

Appendix 5 – Freight Funding Programs

Greater Memphis Regional Freight Plan



Memphis MPO
METROPOLITAN PLANNING ORGANIZATION



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5.1 Surface Transportation Block Grant (STBG);

<p>Surface Transportation Block Grant Program (STBG)</p>	<p>\$10.3B FY2015 \$11.2B FY2016 \$11.4B FY2017 \$11.7B FY2018 \$11.9B FY2019 \$12.1B FY2020</p>	<p>Capital as defined in 23 U.S.C. 101(a)(4) Operational improvements as defined in 23 U.S.C. 101(a)(18)</p>	<p>States are apportioned set amounts Tennessee Apportionment: FY2016 \$245M FY2017 \$251M FY2018 \$256M FY2019 \$261M FY2020 \$267M Mississippi Apportionment: FY2016 \$144M FY2017 \$147M FY2018 \$150M FY2019 \$153M FY2020 \$156M</p>	<p>Federal share is 90% for a project on the Interstate System, and 80% for any other project.</p>	<p>Eligible projects include projects to preserve or improve conditions and performance on any Federal-aid highway, bridge projects on any public road, facilities for non-motorized transportation, transit capital projects, and public bus terminals and facilities. (8)</p>	<p>Annual apportionment by state</p>	<p>New station tracks and platforms Bridges</p>	<p>Projects must be identified in the Statewide Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP) and be consistent with the Long-Range Statewide Transportation Plan and the Metropolitan Transportation Plan(s).</p>	<p>All states are apportioned funds</p>	<p>This program has the most flexible eligibilities among all Federal-aid highway programs. The STBG promotes flexibility in State and local transportation decisions and provides flexible funding to best address State and local transportation needs.</p>
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Source: FHWA

5.2 Transportation Investment Generating Economic Recovery Discretionary Grant Program (TIGER);

<p>Transportation Investment Generating Economic Recovery (TIGER)</p>	<p>FY2017 TBD Prior Rounds TIGER I: \$1.5B TIGER II: \$600M TIGER III: \$527M TIGER IV: \$500M TIGER V: \$474M TIGER VI: \$600M TIGER VII: \$500M</p>	<p>Capital Some previous rounds of TIGER have funded planning grants in addition to capital grants.</p>	<p>\$14.5M, but awards have ranged from \$1M to \$105M Awards may not be less than \$10M in urban areas and \$1M in rural areas. The maximum award is \$200M and up to \$125M may be granted to projects in one state.</p>	<p>80% Federal match Projects are more competitive if they demonstrate funding support above a 20% match.</p>	<p>Eligible projects include: highway or bridge projects; public transportation projects; freight rail projects; high speed and intercity passenger rail projects; and port infrastructure investments. Eligible applicants are State, local, and tribal governments including U.S. territories, transit agencies, port authorities, MPOs, and other political subdivisions of State or local governments. 20% of funds go to rural projects.</p>	<p>Approximately annually, but depends on Congress appropriating funds</p>	<p>Projects that may be applicable include: - those that improve freight operations by saving trains time or provide operating efficiencies - projects that attract auto drivers to transit and/or improve existing transit riders' experiences and increase ridership - projects that improve safety such as grade crossing improvements</p>	<p>Applicants must detail the benefits their project would deliver for five long-term outcomes: safety, economic competitiveness, state of good repair, livability and environmental sustainability. DOT also evaluates projects on their expected contributions to economic recovery, connect people to employment opportunities, as well as their ability to facilitate innovation and new partnerships.</p>	<p>Since 2009, there have been 7,300 applications and 421 awards (5.8%)</p>	<p>The program provides grants to surface transportation projects that will have a significant impact on the nation, a metropolitan area, or a region. Projects are awarded on a competitive basis based on the "primary" and "secondary" selection criteria outlined on the program's website. Applicants should be prepared to obligate and spend grant funds by dates specified in the NOFO.</p>
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Source: DOT

5.3 Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies Discretionary Grant Program (FASTLANE);

