

FAST FACTS: TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) AND TIGER II DISCRETIONARY GRANTS

Using language similar to the 2009 Appropriations Act for DOT which created TIGER, the 2010 Appropriations Act authorized *\$600M for National Infrastructure Investments*, and DOT is referring to the program as TIGER II. Under the new program, DOT will competitively award *TIGER II Discretionary Grants*. The Interim Notice of Funding Availability (75 FR 21695, 26 April 2010) solicits proposals for TIGER II Grants and invites comment on the proposed selection criteria, evaluation process, and guidance for awarding funds. A Final Notice is expected by 28 May 2010, and any substantive changes resulting from comments will be reflected at that time.

Eligible Applicants for submitting Grant proposals are state and local governments, transit agencies, port authorities, metropolitan planning organizations, other political subdivisions of state and local governments, and multi-state or multi-jurisdictional groups applying through a single lead applicant (all members of such groups must, themselves, be otherwise classifiable as Eligible Applicants).

Eligible Projects include highway or bridge projects, public transportation projects, passenger and freight rail transportation projects, and port infrastructure projects that will have *a significant impact on the nation, a metropolitan area, or region*. Projects need to be competitive on the merits of their medium- to long-term impacts, though near-term impacts such as job creation will also be considered, particularly if the project will employ people in “economically distressed areas.”

For *TIGER II Planning Grants* (a subset of TIGER II Discretionary Grants) for individual transportation projects, transportation corridors, or regional transportation systems or networks, DOT intends a multi-agency review and award process in conjunction with *HUD's Community Challenge Planning Grants* program to foster reform and reduce barriers to achieve affordable, economically vital, and sustainable communities. DOT and HUD believe that working together in this process will help to better align transportation, housing, economic development, and land use planning. Activities eligible under the HUD program include development of master plans, building code and zoning reform initiatives including the development of inclusionary zoning ordinances, corridor and district plans, and other strategies (including land acquisition) to create walkable, mixed-use, transit-oriented, and affordable communities. While TIGER II Planning Grants are only available to Eligible Applicants, the HUD grants are open to a wider audience including non-profits, and DOT has specifically invited comment on whether these differences in eligibility should be maintained.

The anticipated *timeline of events* is as follows:

- 7 May 2010: Comments on the Interim Notice are due.
- 28 May 2010: Final Notice will be published.
- 15 June 2010: Pre-applications period opens.
- 16 July 2010: Pre-applications for TIGER II Grants are due.
- 30 July 2010: Final Applications period opens.
- 23 August 2010: Final Applications for TIGER II Grants are due.
- 15 September 2010: Grant awards announced.

The original 2009 TIGER program was much larger than TIGER II, having been funded at \$1.5B. From that program, nearly 1,500 proposals were received with a total of \$60B in funding requested. The

\$1.5B budget was distributed through 51 grants (about 3% of applications) on 17 February 2010. Grants ranged from \$3.15M to \$105M, averaging \$30M and with a median of \$22M. Program parameters limited individual grants to a minimum of \$20M and a maximum of \$300M, though minimum dollar requirements were waived for “significant projects in smaller cities, regions, or states.”

The TIGER II funding parameters are as follows:

- \$600M total program budget.
- \$10M minimum and \$200M maximum grant amounts per individual project.
- \$1M minimum grant amount for projects in “rural areas” (as defined by the Census Bureau).
- Individual states are limited to not more than \$150M in total grants (not clear how this squares with the \$200M individual project maximum).
- Not less than \$140M in grants to projects in “rural areas.”
- A grant can cover up to 80% of the total project cost (up to 100% in “rural areas”), with priority given to projects where federal funding is required to complete the financing package. Projects become more competitive when a significant proportion of total project cost comes from non-federal sources.
- Up to \$150M may be used to pay the subsidy and administrative costs of the TIFIA Program (a credit assistance program), if it would further the purposes of TIGER II.
- Up to \$35M may be applied to TIGER II Planning Grants.
- Up to \$25M may be retained by DOT to fund the award and oversight of TIGER II Grants.

The *application process for TIGER II Grants* is structured in two phases. A **Pre-application form** must be filed first and will be available at www.dot.gov/recovery/ost/TIGERII **starting on 15 June 2010**. The form will require only basic information. Approval by DOT of the Pre-application is not required in order to submit a Final Application; however, a Final Application will not be accepted if a properly completed Pre-application has not been submitted by the deadline. Final Applications must be submitted through www.grants.gov which will be open to applications **on 30 July 2010**. Be aware that users **must first register with grants.gov** before being able to use the facility, and this process may take 2 to 4 weeks. As to be expected, the Final Application has a more complex structure and submittal requirements, and must be responsive to the selection criteria. It is, nonetheless, limited to a 25-page project narrative plus relevant attachments.

