASTLANE grants, and seek approval on which projects CDOT should develop applications and partnerships for.

Action Requested

Approve resolutions authorizing the Department to submit project applications for the federal Transportation Investments Generating Economic Recovery (TIGER) VIII and Nationally Significant Freight and Highway Projects (FASTLANE) discretionary grant programs.

In addition, the Department may provide letters of support to the USDOT Secretary for projects submitted for a TIGER VIII or FASTLANE grant by other Colorado applicants.

Background

On February 23, 2016 USDOT announced the application process for the TIGER VIII discretionary grant program. Under TIGER VIII \$500 million is available for project awards. No less than \$100 million may be awarded to projects in rural areas. Grants may be used for up to 80 percent of the costs of a project located in a urban area and up to 100 percent of the costs of a project located in a rural area. The most competitive applications, however, have matching funds of greater than 50%. Funds must be obligated by September 30, 2019.

Different from TIGER, the FAST Act established a new discretionary grant program for nationally significant freight projects. On February 26, 2016, USDOT announced the 2016 application process for the program. Congress authorized \$800 million for this program in 2016. Of the \$800 million available for grants in 2016, \$76 million is reserved for small projects (less than \$100 million) and \$190 million is reserved for projects located in rural areas (defined as outside of an Urbanized Area with a population over 200,000). Other than the set aside for small projects, the total project cost must be over \$100 million with a minimum grant amount of \$25 million (\$5 million for small projects). The share of project costs funded from this program may not exceed 60% and the total Federal share from all sources may not exceed 80%. Projects must be able to demonstrate an ability to go to construction prior to September 30, 2019. See the attached memo for further information on the new federal freight program.

TIGER VIII Recommendations

North I-25 Express Lanes – Phase I Improvements

Staff is recommending that CDOT sponsor only one application for TIGER VIII. The North I-25 project will build one Tolled Express Lane in each direction on I-25 for 14 miles, from SH 14 in Fort Collins to SH 402 in Loveland, providing much needed capacity and travel time reliability on this congested corridor. These improvements will include replacement of both the Cache La Poudre River Bridge and the Union Pacific Grade Separation Bridge. The Poudre River Bridge will also be designed to accommodate the 100-year flood flow rate, improving resiliency of the

corridor, and the corresponding trail is an important segment of the Colorado Front Range Trail, recently identified as one of Governor Hickenlooper’s “16 in 2016” priority trails. The widening of the Great Western Railroad Bridge and the Big Thompson Bridge are also necessary to accommodate the increased capacity.

The total cost for this series of improvements is \$210-\$230M. Staff recommends that financing of \$100M be considered based on the prospect that various segments of the I-25 corridor can generate revenue through the collection of user fees. In addition to this \$100M construction loan, state dollars totaling up to \$80M, along with pledged local and private funds totaling \$21M and an anticipated TIGER VIII award of \$25M will bridge the current funding gap.

Project	Region	County	Project Cost	Grant Request	Match	Partners
North I-25 Segments 7 & 8 Managed Lanes	4	Larimer, Weld	\$210- \$230M	-\$25M	-\$201M	Larimer County, Fort Collins, private developer, others

Southwest Chief Match

The SWC Commission is working with Kansas and New Mexico and looking for a project sponsor for a TIGER VIII application for Phase III of the track replacement/repair. CDOT will not sponsor an application. However, the Southwest Chief Commission is requesting that CDOT support an application with a \$1M match commitment if an award is made. Staff recommends the Transportation Commission allocate \$1M of residual transit funds from SB1 (total residual is approximately \$12M). These funds would be expended only if a SWC TIGER VIII grant is awarded. Please see the additional memo from the Division of Transit and Rail that provides additional information on this TIGER effort.

FASTLANE Recommendations

Based on a review of competitive freight improvements, CDOT staff have identified the following priority projects for potential submission to USDOT for FASTLANE grant funding. Applicants are limited to three applications. Staff recommends submitting the Multi-State Truck Parking Information and Management System (Small Category) and is working to further refine the three Large Category projects to identify the most competitive two projects for submission.

Project	Category	Region	County	Project Cost	Grant Request	“Up to” Match	Partners
Multi-State Truck Parking Info & Mngmt System	Small	All		-\$10M	-\$6M	TBD -\$4 M	CMCA, Nebraska, Utah, Wyoming
US 287 Lamar Truck Reliever Route	Large	2	Prowers	\$160M	\$96M	Freight Formula \$32M SB228/Other State \$27M RPP \$5M	Lamar, Prowers County
US 85 Highway/Rail Corridor	Large	1, 4	Adams, Weld	\$100M	\$52.5M	Freight Formula \$25M SB228/Other State \$20M RPP \$2.5M	UPRR
US 550/US 160 Connection	Large	5	La Plata	\$140M	\$52M	Freight Formula \$25M SB228/Other State \$20M RPP \$13M Surface Treatment \$8M	

Match Discussion

When applying for federal discretionary grants, there is usually a required state match of at least 20% to be eligible, and an overmatch of non-federal funds makes a project more competitive. While most of the recommended projects have already identified some state and local funds to be included in the applications, additional funds are required for each project to meet minimum match requirements and/or make the projects more competitive nationally.

