

BUILD Webinar Series

How to Compete for FY 2018 BUILD Transportation Discretionary Grants

May 24, 2018

BUILD (Formerly TIGER) Discretionary Grant Program

Robert Mariner, Deputy Director of the Office of Infrastructure Finance and Innovation, Office of the Secretary, Office of Policy, U.S. Department of Transportation, provided webinar attendees with a brief background on the notice of funding opportunity (NOFO) for the BUILD program, released April 20, 2018.

Now in its tenth round, USDOT has rebranded the TIGER grant program, renaming it the Better Utilizing Investments to Leverage Development (BUILD) grant program. The most recent round of funding includes \$1.5 billion for multimodal, merit-based, surface transportation infrastructure projects. Applications are due by 8pm Eastern on July 19, 2018.

Mr. Mariner said the BUILD discretionary grant program is very similar to the previous nine rounds of TIGER, but with a much larger pool of available funds. While USDOT is still required to provide modal and geographic equity in their selections, they have committed to awarding a greater share of grants to rural areas than urban areas.

He noted that eligible applicants for the BUILD program remain the same as the TIGER grant program, as do eligible projects. For the purpose of this program, rural is defined as those areas located outside of an urban area as identified by 2010 census with population of less than 50,000 people. USDOT will focus on the location of the physical project, not the location of the project sponsor. Federal funds may cover up to 80 percent of project costs in urban areas and 100 percent in rural areas. In rural areas, there is a \$1 million minimum award while the minimum in urban areas is \$5 million. There is no minimum project size for planning grants, which have \$15 million available to them in this round. The maximum grant size is \$25 million, with a limit of \$150 million per State.

Mr. Mariner said that to compete well in the BUILD program, projects should meet the merit criteria and enter construction within the period of obligation. The NOFO sets an obligation deadline of September 30, 2020 but Mr. Mariner advised applicants to target June 30, 2020 for the schedule of projects. This will give USDOT more confidence that the project will go to construction prior to the final obligation date and provide some flexibility should any delays occur. Project applications should have specific timelines for completion and should present a clear story as well as clear project impacts. He encouraged applicants to submit their Benefit Cost Analysis (BCA) in an Excel spreadsheet and to incorporate innovations not only in technology but also in funding and finance. Applicants should attempt to develop new partnerships or have multi-jurisdictional cooperation on projects.

USDOT will consider many different aspects when reviewing project applications. Including:

- Alignment with merit criteria: while not every project will align with every criterion, applicants should focus on the criteria that best describes their projects. He advised against trying to make something up to fulfill each criterion;
- Benefits compared to costs: ensure the public benefits of the project outweigh the costs; and
- Obligated by September 30, 2020: Even though September 30, 2020 is the deadline provided in the NOFO, USDOT would prefer applicants to target June 30, 2020.

Mr. Mariner noted that the BUILD merit criteria are very similar to those laid out in the previous rounds of TIGER. They include:

- Safety: A project could: foster a safe transportation system for the movement of goods and people; reduce crashes, injuries and fatalities; eliminate grade crossings; and prevent unintended releases of hazardous materials;
- State of Good Repair: A project could ensure good condition of infrastructure and extend the life expectancy of the resource;
- Economic Competitiveness: A project could address congestion or aid in attracting private economic development, both for the locality and for the region. Applications could share how they envision the project will create jobs or sustain those already existing;
- Environmental Projection: A project could reduce the dependency on petroleum/gas, reduce emissions to a community, or improve or limit the amount of idling. Additionally, projects could build on previous EPA, or other Federal agency, investments;
- Quality of Life: A project could create more freedom for transportation decisions. It could also provide enhanced connectivity, or modal choice, to centers of employment as well as to health and education opportunities;
- Innovation: A project could use innovation not just in technology but also through an innovative way of delivering the project, such as a public-private partnership (P3) approach that is new to the state or jurisdiction. This could also include: innovative designs; innovative ideas for delivery as it relates to the environmental side; and expediting/streamlining the permitting process;
- Partnership: This was a secondary criterion under the TIGER grant program. A project could provide support from the community as well as multiple jurisdictions. This is not limited to financial partners and could instead be multiple letters of support from businesses around the project; and
- Non-Federal Revenue for Transportation Infrastructure Investment: This is indented to encourage those communities that have not been able to generate new non-Federal revenue to begin working to do so. Project sponsors should work with state legislators or city councils to help develop these new sources. Mr. Mariner said that Secretary Chao's goal is the push as much of the ownership to states and localities, and the financial responsibility as well. A project sponsor could push for an increase in the local gas tax or an increase to license fees – with the explicit purpose of generated funds being used to support infrastructure investment. These non-federal revenue sources do not have to be tied to the project requesting the funding but could be identified as additional revenue that supports an overall capital infrastructure budget.

