

The ARRA Transportation Investment Generating Economic Recovery (TIGER) Program

Eligibility and Selection Priorities

The American Recovery and Reinvestment Act of 2009 appropriated \$1.5 billion in discretionary grant funds to be awarded by the U.S. Department of Transportation (DOT) for capital investments in surface transportation infrastructure. Known as the Transportation Investment Generating Economic Recovery (TIGER) program, these grants will be awarded on a competitive basis to fund up to 100 percent of project costs for transportation investments that have a significant impact on the nation, a metropolitan area or a region.

Applications for TIGER Discretionary Grants must be submitted by September 15, 2009, from state and local governments including U.S. territories, tribal governments, transit agencies, port authorities, other political subdivisions of state or local governments, multi-state or multi-jurisdictional applicants, and Metropolitan Planning Organizations. Funds are available for obligation until September 30, 2011.

On May 18, 2009, U.S. DOT published an interim notice announcing the availability of TIGER Discretionary Grants, project selection criteria, application requirements and the deadline for submitting applications. On June 17, 2009, U.S. DOT published additional guidance revising some elements of the interim notice. The following is an overview of the eligibility requirements and project selection priorities for the TIGER program.

Program Eligibility and Basic Requirements

Eligible projects include, but are not limited to:

- 1) **Highway or bridge** projects eligible under U.S.C title 23 including interstate rehabilitation, improvements to the rural collector road system, the reconstruction of overpasses and interchanges, bridge replacements, seismic retrofit projects for bridges, and road realignments;
- 2) **Public transportation** projects eligible under chapter 53 of U.S.C title 49, including investments in projects participating in the New Starts or Small Starts programs that will expedite the completion of those projects and their entry into revenue service;
- 3) **Passenger and freight rail** transportation projects; and,
- 4) **Port infrastructure** investments.

The Recovery Act specifies that grants funded under the program may be no less than \$20 million and no greater than \$300 million. However, U.S. DOT has discretion to waive the \$20 million minimum to fund significant projects in smaller cities, regions or states.

No more than 20 percent of the funds made available under this program (i.e., \$300 million) may be awarded to projects in a single state. The Recovery Act allows for up to \$200 million to be used to pay the subsidy and administrative costs of TIFIA funds. All projects competing for funds will be evaluated and rated according to

specified criteria. However, the Department must take measures to ensure an equitable distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

Selection Criteria

U.S. DOT guidance establishes varying levels of requirements for projects seeking the following funding levels:

- Projects under \$20 million require a waiver by U.S. DOT and will be subject to less stringent evaluation
- Projects between \$20 and \$100 million must meet all requirements and be rated according to criteria
- Projects over \$100 million must complete detailed benefit-cost analysis in addition to meeting all requirements and be rated according to criteria

TIGER Discretionary Grants will be awarded based on specified primary and secondary selection criteria. The **Primary selection criteria** are intended to capture the primary objectives of the TIGER provision of the Recovery Act, including near-term economic recovery and job creation; maximization of long-term economic benefits and impacts on the nation, a region or a metropolitan area; and assistance for those most affected by the current economic downturn. Projects are rated highly recommended, recommended or not recommended for each of the primary selection criteria:

Long-Term Outcomes:

- *State of Good Repair* — demonstrate sustainable sources of long-term operating funds and that the project is part of system maintenance and capitalization program
- *Economic Competitiveness* — long-term economic benefits, particularly in movement of workers and goods, with priority to economically distressed areas
- *Livability* — while challenging to measure, demonstrate introduction of transportation options, improved modal connectivity and accessibility (priority to disadvantaged populations), and coordination with land use planning decisions
- *Sustainability* — quantitative measurement of improved energy efficiency and reduced greenhouse gas emissions, with avoidance of adverse environmental impacts
- *Safety* — reduction in number, rate and consequences of crashes, injuries and fatalities

Job Creation and Economic Stimulus:

- *Project Schedule* — sufficient detail demonstrating that project can begin construction quickly after TIGER grant approval (with target of completion by February 2012)
- *Environmental Approvals* — receipt of all environmental approvals including completion of NEPA process, or “reasonably anticipated receipt”
- *Legislative Approvals* — receipt of all necessary legislative approvals, and evidence of support from relevant state and local officials (including governors and mayors)
- *State and Local Planning* — inclusion in relevant state, metropolitan and local planning documents, or evidence that project will be included
- *Technical Feasibility* — including completion of significant preliminary engineering work
- *Financial Feasibility* — viability and completeness of financing package, including stable and reliable funding sources

U.S. DOT guidance emphasizes that benefit-cost analysis will be applied in the evaluation of projects. Projects seeking at least \$100 million in TIGER grants must complete a “well-developed analysis of expected benefits and costs,” including a calculation of net benefits and a description of input data and methodological standards used for the analysis. The June guidance from U.S. DOT provides additional specifications of discount rates, etc. Projects seeking less than \$100 million but more than \$20 million must include estimates of the project’s expected benefits in the five long-term outcomes in the Primary Selection Criteria listed above. Guidance clearly states that lack of a useful analysis may be grounds for denying award of a TIGER Discretionary Grant.