<p>Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE)</p>	<p>\$800M in FY2016 \$850M in FY2017 \$900M in FY2018 \$950M in FY2019 \$1B in FY2020</p> <p>25% of funds must be used for rural projects.</p> <p>Minimum project size restrictions vary by state.</p> <p>Not more than \$500 million in aggregate of the \$4.5 billion authorized for FASTLANE grants over fiscal years 2016 to 2020 may be used for grants to freight rail, water (including ports), or other freight intermodal projects that make significant improvements to freight movement on the National Highway Freight Network.</p>	<p>FASTLANE grants may be used for the construction, reconstruction, rehabilitation, acquisition of property (including land related to the project and improvements to the land), environmental mitigation, construction contingencies, equipment acquisition, and operational improvements directly related to system performance.</p>	<p>Large: \$62.1M Small: \$10.8M</p> <p>For large projects, FASTLANE grants must be at least \$25 million. For small projects, the grants must be at least \$5 million.</p> <p>While 10 percent of available funds are reserved for small projects, 90 percent of funds are reserved for large projects.</p>	<p>FASTLANE grants may be used for up to 60 percent of future eligible project costs; Federal funds may cover up to 80%</p>	<p>Eligible projects include construction, reconstruction, rehabilitation, acquisition of property (including land related to the project and improvements to the land), environmental mitigation, construction contingencies, equipment acquisition, and operational improvements directly related to system performance. FASTLANE grants may also fund developmental phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering, design, and other preconstruction activities, provided the project meets statutory requirements.</p> <p>FASTLANE grant recipients may use FASTLANE funds granted to pay the subsidy and administrative costs necessary to receive credit assistance under the TIFIA program.</p>	<p>Annually FY2016-2020</p> <p>FY2016 applications were due April 2016</p> <p>FY2017 applications were due December 2016</p>	<p>To the degree that projects improve freight and passenger operations</p> <ul style="list-style-type: none"> - new or upgrades to track and sidings - improvements to track geometry - new or improved bridges - grade crossing improvements 	<p>Projects are selected based on</p> <ul style="list-style-type: none"> - BCA results - cost-effectiveness - whether the project will accomplish 1 or more national goals - if PE is completed - whether additional stable and dependable funding sources are available - whether contingency is available - whether project cannot be completed without this federal funding - if the project can begin construction within 18 months of obligation of funds. (6) 	<p>212 applications received for the first round of funding under the program FY2016 and 18 were awarded (8.5%). The number of applications for the second round of funding in FY2016, as well as those programs which will be awarded funding under the program has not been disclosed by the DOT at time of writing.</p>	<p>The FASTLANE program provides an opportunity to address nationally or regionally significant challenges across the nation's transportation system including improving the safety, efficiency, and reliability of the movement of freight and people; generating national or regional economic benefits and increasing the United States' global competitiveness; reducing highway congestion and bottlenecks; enabling more efficient intermodal connections; minimizing delays at international borders; improving inadequate first and last mile segments; modernizing port facilities, including connections between ports and their surface transportation systems; enhancing the resiliency of critical intermodal infrastructure and helping protect the environment; improving grade crossings; improving roadways vital to national energy security; and addressing the impact of population growth on the movement of people and freight.</p>
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Source: DOT

