



# PB Washington Update

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APRIL 23, 2010 – INTERIM REPORT

## TIGER II Grant Solicitation and Interim Guidance Notice

An interim notice soliciting TIGER II grant applications is expected to be published in Monday's Federal Register. [An advance copy is attached](#), and below is a brief summary prepared by Jeff Ensor with PB Strategic Consulting.

### Summary

\$600M is available for this round of applications. USDOT's "TIGER II Discretionary Grant" program is very similar to the original \$1.5B TIGER Grant program created in the ARRA stimulus bill. It has the same broad eligibility and generally the same criteria, however there are a few important differences. **A pre-application is due by July 16<sup>th</sup> and applications must be submitted through Grants.gov by August 23<sup>rd</sup>.** USDOT cannot announce the successful applications prior to September 15<sup>th</sup> and many expect that we won't see announcements before October.

Some key differences from TIGER I include:

- **Grant size and cost sharing:**
  - Minimum 20% non-federal match (i.e., TIGER II will fund no more than 80% of the project cost). No match was required for TIGER I. However, TIGER II applications with at least a 50% non-federal match are likely to be much more competitive than those offering lower shares.
  - Minimum grant size of \$10M.
  - Officially the maximum grant size is \$200M; however, few projects are expected to receive more than \$50M. No more than \$150M can go to any single state.

**Rural grants:** At least \$140M must be awarded to projects in rural areas. The minimum grant size is reduced to \$1M for rural areas; rural areas are also eligible for a federal share greater than 80% of the project cost.

- **Planning grants:**
  - Up to \$35M may be awarded for planning uses.
  - USDOT is considering the use of a joint evaluation of planning applications with HUD. HUD and USDOT may issue a joint solicitation for the TIGER II Planning grants and HUD's Community Challenge Planning grants.

**Benefit-Cost Analysis:** USDOT strongly encourages all projects (except the planning grant applications) to perform and submit a thorough benefit-cost analysis (USDOT was generally disappointed



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with the quality of many TIGER I benefit-cost analyses). Extensive guidance on USDOT's benefit-cost analysis expectations is in Appendix A of the notice. We recommend beginning this analysis early. PB's Strategic Consulting group has significant experience performing thorough benefit-cost analyses in line with USDOT's expectations.

- Other:
  - Funds must be obligated by 9/30/2012.
  - Up to \$150M may be used for TIFIA subsidy and administrative costs (i.e., allowing for up to ~\$1.5B in TIFIA credit assistance).

Interested parties can submit comments on the interim notice until **May 7<sup>th</sup>**. USDOT may publish updated guidance by the end of May.

## **PB Assistance**

As was done for TIGER I, the PB Strategic Consulting group will help coordinate PB's efforts and would be happy to help clients prepare their applications. PB can provide a full range of services for the applications, including strategy development, application preparation, and economic analysis. In the previous round of TIGER, PB's efforts helped freight rail, intercity passenger rail, transit, highway/bridge, and multimodal projects secure TIGER grants. Applications with PB support received 20% of the total funding, four of the top 10 grant awards, and six of the top 30 grant awards.

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