



COLORADO Department of Transportation

Division of Transportation Development
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DATE: August 16, 2017
TO: Transportation Commission
FROM: Debra Perkins-Smith, Director, Division of Transportation Development (DTD)
SUBJECT: Infrastructure for Rebuilding America (INFRA) Discretionary Grant Program

Purpose

To discuss approach and potential projects for submittal by CDOT under the INFRA discretionary grant program.

Action

No action. Requesting input and direction on approach.

Background

A Notice of Funding Opportunity (NOFO) was issued on July 5, 2017 for the new INFRA discretionary grant program. The INFRA program is the latest iteration of the Nationally Significant Freight and Highway Program created under the FAST Act, and replaces the FASTLANE grant program. INFRA retains the same two primary categories of funding as FASTLANE:

- Large Projects: Projects with a total project cost of greater than \$100 million, and a minimum grant request of \$25 million
- Small Projects: Projects with a total project cost of less than \$100 million, and a minimum grant request of \$5 million

Approximately \$1.56 billion is available under the FY 2017-FY 2018 INFRA program, the majority of which (roughly \$1.5 billion) is in the large projects category. Eligible applicants can submit up to three projects for consideration. In the case of FASTLANE and previous rounds of TIGER, the Transportation Commission (TC) committed matching funds in order to leverage potential federal grant funds, most recently with anticipated Senate Bill (SB) 228 funds. A significant commitment of matching funds from the TC and local governments is needed in order for a project to be competitive under these programs, and this remains the case with the current INFRA solicitation.

Two solicitations were issued under the FASTLANE program, one in the spring of 2016 for fiscal year (FY) 2016 awards, and one in the fall of 2016 for FY 2017 awards. CDOT submitted three applications under the first solicitation - US 85 Centennial Highway Improvements, US 287 Lamar Reliever Route, and Truck Parking Information System (TPIMS). None were successful. The applications for US 85 and TPIMS were updated and resubmitted in the second solicitation. No awards were made under the second solicitation prior to the Obama administration leaving office. The Trump administration decided to only make 2017 FASTLANE awards in the small projects category, and is rolling large project funding into the current INFRA solicitation. 2017 FASTLANE awards in the small projects category were recently announced. While none of the CDOT submitted projects were selected, \$12 million was awarded for the US 550/US 160 Connection, submitted by La Plata County.

Details

Attachment A provides a summary of the INFRA NOFO. Although INFRA retains the same basic elements of the FASTLANE program, including large and small project categories, eligible activities, and cost share requirements, the focus and selection criteria are different. The most notable difference is that while FASTLANE focused on freight projects, INFRA does not have an explicit freight focus. INFRA project selection criteria are focused on four "key program objectives": Supporting Economic Vitality, Leveraging of Federal Funds, Innovation, and Performance and Accountability. As noted previously, CDOT can submit up to three projects. The TC may want to consider different strategies in the number and type of projects that are considered.

Eligibility and Evaluation Criteria

Attachment B outlines two primary criteria used by staff to determine eligibility for INFRA: eligible project type and project readiness. Staff have also identified evaluation criteria based on the NOFO to further assess those projects that meet eligibility criteria. The evaluation criteria directly address three of the four key program objectives identified in the NOFO and described above. The fourth, performance and accountability, staff does not



consider an evaluation criteria, but rather a component of an eventual application that should be developed as part of any project put forward by CDOT. These criteria also align with the Statewide Plan (SWP) goal areas of Safety, Mobility, and Economic Vitality. The fourth SWP goal area, Maintaining the System, is not directly aligned with an evaluation criteria. Although the extent to which a project extends asset life may be an additional consideration in the evaluation of projects, it is generally less aligned with the focus of the INFRA program. Staff proposes to use this criteria and additional input from the TC to further assess projects and identify a staff recommendation for INFRA projects for Commission review in September.

Attachment B also identifies large and small projects included in the Development Program. Projects been assessed for the two eligibility criteria, and undergone a preliminary assessment of economic vitality criteria. Projects highlighted in bold are those that meet the eligibility criteria and are considered competitive from an economic vitality perspective. Many of the large projects that have been identified could also be scaled to fit within the small projects category.