Staff believes that CDOT should not “pass” on the opportunity to leverage state funds in order to receive additional federal and local funds to fully fund a project and allow us to stretch available state dollars as far as possible. Additionally, committing state funds only if a grant is awarded by the USDOT provides the Commission flexibility to choose any project if a federal award is not made, and allows the flexibility to identify the appropriate state funding source after an award is made. It would be highly unusual for Colorado to receive more than one of these grants, so the expected actual funding commitment would be for only one of these projects.

Commission Options / Decision Matrix

1. Staff Recommendation: Approve staff moving forward with the projects as identified in this memo, with further action to consider a construction loan for North I-25 in April.
 - a. Pros: Takes a number of priority projects from around the state and works to stretch limited state and federal funds in an effort to receive more federal and local funds, thus bringing in new funds for priority projects.
 - b. Cons: While staff believes state funds can be identified for these projects, such as SB 228 funds, potential RAMP savings, toll revenue or future release of excess Commission Contingency Reserve Funds, it does prevent decisions from being made on those programs until USDOT announces project awards in the Fall. Additionally, there is a risk (though we identify the risk as small) that we will have committed state funds and then have difficulty identifying an available source for that commitment.
2. Reduce the Request: The Commission could decide to not submit any project request in either TIGER or FASTLANE (or reduce the number of projects applied for), and provide instruction as to which project(s) to prioritize.
 - a. Pros: Reduces the “liability” of having to identify state funds for multiple projects and may enhance the Colorado’s chance of receiving that one “most prioritized” project.
 - b. Cons: With FASTLANE being a new five year program, and this is just the first year, it makes sense for the department to submit multiple applications to get a better “feel” for what USDOT is looking for.
3. Mix Things Up: With two federal discretionary grant programs and a multitude of important projects across the state, the Transportation Commission could ask the department to submit applications for projects not listed.
 - a. Pros: Commission may have a better sense of project priorities statewide.
 - b. Cons: With only about a month left to develop good grant applications, pivoting to new projects would be extremely difficult for staff to create a new competitive application.



DATE: March 16, 2016

TO: Transportation Commission

FROM: Mark Imhoff, Director - Division of Transit & Rail

SUBJECT: TIGER Update - Amtrak Southwest Chief through Lamar, La Junta, & Trinidad

Purpose: Status update of currently-awarded TIGER Grants for the Amtrak Southwest Chief, and upcoming TIGER 8 request.

Action: This memo is for information only. Action to request \$1 M from CDOT as match is included on the TC agenda with other TIGER 8 projects.

Background

The Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grant program, has provided an opportunity for the U.S. DOT to invest in road, rail, transit and port projects that achieve national objectives. Since 2009, Congress has dedicated nearly \$4.6 billion for seven rounds of TIGER to fund projects. The eighth round of grant opportunities is making \$500 Million more available nationally, with applications due April 29, 2016. The Amtrak Southwest Chief long distance route has been successful in TIGER 6 & 7, with awards of \$12.5 M and \$15.2 M respectively, to upgrade nearly 110 miles of track in KS, CO, and NM. A TIGER 8 application will be submitted for the last 51 miles.

Details

TIGER 6: Garden City, KS was the applicant for 48 miles and 12 grade crossings to be repaired or replaced. A federal grant of \$12.5 M was secured. Ten of the 48 miles in this project were constructed in Kansas in late 2015. The remainder, including five miles in Colorado, is expected to be completed by Summer 2016.

TIGER 7: La Junta, CO was the applicant for 61 miles and 13 grade crossings to be repaired or replaced. A federal grant of \$15.2 M was secured. The award was announced in Oct. 2015, and FRA initiated discussions with La Junta in Dec. 2015. Final project engineering and cost estimation are nearly completed. This has allowed final environmental clearance work to be initiated. The target is a mid-June 2016 notice-to-proceed, with construction completed by the end of 2016.

TIGER 8: With 38 of 51 miles of the remaining track replacement in Colorado, it has been proposed that Lamar, CO be the applicant city this year. BNSF has offered to pay the costs of assembling the application due to the short time available to assemble the materials. CDOT has been asked to pledge \$1 M in matching funds.

