

Linking Iowa's Freight Transportation System Program Guidelines

Almost every product that you use, consume or that is grown or manufactured navigates a global, multimodal, interconnected freight transportation system. Yet traditional funding sources for modes other than highways, as well as the links that connect the various modes, are limited or underfunded. The Linking Iowa's Freight Transportation System (LIFTS) Program is a grant funding opportunity to improve Iowa's freight transportation system and will focus on projects that are not typically funded through highway funding programs.

The LIFTS program seeks to address the gaps in multimodal funding to assist in bolstering the freight transportation system - be that by truck, train, barge, airplane, or multiple modes. Products grown or made in Iowa take a journey on multiple modes of transportation around the U.S. and the world. Efficient, diverse, and cost-effective freight transportation is critical to the health of Iowa's businesses, communities, and economy.

The Fixing America's Surface Transportation (FAST) Act was signed into law in 2015 and expands the eligibility to include multimodal freight projects for federal transportation funding through the establishment of a National Highway Freight Program (NHFP). Up to ten percent of Iowa's NHFP apportionment may be used on freight intermodal or freight rail projects. The Iowa Transportation Commission has chosen to award this funding through the administration of LIFTS, a competitive grant application program. The program will award \$1.3 million in this funding cycle.

Program Overview

Purpose

The purpose of the LIFTS program is to provide grants for projects that help meet the changing demands of Iowa's multimodal freight system. The program will provide funding for freight projects that have economic and public benefit by enhancing the shipment of freight but are typically ineligible for state or federal highway funding. The funding program is designed to:

- (1) Enhance economic development by improving the multimodal freight transportation system.
- (2) Provide flexible funding for the changing demands of the freight transportation system.
- (3) Enhance the ability to provide competitive transportation options for shipment of products and moving goods.
- (4) Provide incentives to alternate modes for economic development opportunities.

Requirements

The FAST Act requires that projects funded by the LIFTS program must be carried out under the same rules and procedures as a highway project on a federal-aid highway. These rules are available to successful applicants through the [Federal-aid Project Development Guide \(Guide\)](#) as well as through the [Iowa DOT Instructional Memorandums \(IMs\)](#). Both of these references can be found on the Iowa DOT website at <http://www.iowadot.gov>. The Guide and IMs have been written to assist Local Public Agencies (LPAs) with the development of federal-aid highway projects. LIFTS grant recipients should consider themselves as an LPA when reading this documentation. *Iowa DOT staff will work closely with grant recipients to provide assistance in understanding and completing the federal-aid requirements.*

Unlike the initial LIFTS funding in 2016 or the Railroad Revolving Loan and Grant Program (RRLG), this round of LIFTS funding is capitalized with federal funds which come with a more extensive list of requirements for the use and administration of any granted funds. **Carefully read [Appendix A, Federal](#)**

Requirements, Standards, or Guidelines which briefly explains the primary conditions and requirements.

Eligible Projects

The LIFTS program is not limited to a particular mode of transportation but is designed to assist freight rail or intermodal projects that contribute to effective and efficient multimodal freight transportation. LIFTS projects are *not* limited to rail infrastructure, nor is LIFTS designed to assist projects that can be funded under traditional highway programs, such as highway construction, reconstruction or modifications. Any project described in [23 U.S.C. 167 \(i\)\(5\)\(B\)](#) and determined by Iowa DOT to be eligible for funding and consistent with the purpose of the LIFTS program will be considered. Examples of the type of projects that could benefit the freight transportation system include, *but are not limited to*:

- Infrastructure and operational improvements relating to improving system performance
- Efforts that reduce the environmental impacts of freight movement
- Infrastructure resiliency and security enhancements
- Real-time transportation information systems
- Electronic screening, credentialing, and security technologies
- Modernization, upgrading, expansion or reconstruction of existing and new freight transportation facilities that support direct freight interchange between modes.
- Modernization, upgrading, expansion or construction of existing and new freight modal links, including but not limited to air freight facilities, barge terminal facilities, intermodal facilities, transload locations, cross docks, or similar facilities