Grant Request Amount and Matching Funds

While an INFRA award can cover up to 60% of eligible project costs, the INFRA NOFO puts significant focus on the maximization of other non-federal funding. As such, it is anticipated that a competitive project is likely to include a much smaller federal funding request- closer to 20% to 30% of total project costs, with an “ideal” large project grant request likely falling somewhere between \$25 million and \$60 million. A large project with a total cost at the minimum of \$100 million will require approximately \$70-\$80 million in matching funds if the request is limited to 20-30% of costs. Many of the projects included in Attachment B are significantly larger than \$100 million, with correspondingly higher match amounts needed. Given current funding circumstances, most of the large projects have limited identified sources of funding. If selected to be put forth as an INFRA application, staff will work to identify all possible opportunities for matching funds, including RPP, FASTER Safety, or other sources of CDOT funding, tolling, innovative financing, and local or private contributions. Even if these other sources are maximized, it is still anticipated that a significant majority of match funding will be needed through a commitment from the TC to fund with Senate Bill (SB) 267 or other funding source (i.e. TC Reserve).

Questions to Consider

Staff requests TC input on approach to the identification of projects for submittal under the INFRA NOFO.

Questions to consider include:

- Are there projects not identified in Attachment B that should be considered for further evaluation?
- Are there other criteria that should be considered in relation to the INFRA NOFO key program objectives?
- Which projects are most compelling, and best address evaluation criteria?
- Is the TC willing to commit significant matching funds via SB 267 or other source?
- How many projects should be submitted? Do we identify the most competitive large and small projects and submit two applications? Submit only one application for our top priority? Since this is a new program, do we submit three very different projects to provide a range of options for selection?

Advisory Committee Input

The Statewide Transportation Advisory Committee (STAC) meeting was held on July 28 and included discussion on both INFRA and SB 267. STAC was provided with the attached list of projects greater than \$100 million. STAC generally concurred with the staff approach and assessment of competitive project characteristics. No additional projects were identified in the large projects category, although it was noted that there may be some additional suggestions from local governments. STAC has not reviewed projects for the small projects category.

Next Steps

- August - Further assessment of candidate projects, based on project data and TC input. Identification of staff recommendation for INFRA applications.
- September - TC workshop on staff recommended INFRA applications and match requirements.
- October - TC approval of submittal of applications and commitment of matching funds.
- November 2 - Applications due.

Attachments

- Attachment A: INFRA Notice of Funding Opportunity (NOFO) Summary
- Attachment B: Potential Candidate Projects



FY 17 & 18 Infrastructure for Rebuilding America (INFRA) Notice of Funding Opportunity (NOFO) Summary

Overview

The Nationally Significant Freight and Highway Projects program was authorized in the 2015 FAST Act to provide Federal financial assistance to highway and freight projects of national or regional significance. The program was formerly known as FASTLANE and is now known as INFRA.

A FY 2016 solicitation was issued in the spring of 2016 with awards announced in July 2016. A FY 2017 solicitation was issued in the fall of 2016. FY 2017 awards were not made before the new administration took office in January 2017.

The USDOT expects to award approximately \$80 million of “small projects” funding from the FY 2017 solicitation this summer. The remainder of the FY 2017 funding availability is being rolled into this solicitation for FY 2017 and FY 2018 funding.

Applications Due: 8:00 p.m. EST, November 2, 2017. No more than 3 applications from each sponsor.

Available Funding: Up to \$1.56 billion (pending FY 2018 appropriations)

Large Projects: >\$100m total project cost and at least \$25m INFRA grant – \$1.44b-\$1.48b total

Small Projects: <\$100m total project cost and at least \$5m INFRA grant – \$81m-\$85.5m total

Rural Projects: Located outside urban areas with populations >200,000 – at least 25% of funding

Freight Intermodal Projects: Approximately \$326 million remains available for freight intermodal projects. Grade crossing and grade separation projects do not count toward the maximum available funding for freight rail, port, and intermodal projects.