Key Benefits

Improve the efficiency of freight & passenger rail service through southern / southeastern Colorado, and connecting to markets/destinations, in adjacent states of Kansas & New Mexico, and longer-distance connections to Los Angeles and Chicago. Improve the safety and efficiency of operations of rural Colorado roads crossing the railroad. Depending on the outcome of TIGER 8, Colorado's return-on-investment will end up between 3.7x and 10.2x.

Next Steps

Finalize lead applicant. Prepare and submit application on April 29, 2016. Award notifications expected Oct. 2016.



Attachments

Summary table below of TIGER 6, 7, & 8 total project costs, contributions, track replacements, and crossing repair/replacement.

TIGER Project Summary 2014-2016 for Colorado, Kansas, & New Mexico

TIGER Project Attributes	TIGER 6		TIGER 7		Proposed TIGER 8		Totals	
	2014 Application		2015 Application		2016 Application		TIGER 6,7, & 8	
	2015 Agreement 2015 & 2016		2016 Agreement		2017 Agreement			
Construction		2016 Construction		2017 Construction				
Funding Participation (\$Millions)								
	\$	%	\$	%	\$	%	\$	%
USDOT TIGER Funding	\$12.47	57%	\$15.21	62%	\$26.70	70%	\$54.38	65%
Amtrak	\$4.00	18%	\$4.00	16%	\$4.00	11%	\$12.00	14%
BNSF Funding Match	\$2.00	9%	\$2.00	8%	\$4.00	11%	\$8.00	10%
Colorado Funding Match*	\$0.25	1%	\$1.10	5%	\$1.10	3%	\$2.45	3%
Kansas Funding Match	\$3.05	14%	\$1.05	4%	\$1.10	3%	\$5.20	6%
New Mexico Funding Match	\$0.00	0%	\$1.08	4%	\$1.10	3%	\$2.18	3%
Total	\$21.77	100%	\$24.44	100%	\$38.00	100%	\$84.21	100%
Project Information								
Miles of Track	Miles	%	Miles	%	Miles	%	Miles	%
Colorado	4.6	10%	4.6	8%	37.9	75%	47.1	30%
Kansas	43.3	90%	33.7	55%	10.9	21%	87.9	55%
New Mexico** (Ballast & Ties only)	0.0	0%	22.5	37%	2.0	4%	24.5	15%
Total	47.9		60.8		50.8		159.5	
Grade Crossing Resurfacing/Replacement	Crossings	%	Crossings	%	Crossings	%	Crossings	%
Colorado	1	8%	1	8%	9	45%	11	24%
Kansas	11	92%	12	92%	1	5%	24	53%
New Mexico**	0	0%	0	0%	10	50%	10	22%
Total	12		13		20		45	

Notes:

*Local Colorado Communities provided \$250,000 for TIGER 6, \$101,000 for TIGER 7, and are estimated to provide \$100,000 for TIGER 8, CDOT provided the remainder.

**New Mexico was not party to TIGER 6, and in TIGER 7, chose sections of track which did not need grade crossing repairs/replacement. Values for TIGER 8 New Mexico project elements are estimated as of 3/3/2016 but not final.

	Individual State Match as Share of all State Match		Estimated State Return-On-Investment (ROI)			
	Match	Return	ROI Factor	Match	Return	ROI Factor
Colorado	\$2.45	25%	\$2.45	\$24.87	10.2	
Kansas	\$5.20	53%	\$5.20	\$46.40	8.9	
New Mexico	<u>\$2.18</u>	<u>22%</u>	<u>\$2.18</u>	<u>\$12.94</u>	<u>5.9</u>	
Total	\$9.83	100%	\$9.83	\$84.21	8.6	

	Public & Private Match		Colorado's ROI After TIGER 6 & 7			
	Match	Return	ROI Factor	Match	Return	ROI Factor
Federal Government	\$66.38	78.8%				
Private Sector	\$8.00	9.5%				
State & Local Governments	<u>\$9.83</u>	<u>11.7%</u>				
Total	\$84.21	100.0%				

NM mileage in TIGER 7 not included in the Colorado ROI. Ballast & ties only.





DATE: March 16, 2016
TO: Transportation Commission
FROM: Debra Perkins-Smith, Director, Division of Transportation Development (DTD)
SUBJECT: FAST Act Freight Programs

Purpose

To provide an overview and update on new FAST Act freight programs.

Action

Informational.

Background

The Funding America's Surface Transportation (FAST) Act, signed into law on December 4, 2015, includes several key freight provisions. The most notable include the creation of a new National Highway Freight Network (NHFN), a new formula based National Highway Freight Program (NHFP), and a discretionary grant program- the Nationally Significant Freight and Highway Projects Program (NSFHP), now known as FASTLANE. Staff has had preliminary discussions on these programs with the Statewide Transportation Advisory Committee (STAC), and Freight Advisory Council (FAC) and are currently preparing a framework for implementation.

