

Implementation Guidance for FASTER

Local Transit Grants

The purpose of this Guidance is to inform interested parties that the Colorado Department of Transportation is undertaking steps to award State funds for transit capital projects. Please read below for information on the proposed regional allocation and prioritization process and the eligibility criteria. Meetings to discuss CDOT project prioritization are being held in some parts of the state soon and will require action on the part of those wishing to request funds for transit capital projects. Therefore, we are sharing the proposed process in draft form, prior to final adoption, so you can participate.

I. Background:

State transportation legislation known as FASTER (Funding Advancements for Surface Transportation and Economic Recovery) provides \$5 million per year for local transit grants. CDOT will distribute and award the FASTER local transit grant funds using a **regional allocation and prioritization process**, which will distribute the funds to CDOT's six Region offices and select projects using CDOT's existing planning and programming processes, as described below. CDOT's planning process has already begun, so it is necessary for those interested in requesting funds to take action quickly by learning how to request the funds.

II. Criteria for Eligibility, Evaluation and Prioritization:

A. What are the Eligibility Criteria for the FASTER Local Transit Grant funds?

1. Eligible Projects: Funding may be used for any items defined as **capital expenses** by the Federal Transit Administration (e.g., buses, facilities, equipment), with the **exception** of land purchases and office-related equipment. Operating, administrative and planning expenses are not eligible for funding.
2. Minimum request: \$100,000. Exceptions may be granted for smaller, rural projects and smaller vehicles, at a minimum of \$25,000.
3. Eligible Applicants: Public agencies are eligible applicants, as are public and private nonprofit agencies that offer either public transportation **or** "open door" specialized transportation (service for the elderly and disabled). "Open door" specialized service is service available to any elderly and disabled person in need and is not limited to a particular clientele or facility. Organizations that limit service to a particular clientele or facility, as well as commercial intercity operators, are not eligible applicants but may apply **through** an eligible applicant;

the eligible applicant would be the party contracting with CDOT if funds were awarded and would be responsible for the grant.

4. FASTER funds could be used to fund up to 80% of project costs. All awards require a minimum local match of 20%.
5. FASTER funds can be used to match a federal grant, providing up to 80% of the required local match for the federal grant. The grant recipient would be required to sign a Maintenance of Effort agreement committing not to reduce its local contribution to its transit program as a result of receiving the matching funds.

B. By what criteria will projects be evaluated and prioritized?

The CDOT Regions, working cooperatively with the state's fifteen Transportation Planning Regions (TPRs) and Metropolitan Planning Organizations (MPOs), will be encouraged to use the following criteria, in this priority order, when assessing and ranking projects:

1. **Criticality:** What is the consequence if this project is not funded? Does it help achieve a specific objective in the Regional Transportation Plan? How important is the project to the Region?
2. **Financial capacity:** Is there an institutional commitment, funding, financial capacity, and capability to *sustain* the service and project over time, given that this program will provide capital assistance but no operating assistance?
3. **Financial need:** Is other funding being leveraged, or is the project totally dependent on the FASTER funds? Have other sources been tried?
4. **Project impacts:** Would the project reduce traffic on the State system? Would the project improve service delivery? Would it increase ridership?
5. **Readiness:** What is the past experience of the applicant in spending grant funds and completing projects in a timely manner? For projects proposing to use FASTER transit funds to match a federal grant, what is the likelihood of being awarded that federal grant (if it has not already been awarded)? Based on a staff review, are the proposed costs reasonable and appropriate?

III. Regional Distribution Allocation

A. How much funding is available for each CDOT Region and how will the funds be allocated?

Funds will be distributed to the Regions using a mix of formulas, since no one formula would be viewed universally as fair. The three formulas proposed to be used are as follows:

1. HUTF distribution by Region; this is based on the formula used to distribute the local share of the Highway User Tax Fund dollars to the cities and counties; this formula provides a wider geographical distribution;
2. population of the CDOT Region; and
3. annual performance data of the public transportation systems in the CDOT Region, which consists of total ridership, vehicle miles, and vehicle hours.

The formula allocation is found in the table below.

CDOT Region	HUTF Distribution	Population Distribution	Performance Distribution	Formula 40/30/30	Funding based on formula
1	16.1%	8.49%	7%	11.09%	\$554,350
2	18.7%	18.09%	8%	15.31%	\$765,500
3	13.8%	8.15%	14%	12.17%	\$608,250
4	19.1%	17.87%	12%	16.60%	\$830,050
5	9.4%	3.83%	1%	5.21%	\$260,450
6	22.9%	43.56%	58%	39.63%	\$1,981,400
Total	100%	100%	100%	100%	\$5,000,000

IV. Project Identification, Prioritization and Selection Processes

A. How will CDOT be selecting projects for funding?

CDOT will identify and prioritize potential transit projects to be funded by the FASTER local transit grant program using the Project Prioritization and Programming Process (4P) that is used for the development of the Statewide Transportation Improvement Program (STIP). This is **not** the same process used for the FTA grants.

The STIP includes a list of individual projects and pools of projects by program areas that match the amount of anticipated CDOT revenue for a defined STIP period. CDOT is about to begin development of its STIP for the six year period of FY2012- FY2017. CDOT also has FASTER funds available for FY2010 and FY2011 that

need to be programmed. Projects for FY2010 and FY2011 will be amended into the existing STIP.