5.4 National Highway Freight Program (NHFP);

<p>National Highway Freight Program (NHFP) (7)</p>	<p>\$1.09B in FY2017 \$1.19B in FY2018</p>	<p>Capital and operating</p>	<p>Tennessee Apportionment: FY2016 \$24.7M FY2017 \$23.6M FY2018 \$25.7M FY2019 \$29.0M FY2020 \$32.2M Mississippi Apportionment: FY2016 \$14.2M FY2017 \$13.5M FY2018 \$14.8M FY2019 \$16.6M FY2020 \$18.5M</p>	<p>Federal share is generally 80 percent.</p> <p>The Federal share for projects on the Interstate system (except projects that add lanes that are not high-occupancy-vehicle or auxiliary lanes) is 90 percent.</p> <p>For projects that add single occupancy vehicle capacity, that portion of the project that increases single occupancy vehicle capacity will revert to the 80 percent Federal share participation level.</p> <p>Safety improvements may have a Federal share of 100 percent. This provision is limited to 10 percent of the total funds apportioned to a State.</p> <p>Projects incorporating Innovative Project Delivery methods may have an increased Federal share.</p> <p>The Federal share for projects that are located on toll roads is limited to 80 percent.</p>	<p>Eligible projects contribute to the efficient movement of freight on the National Highway Freight Network (NHFN), and are consistent with the planning requirements of sections 134 and 135 of title 23, United States Code. Beginning 2 years after the date of enactment of the FAST Act, a State may not obligate NHFP funds apportioned to the State unless the State has developed a State Freight Plan (SFP) in accordance with 49 U.S.C. 70202, except that the multimodal components of the SFP may be incomplete. Projects must be identified in the Statewide Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP) and consistent with the Long-Range Statewide Transportation Plan and the Metropolitan Transportation Plan(s).</p>	<p>Annual apportionment by state</p>	<p>Bridge upgrade and replacement projects</p> <p>Projects that attract shipments away from highways, thereby increasing the capacity of the National Highway Freight Network</p> <ul style="list-style-type: none"> - new and upgraded track, sidings, and connections - improvements to track geometry that may allow efficiency improvements to freight operations 	<p>Projects must be identified in a freight investment plan included in a SFP (required in FY 2018 and beyond).</p>	<p>All states are apportioned funds</p>	<p>The purpose, among other goals, of the National Highway Freight Program (NHFP) is to improve efficient movement of freight on the National Highway Freight Network (NHFN).</p>
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Source: FHWA

5.5 Railway-Highway Crossings Program (set-aside from Highway Safety Improvement Program (HSIP));

<p>Railway-Highway Crossings Program (set-aside from Highway Safety Improvement Program (HSIP))</p> <p>Federal Agency: Federal Highway Administration</p>	<p>\$220M FY2015 \$225M FY2016 \$230M FY2017 \$235M FY2018 \$240M FY2019 \$245M FY2020</p>	<p>Capital</p>	<p>States are apportioned set amounts</p> <p>Tennessee Apportionment: FY2016 \$4.8M FY2017 \$4.9M FY2018 \$5.0M FY2019 \$5.1M FY2020 \$5.2M</p> <p>Mississippi Apportionment: FY2016 \$3.5M FY2017 \$3.5M FY2018 \$3.6M FY2019 \$3.7M FY2020 \$3.8M</p>	<p>90% Federal match</p>	<p>Eligible projects are all public crossings including roadways, bike trails and pedestrian paths. Fifty percent of a State's apportionment is dedicated for the installation of protective devices at crossings. The remainder of the funds apportionment can be used for any hazard elimination project, including protective devices. The FAST Act extends eligibility to include projects at grade crossings to eliminate hazards posed by blocked crossings due to idling trains.</p> <p>Funds can be used as incentive payments for local agencies to close public crossings provided there are matching funds from the railroad. The funds can be used for local agencies to provide matching funds for State-funded projects.</p>	<p>Annual apportionment by state</p>	<p>Grade crossing modifications</p>	<p>States must submit an annual report on the program's progress and the effectiveness of the improvements, including the costs of treatments and accidents at improved locations.</p> <p>States can use up to 2% of their Section 130 funding for compilation and analysis of data to support the reporting requirements.</p>	<p>All states are apportioned funds</p>	<p>At least 50% of each State's railway-highway crossings funds must be set aside for the installation of protective devices at railway-highway crossings.</p>
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Source: FHWA

5.6 Public Works and Economic Adjustment Assistance Programs;

<p>Public Works and Economic Adjustment Assistance Programs Federal Agency: Economic Development Administration</p>	<p>Public Works: FY 2016: \$100M FY 2017: TBD FY 2018: TBD</p> <p>Economic Adjustment Assistance: FY 2016: \$35M FY 2017: TBD FY 2018: TBD</p>	<p>EDA may provide investments that support construction, non-construction, technical assistance, and revolving loan fund projects</p>	<p>Minimum \$100,000 and maximum \$3M</p> <p>The average size of a Public Works investment is \$1.4M and funds 80-150 projects per year.</p> <p>The average award for the Economic Adjustment Assistance program is \$820,000 and funds 70-140 projects per year.</p>	<p>Generally, EDA may not award more than 50% of the total project cost, but could be up to 80% if the region in which the project is located meets per capita income or unemployment rate thresholds. In special cases, EDA may award up to 100% of project costs.</p>	<p>Eligible applicants must be public or private non-profit organizations acting in cooperation with officials of a political subdivision of a state.</p> <p>Project must demonstrate economic distress under one or more of the following criteria: (i) an unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point greater than the national average unemployment rate; (ii) per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income; or (iii) a "Special Need," as determined by EDA.</p> <p>Projects must be located in an eligible Region.</p>	<p>There are no submission deadlines under this opportunity. Proposals and applications will be accepted on an ongoing basis until the publication of a new EDAP FFO.</p>	<p>To the degree that projects improve the connection of economically distressed populations to employment opportunities.</p>	<p>Project region must qualify as economically distressed</p>	<p>Unknown, but applicants are strongly encouraged to work with their regional EDA representative to make sure the project aligns with EDA's priorities, and eligibility and cost-sharing requirements</p>
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Source: EDA