Program Administration

Eligible Applicants

A transportation provider, transportation user, city, county, or any other entity with an interest in a freight transportation improvement is eligible to apply for funding. Joint applications and public/private partnerships are allowed and encouraged, but the applicants shall designate one contact person. The applicant or joint applicants shall be responsible for the project development and financial obligations stated in the application

Required Match

Applicants must provide a local match for the proposed project which may include cash, non-cash or approved state fund contributions. The minimum amount of matching funds required of a public entity or a public/private partnership is 20 percent; private entities must provide a 50 percent match if not partnering with a public agency. Any non-cash match must be certified to Iowa DOT before the cost is incurred. Iowa DOT will retain the sole authority to determine the eligibility and value of a non-cash contribution.

Reimbursable Costs

The LIFTS program is a part of the Federal-aid Highway Program. Grant funds are dispersed on a reimbursement basis. This means project sponsors must incur project costs and then submit periodic claims for reimbursement.

Only after a project has been approved by the Iowa Transportation Commission and the Federal Highway Administration (FHWA) division office, are costs eligible for reimbursement. Any costs incurred before FHWA division office project approval are *not* eligible for reimbursement. Unlike the Railroad Revolving Loan and Grant program, *no advance eligibility exemption* will be issued that allows an “early start” for reimbursable expenses.

If awarded a grant, paid invoices with sufficient documentation to show that the project costs have been paid for completed work will be submitted to the Iowa DOT. Upon approval, a reimbursement up to the percentage of the match will be made. For example, a private company providing a 50% match who submits a bill for \$10,000 would be reimbursed \$5,000 (50%). A public entity providing an 80% match would be reimbursed \$8,000 (80%) of the \$10,000. In addition, a small portion of the reimbursable amounts will be withheld by Iowa DOT until completion of the project.

Eligible Costs. Prior to incurring any costs intended to be credited toward the non-federal share of eligible project costs (including any non-cash match), the project funding agreement must be executed and authorization by the FHWA must be obtained. Activities or items eligible for reimbursement include the following:

- Development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities
- Construction, reconstruction, and rehabilitation
- Acquisition of real property (including land relating to the project and improvements to land)
- Acquisition of equipment that facilitates direct intermodal interchange, transfer, or access into or out of the facility.
- Operational improvements directly relating to improving system performance.

Ineligible Costs. Activities or items ineligible for reimbursement include, but are not limited to, the following:

- Any costs incurred prior to FHWA authorization
- Capital or operating costs associated with public transit, including commuter rail
- Capital or operating costs associated with passenger rail
- Contract administration
- Refinancing of a completed project that would have otherwise qualified under this program
- Rolling stock
- Highway-railroad crossing safety or surface improvements *unless* an integral part of a larger construction project awarded under this program.

Applying for LIFTS

Webinar

The previously recorded webinar is available for viewing here:

<https://iowadot.gov/iowarail/financial-assistance/lifts#486411787-questionsprogram-documents>

Note: This webinar was recorded during our 2017 round of LIFTS funding. The funding amount for the current 2018 round is \$1.3 million. We are no longer requiring a pre-application.

Application

Applications must clearly describe the proposed project and articulate the freight, economic and public benefits, quantifying those benefits wherever possible. Not all questions need be answered if they are not applicable to the particular project. *Applicants are encouraged to succinctly and clearly answer the applicable questions in order to provide a comprehensive description of the project and its benefits.* Elaborate or excessively lengthy applications are not necessary or desired.

All applicants must submit a Minority Impact Statement Form along with their application, as well as all of the attachments spelled out within the application.

Both required forms can be found at www.iowadot.gov/forms by searching for name or number [Linking Iowa's Freight Transportation System \(LIFTS\) Project Application \(Form 291320\)](#) [Minority Impact Statement \(Form 105101\)](#)

Note: Forms open best in Microsoft Explorer 10 or 11.