Eligible Projects

- Highway freight projects carried out on the National Highway Freight Network
- Highway or bridge projects carried out on the National Highway System, including projects that add capacity on the Interstate System to improve mobility or projects in a national scenic area
- Railway-highway grade crossing or grade separation projects
- Freight projects that are
 - Intermodal or rail projects, or
 - Within the boundaries of a public or private freight rail, water, or intermodal facility (must be a surface transportation project necessary to facilitate direct intermodal interchange, transfer, or access into or out of the facility and must significantly improve freight movement on the National Highway Freight Network)

Eligible Costs

Construction, reconstruction, rehabilitation, acquisition of property, environmental mitigation, construction contingencies, development phase activities. USDOT is seeking to fund projects that result in construction. P3 assessments are eligible. INFRA funds may also pay the subsidy and administrative costs for TIFIA.

Cost Sharing

- INFRA grants may be used for up to 60% of eligible project costs.
- Total Federal assistance may not exceed 80% of eligible project costs.
- TIFIA and RRIF credit assistance programs are considered Federal assistance.
- The USDOT seeks applications for projects that exceed the minimum non-Federal cost share requirement.
- Cost share will be evaluated according to the Leveraging of Federal Funding evaluation criterion.

FY 17 & 18 Infrastructure for Rebuilding America (INFRA) Notice of Funding Opportunity (NOFO) Summary

Selection Criteria

The USDOT intends to advance four key program objects with FY 2017-2018 INFRA funds.

Supporting Economic Vitality: Projects that address congestion in major urban areas, particularly those that use congestion pricing or deploy advanced technology, project that bridge gaps in service in rural areas, and projects that attract private economic development all support national or regional economic vitality.

Leveraging of Federal Funding: Give priority consideration to projects that use all available non-Federal resources for development, construction, operations, and maintenance. These projects include those that maximize State, local, and private-sector funding, projects that raise revenue directly, projects that benefit from local self-help, and projects that pair INFRA grants with broader-scale innovative financing, including Federal credit assistance. For the purposes of this criterion, TIFIA will be considered non-Federal funding.

Innovation: The USDOT seeks to use the INFRA program to encourage innovation in three areas: 1) environmental review and permitting; 2) use of experimental project delivery authorities; and 3) safety and technology. Note expected that each project will address all three innovation areas.

Environmental Review and Permitting-Expand and improve upon reforms intended to reduce project timelines and costs: accelerate the environmental permitting and review process; improve outcomes for communities and the environment; facilitate concurrent and consistent environmental permitting and review, analysis and decision making; establish a shared vision of permitting success among Federal agencies. The USDOT will use a new approach designating liaisons within each resource agency to coordinate review activities and track and meet milestones. The Department seeks applications for projects that could benefit from this approach and encourages applicants to indicate whether they are interested in participating.

Special Experimental Authorities – USDOT is interested in ensuring that Federal-aid Highways program requirements do not impede project delivery. The Department encourages applicants to consider whether their project is eligible for and would benefit from an experimental authority or waiver under SEP-14 (innovative contracting practices), SEP-15 (innovative project development processes), or some other experimental authority program.

Safety and Technology – USDOT seeks opportunities to experiment with innovative approaches to transportation safety, particularly projects that incorporate innovative design solutions, enhance the environment for automated vehicles, or use technology to improve the detection, mitigation, and documentation of safety risks.

Performance and Accountability – Maximize public benefits and promote local activity that provides benefits beyond the INFRA-funded projects. USDOT seeks projects that allow the Department to condition funding on specific, measurable outcomes. The Department may use one or more of the following types of events to trigger availability of some or all INFRA funds: 1) reaching project delivery milestones in a timely manner; 2) making specific State or local policy changes that advance desirable transportation outcomes; and 3) achieving transportation performance objects that support economic vitality or improve safety. For example, the Department may condition some of the INFRA funds to be used to improve on interchange in a corridor on the project sponsor's ability to demonstrate satisfactory levels of service at other points in the corridor.

Project Readiness: Obligate funds within 3 years (9/30/20 for FY 17 funds and 9/30/21 for FY 18 funds). Must be reasonably expected to begin construction within 18 months of obligation of funds.

INFRA
Potential Candidate Projects

Eligibility Criteria:

- (1) **Eligible Project Type** - Highway or bridge project on the National Highway System (NHS), National Highway Freight Network (NHFN), or a grade separation, or freight intermodal/rail project.
- (2) **Project Readiness** - While projects that are not ready to go to construction for five to six years are technically eligible under the INFRA program, projects that are ready to go to construction within a few years of award have generally be considered more competitive in previous rounds of discretionary grant programs. Given the innovation objective relating to environmental review and permitting, staff expects that projects that may take slightly longer to proceed to construction may still be competitive if they include opportunities to streamline and accelerate environmental processes. Based on the above, staff recommend June, 2021 as the date by which projects should be ready to go to construction by in order to be considered for this round of INFRA funding.