5.7 Railroad Rehabilitation and Improvement Financing (RRIF);

<p>Railroad Rehabilitation and Improvement Financing (RRIF)</p>	<p>Direct loans up to \$35B Up to \$7B for non-Class 1s</p> <p>Nashville & Eastern Railroad executed a loan for \$4.6M in 2007.</p> <p>R.J. Corman Railway executed a loan of \$58.9 million in 2007.</p>	<p>Capital and operating</p>	<p>\$2.7B for 35 loans (\$77M average)</p> <p>Loan sizes have ranged from about \$53,000 to about \$967 million with 29 loans executed for freight projects and 6 for passenger rail projects.</p> <p>As of summer 2016, approximately \$2.5 billion in loan requests were under evaluation.</p>	<p>Can fund up to 100% and be repaid over 35 years</p>	<p>Funds can be used to:</p> <ul style="list-style-type: none"> - acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings and shops; - refinance outstanding debt incurred for the purposes listed above; and - develop or establish new intermodal or railroad facilities. <p>Eligible borrowers include railroads, state and local governments, government-sponsored authorities and corporations, joint ventures that include at least one railroad, and limited option freight shippers who intend to construct a new rail connection.</p>	<p>Rolling applications, FRA will approve/disapprove within 90 days of receipt</p>	<p>To the degree that projects improve freight operations through:</p> <ul style="list-style-type: none"> - new or improved bridges - grade crossing improvements 	<p>Demonstrate a demand for service and likelihood of loan repayment, economic benefits and improvements to the rail system, environmental and safety improvements, and capacity improvements</p> <p>Applicants pay a Credit Risk Premium if a loan is approved.</p> <p>Applicants must pay an Investigation Fee regardless of whether the loan is approved.</p> <p>Prior to receiving a loan or loan guarantee, an applicant must comply with National Environmental Policy Act and Buy America provisions.</p>	<p>Unknown, but applicants are encouraged to work with FRA to meet requirements</p>	<p>The RRIF program provides direct federal loans and loan guarantees to finance development of railroad infrastructure. Under this program, the FRA can authorize direct loans and loan guarantees to acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, track components, bridges, yards, buildings and shops.</p> <p>It can be used to refinance outstanding debt incurred for the purposes listed above as well as for developing or establishing new intermodal or railroad facilities.</p>
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Source: FRA

5.8 Congestion Mitigation and Air Quality (CMAQ);

Congestion Mitigation and Air Quality Improvement Program (CMAQ)	FY2016: \$2.3B FY2017: \$2.4B FY2018: \$2.4B FY2019: \$2.4B FY2020: \$2.5B	Capital and operating	States are apportioned set amounts Tennessee Apportionment: FY2016: \$36.9M FY2017: \$37.7M FY2018: \$38.4M FY2019: \$39.1M FY2020: \$39.9M Mississippi Apportionment: FY2016 \$11.2M FY2017 \$11.4M FY2018 \$11.6M FY2019 \$11.9M FY2020 \$12.1M	90% federal share for a project on the Interstate System, including a project to add HOV lanes or auxiliary lanes but excludes projects that add other lanes; 80% for any other project or activity	Eligible projects or programs include those that are likely to contribute to the attainment or maintenance of a national ambient air quality standard with a high level of effectiveness in reducing air pollution	Annual apportionment by state	Priority is given to infrastructure projects located on corridors under 23 U.S.C. 151, which includes I-40 in the Memphis MPO. Installation of vehicle-to-infrastructure communication equipment are eligible projects.	Projects must be included in the MPO's Transportation Improvement Program (TIP) or State Transportation Improvement Program (STIP)	All states are apportioned funds	The program provides funds to state and local governments for transportation projects and programs that help meet the requirements of the Clean Air Act, including projects that reduce congestion and improve air quality for nonattainment areas or for former nonattainment areas that are now in compliance.
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Source: FHWA