Completed applications can be mailed to the following address or e-mailed to laura.hutzell@iowadot.us. Applications must be postmarked or emailed by **5:00 p.m. December 10, 2018**

Iowa Department of Transportation
Office of Rail Transportation
Attn: Laura Hutzell
800 Lincoln Way
Ames, IA 50010

Evaluation

A multi-disciplinary team of Iowa DOT staff will evaluate the applications. Simultaneously, applications will be provided to selected members of the Iowa Freight Advisory Council for their input. Sections 4 through 8 of the Linking Iowa's Freight Transportation System (LIFTS) Project Application ([Form 291320](#)) include specific questions related to the evaluation criteria. Applications will be evaluated on the merits of the submitted application with emphasis on the following criteria:

- **Freight Mobility Benefits (25%)** The project applicant must document how the proposed project will increase freight mobility through elimination of an impediment, improvement in efficiency and/or improvement of the reliability or resiliency of freight transportation in contrast to the current status freight mobility. (Section 4 of the application)
- **Economic Benefits (25%)** The project applicant must document how the proposed project will impact the economy (local, regional, or national), provide cost savings to shippers/public/other beneficiaries, or improve/add a connection to a freight generator to demonstrate a positive economic benefit in contrast to the current economic state. (Section 5 of the application)
- **Public Benefits (20%)** The project applicant must document how the proposed project will benefit other transportation users, provide environmental benefits, enhance the quality of life or improve safety to demonstrate that federal funding will benefit others in addition to the applicant. (Section 6 of the application)
- **Project Readiness (20%)** The project applicant must realistically document the estimated project schedule and how prepared the project is to begin. One year of funding is available in this round of funding, with obligation deadlines (when a project must be let and any contracts awarded and equipment purchased) one year apart. Consequently, priority will be applied based on the applicants' ability to meet obligation deadlines. See the schedule below for more information. (Section 7 of the application)
- **Innovation/Process Improvement (10%)** The project applicant must document if any creative or original solutions are incorporated in the project and how any innovative/new technology or novel construction/project management processes will be used to demonstrate innovative approaches to a project. Additionally, the project applicant must document how the success of the project will be measured (Section 8 of the application.)

Additional information may be requested or site visits arranged by one or more members of the evaluation team if it is deemed beneficial to better understand the scope or intent of a project. The evaluation team will make a recommendation for award(s) to the Iowa Transportation Commission.

Schedule

- Application due **December 10, 2018**
- Further discussion and review with applicants via conference calls **Jan-March 2019**
- Iowa Transportation Commission approves projects for award by **May 2019**
- **June 30, 2021:** Project has been let and any contracts awarded, and equipment purchased for selected project(s) using \$1.3 million of available grant funds.

Post Award Requirements

A project funding agreement will be prepared between Iowa DOT and the project sponsor. The agreement shall specify the scope of the project, the approved funding level, and other conditions for project funding. As applicable, the agreement shall address responsibilities for project design, right-of-way acquisition, contracting, construction and materials inspection; documentation required for reimbursement of project costs; audit requirements; and maintenance of the completed project.

- All agreements must be signed by the recipient within 60 days of receipt.
- Award recipients shall abide by all requirements as a recipient of federal funding.
- One year of funding will be awarded, with obligation deadlines (when a project must be let and any contracts awarded and equipment purchased) one year apart. If an obligation deadline is unmet, the funds allocated to Iowa by the federal government risk being rescinded. Consequently, grantees will be required to have these activities completed no later than June 30, 2021 as specified in the project funding agreement.
- Department staff may revoke a funding commitment or seek repayment of funds already reimbursed if the applicant fails to fulfill the terms of the agreement.

Questions/Program Documents

All questions about the program or application should be directed to Laura Hutzell, laura.hutzell@iowadot.us or 515-239-1066

Links to program documents and resources *(If having difficulty opening forms, try using Internet Explorer 10 or 11. If using Chrome, save the file on your computer and open in Adobe Reader):*

- [Program Guidelines](#)
- [Frequently Asked Questions](#)
- [Appendix A, Federal Requirements, Standards, or Guidelines](#)
- [Form 291320, Lifts Project Application](#)
- [Form 105101, Minority Impact Statement](#)
- [Federal-Aid Project Development Guide For Local Public Agencies](#)
- [Iowa DOT's Instructional Memorandums](#)
- [United States Code Title 23, Chapter 1, Section 167 - National Highway Freight Policy](#)