Mr. Mariner said that a new part of BUILD is the ability of a sponsor to submit a program of projects. This is an opportunity for sponsors to think outside the box. While sponsors are limited to three applications total, if one has a program of related projects, they could combine those and it would count as one total application. He emphasized that each project within the program would have to meet the merit criteria and would need its own BCA.

He advised all applicants to ensure they meet the minimum award requests and that they do not exceed that maximum request. He said USDOT expects to receive between 1,000 and 1,500 applications and therefore sponsors should try to make their forms as clear as possible.

After USDOT receives the applications and the deadline passes, staff will complete an initial check of the projects to make sure they generally fit the necessary sizes. Should an application be deemed ineligible, USDOT will notify the applicant. Those that are deemed eligible will move to the technical evaluation round and be given a label of highly recommended, recommended, acceptable and not recommended. The highly recommended applications will go to the next round of evaluation for economic analysis and project readiness and again receive a rating of highly recommended, recommended, acceptable and not recommended. All projects deemed acceptable and above will go to the senior review team. The final decision will then be made by the Secretary and will be announced no later than December 18, 2018.

Should those considering applying have any additional questions, they can email BUILDGrants@dot.gov with specific questions or with a request for a debrief on a previous application.

Question and Answer

Q: Will there be any significant changes to the BCA guidelines and when will they be released?

A: This year's guidelines will be adjusted to reflect the new monetary values and to clarify certain areas but there will not be a significant change. The guidelines will be out within the next couple weeks.

Q: Can there be a program of projects submitted for planning grant funding?

A: It is possible to submit a program of projects to the planning grant section but USDOT staff said such an application should be very clear.

Q: Can previous applicants request for feedback on their old applications?

A: Previous applicants should email BUILDgrants@usdot.gov to request a debrief.

Q: Can local funds that have previously been expended be included in the local match number?

A: Funds already incurred prior to the execution of the agreement cannot be considered part of the match but can be shown as support. It should be noted that USDOT is not allowed to consider non-federal match as merit selection criteria. However, projects should still submit the most competitive project they can afford to submit.

Q: Is there going to be a defined dollar split for rural versus urban awards?

A: USDOT plans award more funding to rural projects but does not have a planned split beyond the 30 percent requirement laid out in the omnibus.

Q: Would a local bond package passed in January 2015 count toward a new revenue source?

A: Per the guidance, USDOT will consider a look back period for revenue generation sources that have been passed since January 1, 2015.

Q: What is the mandated start date for construction and obligation?

A: The statutory obligation deadline is September 30, 2020. However, USDOT recommends projects set a target date of June 30, 2020. All environmental review, design activities, right of way (ROW) acquisition, etc., should be completed by that date. If a project shows a chance of running up against September deadline, USDOT will consider it to be a red flag and would recommend the recession of the award.

Q: Is there a match requirement for planning grants and do they require a BCA?

A: A BCA is not technically required but is strongly encouraged. Urban planning grants do require the 20 percent match but there is no minimum award size for planning grants.

Q: Should a project sponsor submit a new application for a previously submitted project?

A: Yes.

Q: Can monies previously or currently received from other Federal grants be applied for this grant?

A: The maximum amount of Federal funds contributed for an urban project is 80 percent; rural is 100 percent.

Q: Would ROW acquisition fall in to the planning grant category?

A: ROW acquisition is not a planning grant activity. If a project sponsor would like funding for ROW, it would be capital or construction grant request. However, historically, USDOT has not used BUILD/TIGER funds for ROW acquisition.

Q: Can matching funds be expended in the design phase prior to construction?

A: Funding must be available not only at time of award but also at the time that USDOT would obligate the award. Typically, if a project is selected, USDOT will ask what part of the match is intended to be used to complete final design,

ROW acquisition, etc. USDOT could then provide advance construction authority or pre-award authority to allow the project to start to make progress.

Q: Does the new, non-federal revenue criterion include private funding or is it only new public sources?

A: The funding must be committed to transportation infrastructure investment. USDOT is not making a distinction between private and public so long as it is committed to investment

Q: Can letters of support be submitted after the application deadline?

A: Yes.

Q: Does the entity managing the money have to be the same as the applicant?

A: No, they can be different. An eligible entity must submit the project and if it is successful in receiving a BUILD grant, USDOT will ask who the lead financial agency will be and who will be responsible for administering the project.

Q: Do rural applicants need to partner with the State DOT?

A: No, as long as the entity applying is an eligible applicant they do not need to partner with the State DOT. Nor do applicants need to notify the State DOT prior to submitting an application. However, it would be helpful if State DOTs are made aware of the projects to ensure they are added to the State Transportation Investment Plan or Transportation Investment Plan, which is required by the BUILD program.

Q: Do you have an idea of when the INFRA awards will be announced?

A: Hopefully awards will be announced prior to the BUILD application deadline but USDOT could not commit to that timeline.