Selection criteria for awarding TIGER II Discretionary Grants are structured as primary criteria, which are meant to capture the objective of “significant impact on the nation, a metropolitan area, or a region,” and secondary criteria, which are meant to capture the benefits of new or innovative approaches to achieving those “significant impacts.”

Primary Selection Criteria include (1) long-term outcomes and (2) job creation and economic stimulus (a short-term outcome). This latter criterion gives priority to projects that quickly create and preserve jobs and stimulate rapid economic benefits, particularly in areas classified as “economically distressed.” A proposed project’s readiness to proceed upon award of a TIGER II Grant is thus an important consideration. The long-term outcomes are evaluated on the following considerations:

- *State of good repair*, meaning improvements to the condition of existing transportation facilities and systems, and minimizing life-cycle costs.

- How the project contributes to the *economic competitiveness* of the nation over the medium- and long-term. The guidance notes that TIGER II seeks to promote long-term economic growth that can be sustained for generations to come and, in this vein, requests evidence that the proposed project can achieve its economic benefits in an environmentally sustainable manner. The guidance specifically directs applicants to **“be sure to address the extent to which sustainability features are incorporated into the proposed project’s economic impact.”**
- Contributions to the *livability* of communities by improving transportation choices and access to transportation services.
- *Environmental sustainability* by improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions, or otherwise benefitting the environment. With respect to that last phrase, the guidance states that DOT will assess the proposed project’s ability to **“maintain, protect, or enhance the environment, as evidenced by its avoidance of adverse environmental impacts ... and/or by its environmental benefits (for example, ... improved habitat connectivity).”**
- Improving the *safety* of transportation facilities or systems, including the proposed project’s “ability to reduce the number, rate, and consequences ... of crashes, and injuries and fatalities...”.

Secondary Selection Criteria include (1) innovation in the means of attaining the long-term outcomes described by the primary criteria, and (2) the degree of partnership (including financial commitments) and collaboration among a broad range of project stakeholders. With respect to jurisdictional, stakeholder, and disciplinary partnership and collaboration, the guidance notes that **“DOT will give priority to transportation projects that ... improve the environment and are supported by public agencies with ... environmental missions.”**

The *proposal evaluation process* begins with the Pre-application. While it is not necessary to receive a formal DOT approval of the Pre-application in order to submit a Final Application, the Pre-application is subject to three threshold requirements: it must be an Eligible Project (as defined), the necessary NEPA compliance process must have been initiated, and local matching funds to cover at least 20% of the project’s cost must be identified and committed (exception is made for projects in “rural areas.”). A Final Application will not be accepted if the threshold criteria are not met by the Pre-application.

Proposals submitted with the Final Application will be qualitatively evaluated against the selection criteria, rather than numerically scored. Each selection criterion will be evaluated as highly recommended, recommended, not recommended, or negative. DOT will give greater weight to the two Primary Selection Criteria (Long-term Outcomes, and Job Creation and Economic Stimulus) than to the two Secondary Selection Criteria (Innovation and Partnership). A project need not be highly rated with all of the selection criteria, but those that are well-aligned with multiple selection criteria will stand a better chance of receiving a TIGER II Grant. A negative effect on any of the selection criteria may reduce the chances of funding. The guidance notes that “a project that has a negative effect on safety or environmental sustainability will need to demonstrate significant merits in other long-term outcomes in order to be selected for funding.”

Projects will be rated as described above to produce a preliminary list of recommended projects. Because the 2010 Appropriations Act that established TIGER II also established certain distribution requirements and limitations on the funds, DOT will analyze the preliminary list of recommended projects to determine whether these requirements and limitations are met (i.e., no more than 25% of total funds awarded in any one state, equitable geographic distribution of projects, appropriate balance of projects

among urban and rural areas, and investment in a variety of transportation modes). If necessary, DOT will adjust the list of recommended projects to meet these requirements and limitations.

Questions about the TIGER II Discretionary Grants can be directed via email to DOT's Program Manager at TIGERIIGrants@DOT.gov or by phone to Robert Mariner at 202.366.8914. DOT will periodically post Q&A, and other relevant information, at www.dot.gov/recovery/ost/TIGERII.