

BUILD GRANTS

(Better Utilizing Investments to Leverage Development Transportation Discretionary Grants Program)

- \$1.5 billion multimodal, merit-based discretionary grant program. Including planning grants and construction grants.
- Rural areas do not require a match, there is special consideration to projects located in rural areas.
- Maximum award is \$25 million per project, up to 3 projects per applicant. \$150 million maximum per State.
- NOFA release April 20, 2018. Application are due July 19, 2018. All pre-construction tasks need to be completed by June 30, 2020.
- Merit Criteria
 - Safety-reduction of transportation related accidents, serious injuries, fatalities.
 - State of Good Repair-Improve and contribute to support border security.
 - Economic Competitiveness-Enhance the movement of good and people, reduce cost of doing business, freight connectivity.
 - Quality of Life-Improves connectivity for citizens to jobs, health care, and other critical destinations.
 - Environmental Protection-reduction of energy consumption, storm water runoff or other benefits.
 - Innovation-Innovative strategies in technology. For example, including fiber optic on Juan Sanchez Blvd as part of this project to provide the service in the area.
 - Partnership-Collaboration between public and private.
 - Nonfederal Revenue for transportation infrastructure investments-newly secure and committed revenues for transportation investment. For example, establishing a property tax or increasing sales tax where portion of those will be allocated for transportation.
- Project Readiness-Technical feasibility, project schedule, approvals and assessment of project risks and mitigation. For example, appropriate level of design, NEPA, ROW acquisition, local and state approvals, utility relocations.
- Benefit Cost Analysis- Identify, quantify, and compare expected benefits and cost.

Juan Sanchez Boulevard Project to be considered for BUILD Grant.

- Project qualifies under rural and meets most of the merit criteria with the exception of two merit items (innovation and nonfederal revenue investment) that can be considered for the application to be more competitive.
- Project readiness-
 - ADOT is currently funding the design and technical feasibility tasks for this project. The status is as follow:
 - 30% design, NEPA to be completed by December 2018. NEPA will be required to apply for state and federal right of way. NEPA will provide exhibits of ROW require and ownership. There is private row acquisition that will need to be acquire. There are still \$400,000 funds available to complete the design.

- An APS utility relocation will need to be done. Cost will need to be barred by either City or APS. Staff to determine.
 - Estimated cost of project \$33 million
 - Estimated cost of row acquisition approximately \$600,000
 - Timeframe:
 - Private- 3-6 months
 - State-6-12 months
 - Federal-12-18 months
- **Factors to consider:**
 - Need to partner with AZDOT in order for ADOT to administer the grant (reimbursable grant).
 - Applications are very competitive. USDOT expects between 1,000-1,500 applications to be submitted.
 - Projects are very political, support needed at state and federal levels.
 - 42 Arizona applications have been submitted since 2009. 8 applications have received allocations with 3 applications submitted by ADOT representing rural areas. City of Phoenix, Tucson, Pima County and Hope Tribe as past awardees.
 - We will need to contract with a consultant to developed complex application. ADOT and the City of Yuma has contracted with consultants to develop their grant.
 - Estimated cost to contract with a consultant is between \$50,000-\$70,000.
 - USDOT confirmed that BUILD grants will most likely be available next year with similar criteria. However, it's not a guarantee.
 - If USDOT funds \$25 million and cost is \$33,000, we need to consider options to cover the gap or phase the project.

Staff recommendation:

- Staff believes that the application will not be funded due to insufficient evidence of project readiness. We will not obtain commitments by federal and state agencies to complete the ROW acquisition by the June 30, 2020 deadline.
- Staff recommends the following plan:
 - Begin the process to acquire the ROW at local, state and federal levels. We will need elected officials support for the ROW acquisition to be completed by April of 2019 to be able to apply for BUILD grant funds next year.
 - Allocate and/or make funds available to acquire the private, state and federal ROW.
 - Allocate funds and/or make funds available to contract with a consultant to begin the process early and be able to provide sufficient evidence to meet the merit criteria.
 - Staff and elected officials to work with ADOT to obtain a commitment to become a sponsor for this project.
 - Staff to meet with utility companies to incorporate fiber optic as part of the project and obtain commitment from APS to relocate the utility line within the timeframe require.