An initial step in the STIP development process is the local identification of projects. As part of the 4P, CDOT Region offices may conduct meetings (referred to as “county meetings” or “county hearings”) with county commissioners and other local elected officials to identify potential transportation projects. The process also includes mandatory meetings with each individual Transportation Planning Region (TPR) in a CDOT region, followed by a joint TPR meeting with all TPRs in the region attending. The 4P will be conducted over the next few months by CDOT Region staff. It is at these series of meetings that projects are presented, discussed, refined and prioritized for inclusion in the STIP in order to be funded by CDOT.

Some county and TPR meetings have already been scheduled, while others are still being developed. The CDOT Division of Transit and Rail and CASTA (Colorado Association of State Transit Agencies) will be keeping you informed of these meetings as they are scheduled. The CDOT Transit Unit Web site (www.dot.state.co.us/App_transit/) and the CASTA Web site www.coloradotransit.com will provide a link to a list of these county and TPR meetings.

B. How do projects get identified?

Eligible applicants must be proactive by informing their appropriate county commissioners and TPR/MPO representatives of the eligible capital projects for 2010-2017 for which they are seeking FASTER funds. It is recommended that eligible applicants inform them first by phone contact, then follow up in the form of a *brief* written project description, justification and budget—but not a formal application or long document. It is also recommended that parties within MPO areas contact Region staff about the particulars of their process, since the MPO processes often vary from those of rural TPRs.

It should be noted that transit projects have not normally been presented at county and TPR meetings in the past. This is a new development for many counties. CDOT will be informing local government officials of this new effort and of the fact they may be getting phone calls from transit operators requesting capital projects; nonetheless, eligible applicants should assume some commissioners and TPR/MPO representatives they contact may not be fully aware of this new process, the new FASTER transit funding and the need for action at the county and TPR meetings.

It is best for eligible applicants to inform their county commissioners and TPR/MPO representatives of their eligible capital projects **in advance** of the county and TPR

meetings. Eligible applicants may attend the county and TPR meeting(s), but attendance is **not** required.

At the 4P meetings, local elected officials will only consider for funding those transit projects that have been presented to them, and would only advance those they consider worthy of consideration.

C. How does a project move on for consideration of funding?

After projects are presented at county and TPR meetings, the CDOT Regions will ask the requesting agencies to submit a brief project summary to both the CDOT Transit Unit and to their TPR/MPO. The summary should include a project description, cost, and indication of readiness, using a template developed by the CDOT Transit Unit. Applicant and project eligibility, as well as financial capacity, will be verified by the CDOT Transit Unit, while consistency with the Regional Transportation Plan would be verified by the TPRs/MPOs.

Each CDOT Region will meet with representatives of all the TPRs/MPOs in their Region and rank the transit projects for FASTER local transit grants funds in priority order. The CDOT Region will develop a STIP transit list for FY2010-FY2017 within the amount allocated to that CDOT Region. The Transportation Commission will ultimately approve the STIP. Given that some transit agencies do not actively plan far in advance, the CDOT Regions will be encouraged to concentrate on developing a list for the first three years of funding (FY2010-FY2012) and, at their discretion, may place the remaining years' funds in a pool rather than commit them now as individual projects since this program will be re-evaluated in three years.

D. Who will manage these FASTER grants?

The CDOT Regions would manage the contracts for the FASTER funds for those projects they would be overseeing through their Local Agency offices—primarily the construction-related projects. The new Division of Transit and Rail would manage the projects related to the procurement of rolling stock and equipment, unless there were more compelling reasons for the Region to do so.

Q and A

1. **Q.** If the Transportation Commission approves this process, how long will it be in place?
A: The process will be reviewed after the third year of funding to determine how well it is working.
2. **Q.** When would applicants know if their project was selected?

- A. It is likely that projects for 2010 and 2011 would be selected by fall of 2010, since they are not tied to the 2012-2017 STIP. Projects for the remaining years would not be known until the new STIP is adopted in the spring of 2011.
3. Q. Which county commissioner and TPR/MPO representative should I contact to present my capital project?
- A. In the case of county commissioners you should contact every one, since you can't be sure which ones will be attending the 4P meetings. In the case of TPRs/MPOs, it is recommended that you contact the TPR/MPO chair and vice chair, even if they are not from your county; and you should contact the county commissioner(s) and local officials who normally attend TPR/MPO meetings. TPR contacts can be found on a "TPR At A Glance" page on line at http://www.coloradodot.info/programs/statewide-planning/documents/copy_of_Working_TPR_At_A_Glance_42110.pdf
4. Q. How do I find out which CDOT Region I am in?
- A. You can find it on a map on the CDOT web site, at <http://www.coloradodot.info/about/regions.html>
5. Q. How do I find out which TPR I am in?
- A. You will find it on a map on the "TPR At A Glance" page listed above in the response to question # 3.
6. Q. If I serve more than one county, should I contact all those counties?
- A. It is recommended you do so.
7. Q. Can't I just email my request to a county commissioner, or only call?
- A. Use your best judgment based on your knowledge of normal business practices in your county. Since this is a NEW opportunity for transit funding we recommend you do **both** to ensure the request isn't lost or misplaced and to ensure they understand your need.
8. Q. Can an applicant phase their request for project funding over more than one year?
- A. Yes, but keep in mind this program will be reviewed after three years.
9. Q. Can the FASTER funds be used for park-and-ride facilities?
- A. Yes, provided there is a transit component to the project (buses use the facility).
10. Q. Can an applicant apply for funds from more than one Region if the project was, for example, a regional bus service? Would such a multi-regional or intercity bus service project have to apply to every affected Region?
- A. An applicant could apply for a multi-regional project, but would not be required to apply to each affected Region, nor would it be practical to do so. However, contact and coordination with each affected region would certainly be desirable.
11. Q. Can the proposed project be an early phase of a larger project?
- A. Yes, provided it has independent utility.