Details

National Highway Freight Network

The FAST Act established a National Highway Freight Network (NHFN) consisting of several key elements:

- *Primary Highway Freight System (PHFS)* of 803 miles (41,518 nationwide) identified by FHWA. In Colorado this includes I-25, I-70, I-225, I-270, I-76 from I-70 north approximately 12 miles, and several small segments of other corridors in the Denver metro area.
- *Critical Urban Freight Corridors* of roughly 80 miles (5,108 nationwide) identified by the State and MPOs.
- *Critical Rural Freight Corridors* of roughly 160 miles (10,216 nationwide) identified by the State based on minimum criteria.
- *Interstates* or portions of interstates not included in any of the above categories

In order for a project to be eligible under the National Highway Freight Program (NHFP), described below, it must be on the NHFN. As such, it is important that the designation of critical urban and rural freight corridors be considered in tandem with the identification of priorities for funding under that program. Given the limited number of miles, the identification of critical urban and rural freight corridors should likely focus on key segments of corridors rather than an entire corridor. It will be possible to change designations to other corridor segments in the future if work is completed and the need for investment shifts to a different corridor or corridor segment. Staff is currently conducting an analysis of minimum criteria and identified project needs to determine potential corridor segments for consideration.

National Highway Freight Program (NHFP) - Formula Program

The National Highway Freight Program (NHFP) is a new formula-based program with the purpose of improving the efficient movement of freight on the National Highway Freight Network (NHFN). Colorado is anticipated to receive roughly \$85 million through this program over the five year period of the FAST Act (FY 16 - FY 20). As noted previously, in order for a project to be eligible for funding it must be on the NHFN. The NHFP provides a wide range of eligibility, including but not limited to:



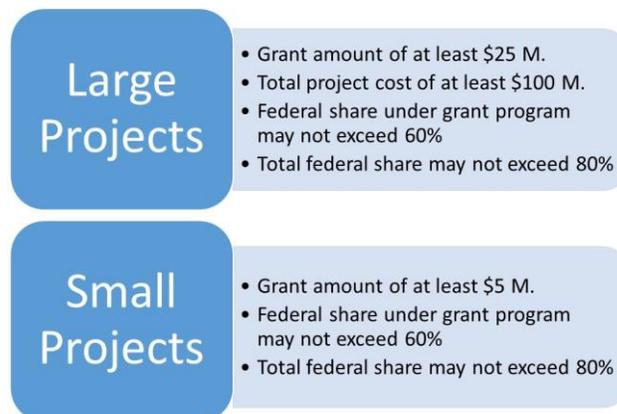
- Development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities.
- Construction, reconstruction, rehabilitation, acquisition of real property (including land relating to the project and improvements to land), construction contingencies, acquisition of equipment, and operational improvements directly relating to improving system performance.
- A wide range of other activities supporting freight movement including ITS, truck parking, highway ramp metering, truck-only lanes, climbing and runaway truck lanes, traffic signal optimization, etc.

FASTLANE - Discretionary Program

The FAST Act established the Nationally Significant Freight and Highway Projects Program, now known as FASTLANE. FASTLANE is a discretionary grant program intended to provide Federal financial assistance to freight and highway projects of national or regional significance. Approximately \$4.5 billion is authorized for this program over the five years of the FAST Act. Eligible projects include:

- Highway freight projects on the National Highway Freight Network(NHFN)
- Highway or bridge projects on the National Highway System (NHS)
- Freight intermodal or freight rail projects
- Railway-highway grade crossing or grade separation projects

FASTLANE grants will fund small and large projects. Large projects are eligible for a minimum award of \$25 million, and small grants for a minimum award of \$5 million.



A specified amount of funds will be reserved each year for small projects, as well as for projects in rural areas. A rural area is considered any area outside of an Urbanized Area with a population over 200,000. In Colorado, this includes Denver-Aurora, Colorado Springs, and Fort Collins.

A Notice of Funding Opportunity (NOFO) was issued on February 26 for FY 16. The FY 16 FASTLANE program will include \$800 million, with \$76 million reserved for small projects, and \$190 million reserved for projects in rural areas. Applications for FY 16 are due on April 14. Given the tight turnaround required, staff is coming to the TC in March to seek concurrence with recommendations for both the FASTLANES and TIGER programs (See **TIGER and FASTLANES memo**).

While the schedule for FY 16 does not permit a more thorough discussion, staff will seek TC input on strategy for future years of the program. This could include the possibility of considering priorities for FASTLANES in tandem with other funding programs, such as the National Highway Freight Program and SB 228.

Next Steps

Develop framework for the National Highway Freight Program.