Evaluation Criteria:

- (3) **Economic Vitality: Interstate Movement of People or Goods** - In addition to being an eligible facility (i.e. NHS or NHFN), a project should be on a corridor that serves significant interstate movement of people or goods, or provides important interstate connectivity. Projects will be evaluated on the significance of the facility to national and regional economic vitality.
- (4) **Economic Vitality: Mobility Benefits** - Given the focus of the NOFO economic vitality objective on congestion, service gaps, and private economic development, projects should provide significant mobility improvements, such as new capacity, passing lanes, geometric improvements, new or improved interchanges, etc. Projects will be evaluated on anticipated benefits to mobility such as improved connections, or travel time savings.
- (5) **Other Evaluation Criteria** - to be used a the next level of screening/evaluation
 - a. **Leveraging of Federal Funding: Other Funding** - Projects should demonstrate a strong ability to leverage other funding (in addition to a commitment from the Transportation Commission via SB 267 or other source). The stronger the ability to include other non-federal funding sources, such as other state funding sources, local funding commitments, innovative financing, or toll revenue, the more competitive an application is likely be nationally. Projects will be evaluated on secured or anticipated commitments of funding from other non-federal sources, in addition to funds committed by the Transportation Commission.
 - b. **Innovation: Environmental Streamlining** - The opportunity to accelerate environmental review and permitting decreases the closer a project is to construction. As such, projects will be assessed based on the degree to which acceleration is possible, given a project's state of readiness. For example, a project ready to go now may be considered comparable in terms of competitiveness to a project not ready to go for two years but with identified opportunities to streamline environmental processes, whereas a project not ready to go for two years, without significant opportunity for streamlining, will be considered less competitive.
 - c. **Innovation: Innovative Project Development or Contracting** - The key program objectives include the ability to utilize innovative project development and contracting procedures outlined in FHWA Special Experimental Programs 14 and 15. Projects will be assessed in terms of their ability to utilize these procedures which include public-private partnerships, design-build, or Construction Manager at Risk.
 - d. **Innovation: Technological Innovation** - Projects should include, to the extent practicable, innovations in technology, particularly innovations advancing safety. Projects will be assessed based on the opportunity to integrate innovative technology, examples of which could include fiber, ITS devices, or connected vehicle infrastructure.

The following projects that are in bold meet the eligibility criteria and an initial assessment of economic vitality criteria and will be further assessed to identify the best candidate for competing nationally for INFRA funds.

Tier I Development Program Projects > \$100 M

- I-25 North US 36 to 120th / TEL Expansion E-470 to Weld County Line*
- I-70 West: Floyd Hill
- I-70 West: Westbound PPSL (if combined with other I-70 phases)*
- I-270: Widening from I-76 to I-70 (*likely not ready until 2022*)
- US 85: 104th and 120th Grade Separation*
- US 85/Vasquez: I-270 to 62nd Ave. Interchange*
- I-25: Colorado Springs Denver South Connection
- I-25: Colorado Springs Congestion Relief*
- SH 21: Intersection Improvements: Constitution to North Carefree (*may not be competitive for economic vitality criteria*)
- I-25: New Pueblo Freeway*
 - I-25: City Center Drive to 13th St.
 - I-25: US 50 Interchange with I-25
 - I-25: 29th St. Section
 - I-25: Dillon Blvd. Extension
- US 287: Lamar Reliever Route*
- I-70 West: Vail Pass
- I-70: Replace Failing Pavement* (*may not be competitive for economic vitality criteria*)
- SH 119: BRT/Managed Lanes (*may not be competitive for economic vitality criteria*)
- US 34/85 Interchange Reconfiguration (*may not be competitive for economic vitality criteria*)
- US 85: Corridor Improvements*
 - US 85 and CR 44 Railroad Interchange and RR sidings
- I-25 North: SH 7 to SH 14
 - I-25 SH 402 to SH 66
- I-76 Phase IV and V* (*may not be competitive for economic vitality criteria*)
- SH 71 Super 2* (*may not be competitive for economic vitality criteria*)
- US 550/US 160 Connection (*awarded FASTLANE small project funds*)