5.9 National Highway Performance Program (NHPP);

National Highway Performance Program (NHPP)	FY2016: \$22.3B FY2017: \$22.8B FY2018: \$23.8B FY2019: \$23.7B FY2020: \$24.2B	Capital and operating	States are apportioned set amounts Tennessee Apportionment: FY2016: \$491.6M FY2017: \$502.5M FY2018: \$512.0M FY2019: \$522.5M FY2020: \$533.4M Mississippi Apportionment: FY2016 \$288.3M FY2017 \$294.7M FY2018 \$300.3M FY2019 \$306.5M FY2020 \$312.9M	90% federal share for a project on the Interstate System, including a project to add HOV lanes or auxiliary lanes but excludes projects that add other lanes; 80% for any other project or activity	Eligible projects include: <ul style="list-style-type: none"> • Construction, reconstruction, resurfacing, restoration, rehabilitation, or preservation, or operational improvements of highway, bridges, and tunnels • Highway safety improvements on the NHS • Installation of vehicle-to-infrastructure communication equipment • A project to reduce the risk of failure of NHC infrastructure facilities • At a state's request, STBG funds may be used to pay for the subsidy and administrative costs for TIFIA credit assistance for NHPP project(s) 	Annual apportionment by state	Construction, reconstruction, resurfacing, restoration, rehabilitation, preservation, and operational improvements to NHS segments, especially those that improve safety. Installation of vehicle-to-infrastructure communication equipment are eligible projects.	Projects must be on an eligible facility that supports the progress toward improving infrastructure condition, safety, mobility, or freight movement on the National Highway System States are encouraged to bundle multiple bridge projects using NHPP funds into one project agreement	All states are apportioned funds	The program provides funds for the condition and performance of the National Highway System, construction of new facilities, and for investments in highway construction that support progress towards achieving performance targets as established in the state's asset management plan for the National Highway System.
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5.10 FastTrack Infrastructure Development Program (FIDP);

Program Name	Funding Available	Capital or Operating	Typical Award Size	Typical Match Size	Notable Eligibility Criteria	Frequency/ Timing of Application Cycle	Applicability to Road Freight Projects in Memphis MPO	Special Requirements (BCA, Financial Plan)	Probability/ Likelihood of Receipt	Description/Notes
FastTrack Infrastructure Development Program (FIDP) (One of three grants within the FastTrack program)	The maximum total FastTrack grant for a project in a community is \$750,000.	Capital	During 2017, the Tennessee Department of Economic and Community Development has received 32 new commitments to create 3,517 new jobs and investments of \$1.1B in TN over five years. The average FastTrack grant award per new job is \$4,868 in 2017. The average grant award per new job 2011-2017 is \$3,520.	Based on community's ability to pay	Infrastructure improvements must benefit one or more companies committed to creating new jobs and/or making new capital investments. The business must demonstrate that financing for plant, equipment, and working capital is available.	Rolling application process Grant application approval is subject to appropriation by the TN General Assembly, approval by the municipal or county legislative body where the business is, the Department of Economic and Community Development's Loan & Grant Committee, and other state procedures related to procurement/ bidding.	Highway projects that benefit one or more companies that are able to expand or invest in capital would be eligible for grants.	Preliminary engineering report must be attached to the application and conform to commonly accepted standards.	Eligibility and funding levels are determined by: <ul style="list-style-type: none"> • Amount of company investment • Number of new fulltime jobs and their associated wages • Types of skills and knowledge that must be obtained • Location of the project 	FastTrack Infrastructure Development Grants are made to local communities for public infrastructure improvements. Improvements must benefit one or more companies committed to creating new jobs and/or making new capital investments. Infrastructure can be rail, roads, ports, airports, sites, and utilities.