

THE BOND BUYER

Transit projects to benefit from \$1.36 billion in federal grants

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WASHINGTON — Newly-announced federal grants will help finance a project in Portland, Oregon in combination with \$19.4 million in bonds to be issued for its construction.

Federal grants from the U.S. Department of Transportation and the Federal Transit Administration totaling \$1.36 billion were awarded Tuesday and will augment financing for new and existing bus transit projects, one being the Division Transit Project in Portland.

“These significant investments will strengthen our country’s transit infrastructure and improve mobility for those who depend upon public transit every day,” said U.S. Transportation Secretary Elaine L. Chao.

Portland received \$87.4 million in Capital Investment Grant funds for its 15-mile bus rapid transit line connecting its Central Business District east to Gresham. The Tri-County Metropolitan Transportation group plans to issue \$19.4 million in senior lien and capital grant bonds to support the project, said Roberta Altstadt, TriMet’s manager of communications. The project is just coming underway and they have issued bonds already to pay for design plans.

Total project costs are about [\\$175 million with state, regional, local and federal funding contributions](#).

Bonding is often used in conjunction with CIG grants with over 20 projects currently using the grants.

Maryland's Purple Line, a 16.2 mile east-west Light Rail Transit line extending from Bethesda New Carrollton is the beneficiary of \$900 million of CIG grants. The \$5.6 billion [public-private partnership project is scheduled to open in 2022](#).

It encountered a few hiccups in 2016 when District Court Judge Richard Leon said the FTA failed to consider whether ridership declines and maintenance problems on the Washington Area Mass Transit Authority's Metro system would result in fewer passengers transferring to or from the Purple Line. However in 2017, a panel with the U.S. Court of Appeals for the District of Columbia ruled it wasn't needed and moved the project forward.

The FTA is allocating about \$424.8 million in CIG funding to two projects that have existing grant agreements and five new projects, according to Tuesday's announcement. Those will be subject to further review and approval. About \$936 million in appropriated fiscal year 2019 CIG funds will go to nine remaining projects with existing construction grant agreements.

The FTA has advanced funding for 22 new CIG projects since January 2017, totaling to about \$5.06 billion. The FTA plans to fund these and existing CIG projects through updated allocation notices for fiscal years 2018 and 2019 funding appropriated by Congress, according to a press release.

Funding for the new CIG projects will be awarded after the project sponsors complete program steps and FTA signs construction grant agreements with the project sponsors.

As part of DOT's announcement on Tuesday, five new CIG projects will receive grants.

The First Coast Flyer Southwest Corridor Bus Rapid Transit project will receive \$16.6 million in fiscal year 2018 CIG funds to finish its last segment of the bus line. The \$33.2 million purple line stretches 12.9 miles from the Convention Center in downtown Jacksonville to the Orange Park Mall in Clay County.

Florida and the Jacksonville Transportation Authority both provided \$8.3 million and for the Purple Line. The entire line costs \$137.6 million and of that, the Department of Transportation provided \$88.6 million in grants. There was no bonding used.

In 2018, the Florida project was awarded \$16.9 million in capital investment grants to be used for its Red Line, its second to last segment.

The Virginia Street Bus Rapid Transit Extension in Reno, Nevada will receive \$40.4 million in CIG funds for a 1.8-mile extension in the Virginia street corridor and upgrades to its existing service from downtown Reno south to the Midtown District.

The bus line will extend from its existing northern terminus in downtown Reno to the University of Nevada, Reno. There was no bonding for the project.

The River Corridor/ Blue Line Bus Rapid Transit project on Albany, New York will receive \$26.9 million in CIG funds for a new 16-mile line along the Hudson River. It will connect Waterford to downtown Albany.

The Capital District Transportation Authority in Albany did not use bonds for the project and doesn't anticipate to do so, wrote Director of Corporate Communications Jamie Watson in an email. The total cost for the project is about \$42 million.

Last, the Central City Bus Rapid Transit Program in Spokane, Washington will receive funding for a new 5.8 mile service extending from Browne's Addition, a

residential area and National Register Historic District west of downtown Spokane to Spokane Community College.

The project will receive \$53.4 million in newly appointed CIG funds. The Spokane Transit Authority does not issue bonds.

In 2016, voters approved an increase of local sales taxes to fund the Spokane Transit Authority's 10-year "Moving Forward" plan, which included the Central City Line.