*Could likely be scaled as large or small project

Tier I Development Program Projects < \$100 M

- I-25: Valley Highway Phase 3.0 Santa Fe to Bronco Arch (*likely not ready until 2022*)
- I-70 Kipling Interchange
- I-225: I-25 to Yosemite
- US 6: Wadsworth Interchange (*may not be competitive for economic vitality criteria*)
- US 85: Louviers to Meadows Widening (*likely not ready until 2022*)
- US 285: Richmond Hill to Shaffer's Crossing (*may not be competitive for economic vitality criteria*)
- US 24 East: Widening Garrett/Dodge to Stapleton Rd. (*may not be competitive for economic vitality criteria*)
- US 285: Fairplay to Richmond Hill (*may not be competitive for economic vitality criteria*)
- SH 67: Divide to Victor Shoulder Widening and Safety Improvements (*not eligible - not on NHS or NHFN*)
- SH 115: Rock Creek Bridge Replacement and Widening (*not eligible - not on NHS or NHFN*)
- SH 21 Research Pkwy Interchange (*may not be competitive for economic vitality criteria*)
- US 24 West: I-25 to Woodland Park (*may not be competitive for economic vitality criteria*)
- US 50: West of Pueblo (*may not be competitive for economic vitality criteria*)
- **US 50B: East Widening**
- I-25: SH 10/SH 160 Interchange Reconstruction at Walsenburg (*may not be competitive for economic vitality criteria*)
- US 160: Mobility Improvements (*may not be competitive for economic vitality criteria*)
- SH 12 and 69 Improvements (*not eligible - not on NHS or NHFN*)
- I-70 Business Loop (*may not be competitive for economic vitality criteria*)

- **I-70 Palisade to Debeque**
- US 6: Mesa County Improvements (*may not be competitive for economic vitality criteria*)
- SH 141B: Mesa County (*not eligible - not on NHS or NHFN*)
- SH 340: Safety and Capacity Improvements (*not eligible - not on NHS or NHFN*)
- **US 50: Little Blue Canyon**
- US 550: Safety Improvements (*may not be competitive for economic vitality criteria*)
- SH 92: Safety Improvements (*not eligible - not on NHS or NHFN*)
- I-70: Garfield County Interchange Improvements (*may not be competitive for economic vitality criteria*)
- I-70: Glenwood Canyon Bridge Rail (*may not be competitive for economic vitality criteria*)
- I-70: Edwards Spur Road. (*may not be competitive for economic vitality criteria*)
- I-70 West: Dowd Canyon Interchange *may not be competitive for economic vitality criteria*)
- **I-70 West: Exit 203 Interchange Improvements**
- **I-70 West: Frisco to Silverthorne Auxiliary Lane**
- **I-70 West: Silverthorne Interchange**
- SH 9: Frisco North (*may not be competitive for economic vitality criteria*)
- **SH 13: Rifle North**
- US 40: Fraser to Winter Park (*may not be competitive for economic vitality criteria*)
- US 40: Kremmling East and West (*may not be competitive for economic vitality criteria*)
- **SH 13: Rio Blanco South to County Line Shoulders and Passing Lanes**
- **SH 13: Wyoming South**
- SH 139: Little Horse South (*not eligible - not on NHS or NHFN*)
- US 385: Intersection, Shoulders, and Other Safety Improvements and Problem Locations (*may not be competitive for economic vitality criteria*)
- SH 66: Corridor Improvements West (*may not be competitive for economic vitality criteria*)
- SH 52 Interchange in Hudson (*may not be competitive for economic vitality criteria*)
- US 550: Shoulder Improvements, Deer Fencing, and Animal Underpasses (*may not be competitive for economic vitality criteria*)
- SH 17: Safety and Mobility Improvements North of Mosca (*may not be competitive for economic vitality criteria*)
- **US 160: Towaoc Passing Lanes**
- **US 160: Elmore's East**
- US 160: Pagosa Reconstruction and Multi-Modal Improvements (*may not be competitive for economic vitality criteria*)
- **US 550 South: Sunnywide**
- **US 550 South: Gap**