Projects are also rated highly recommended, recommended or not recommended for each of the **secondary selection criteria**.

Innovation:

- The Department will assess the extent the project applies innovative technologies or new approaches to pursue one or more of the long-term outcomes outlined in the Primary Selection Criteria above and/or significantly enhances the transportation system. Innovative approaches include finance, contracting, project delivery, congestion management, etc.

Partnership:

- *Jurisdictional and Stakeholder Collaboration* — assessing role of non-federal entities and funds in project delivery, including non-traditional parties such as nonprofit community organizations, particularly those connecting disadvantaged people with economic opportunities
- *Disciplinary Integration* — assessing extent to which projects are supported, financially or otherwise, by non-transportation public agencies that are pursuing similar objectives.

U.S.DOT plans to assemble a multi-disciplinary team to evaluate all project applications and rate projects according to the specified criteria. Primary selection criteria will be given higher weight to the secondary criteria. The Department will also apply program-specific criteria, if necessary, to help differentiate between similar projects (having similar characteristics or programmatic structures).

Guidance states that projects need not necessarily score highly in each of the five long-term outcomes; however, projects should be “highly recommended” for at least one of the five or “recommended” for multiple long-term outcomes. Clearly, projects most strongly aligned with multiple long-term outcomes will be most successful. The Department will apply an initial unconstrained competitive rating process as specified above and develop a preliminary list of project recommendations. The Department must then review the list to determine that distributional requirements in the Recovery Act are being met, and may adjust the recommendations to satisfy these requirements.

As a result, it appears likely that all project assessments must be completed and considered before the Department is able to announce any projects for TIGER Discretionary Grants. Applications are due September 15, 2009, and decisions must be announced by February 17, 2010.

Selection Priorities

U.S. DOT guidance provides indications of the types of projects and information provided in project applications that will receive priority in selection of TIGER Discretionary Grants:

- Applications that can clearly and specifically demonstrate that projects can be completed by February 12, 2012, and that TIGER Discretionary Grant funds can be used soon afterward. One important component of this schedule is meeting all NEPA and related environmental requirements, as well as preliminary engineering. Guidance indicates that projects don't necessarily need to have completed all NEPA actions by the time of application (however, that would be highly desirable), but must demonstrate a realistic schedule for timely completion that allows for full design and construction by February 2012.
- Projects for which a TIGER Discretionary Grant will help to complete an overall financing package and that include non-federal funding sources. Applications will need to demonstrate the extent to which the project cannot be readily and efficiently completed without federal assistance and the extent that other federal funding sources are not readily available for the project. Priority will be given if private debt and equity are to be invested in the project, or if there will be co-investments from state, local or nonprofit sources. Priority will also be given to projects that are supported, financially or otherwise, by non-transportation public agencies that are pursuing similar objectives.
- Projects that create more livable communities and are supported by relevant public housing agencies and coordinated with local land use planning and community development decisions, particularly in economically distressed areas. Priority will be given to projects that promote and can quantitatively demonstrate energy efficiency or environmental improvements. A big bonus will be awarded to those projects that can demonstrate close collaboration and coordination with relevant public, private and community organizations.
- Projects that improve long-term efficiency, reliability or cost competitiveness in movement of workers or goods, or make improvements that allow for expansion, hiring or other growth of private sector production at specific locations, particularly economically distressed areas. Projects should demonstrate improved connectivity of disadvantaged people with economic opportunity.
- Projects that implement innovation, though realistic technologies and approaches to project delivery, management, procurement and financing.

TIGER Discretionary Grant Applications

Applications for TIGER Discretionary Grants must be submitted by September 15, 2009. U.S. DOT guidance stipulates that the narrative portion of applications must not exceed 25 pages, while technical documentation can be provided in additional appendices (but should be limited to only relevant information). U.S. DOT suggests providing Web links to supporting documentation, rather than paper copy. Guidance lists the following basic contents of the application:

- Contact information
- Project description
- Project parties
- Grant funds, sources and uses of funds
- Information addressing selection criteria
- Certification for federal wage rate requirement
- Information addressing NEPA requirements
- Information addressing federal, state and local actions
- Protection of confidential business information