MULTIMODAL TRANSPORTATION FUND (MTF) PROGRAM

Program Guidelines

March 2023

pennsylvania
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

Commonwealth of Pennsylvania | Josh Shapiro, Governor
PA Department of Community & Economic Development | dced.pa.gov

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Section I – Statement of Purpose

The **Multimodal Transportation Fund** (the "program") provides grants to encourage economic development and ensure that a safe and reliable system of transportation is available to the residents of this commonwealth. The Multimodal Transportation Fund program was established under Section 2104(a)(4) of the Act of November 25, 2013 (P.L. 974, No. 89) (74 Pa.C.S. § 2104(a)(4)), as amended.

The program is intended to provide financial assistance to municipalities, councils of governments, businesses, economic development organizations, public transportation agencies and rail and freight ports in order to improve public transportation assets that enhance communities, pedestrian safety, and transit revitalization. The program is administered by the Department of Community and Economic Development ("DCED") under the direction of the Commonwealth Financing Authority ("CFA").

Section II – Eligibility

A. Eligible Applicants

Eligible Multimodal Transportation Fund projects, which commence construction after the approval date, must be owned and maintained by an eligible applicant, except in the case of a state-owned highway.

1. **Municipality –** Any county, city, borough, school district, incorporated town, township or home rule municipality or an authority of a municipality.
2. **Councils of Governments –** An entity organized by units of local government under an intergovernmental agreement, which provides cooperative planning, coordination, and technical assistance to its member governments on issues of mutual concern that cross jurisdictional lines, and which does not act under the direction and control of any single member government.
3. **Business –** A corporation, partnership, sole proprietorship, limited liability company, business trust, privately owned airports (must be open to the public), or other commercial entity approved by the Commonwealth Financing Authority. The term shall also include not-for-profit entities.
4. **An Economic Development Organization –** A nonprofit corporation or association whose purpose is the enhancement of economic conditions in their community.
5. **Public Transportation Agency –** A public transit agency, including but not limited to an airport authority, public airport, port authority, or similar public entity, created through the laws of this commonwealth, charged with the provision of transportation services to the traveling public, that owns and maintains or is authorized to own and maintain a physical plant, including rolling stock, stations, shelters, hangars, runways, maintenance, and support facilities.
6. **Ports - Rail / Freight –** Railroad owner, railroad lessee/operator, railroad user and port terminal operators.

B. Eligible Projects

1. **A project which coordinates local land use with transportation assets to enhance existing communities,** including but not limited to: intercity bus and rail service improvement, bus stops, transportation centers, park and ride facilities, rail freight sidings, land acquisition for eligible airport development, land interests required for air approach and clear zone purpose, sidewalk/crosswalk safety improvements, bicycle lanes/route designation, in-fill development by assisting with traffic impact mitigation, develop local highways, highway noise and sound barriers, and bridges which will benefit state system and local economic development, greenways, etc.

2. **A project related to streetscape, lighting, sidewalk enhancement and pedestrian safety,** including but not limited to: sidewalk connections, crosswalks, pedestrian and traffic signals, pedestrian signs, and lighting. Streetscape amenities, such as permanently affixed benches, planters or trashcans and trees, shrubs, or mulch, may not exceed 10% of the total project cost.

3. **A project improving connectivity or utilization of existing transportation assets,** including but not limited to: coordinated transit services; bicycle/shared lane markings or bicycle parking at transit stops; improved signage; rail freight sidings; track rehabilitation or upgrades; obstruction removal to protect airport critical airspace; airport perimeter fencing; airport wildlife hazard assessments; development and improvement to airport facilities, such as runways, taxiways, aprons, lighting, public areas of terminal buildings, other building structures for airport operational use, access roads, and airport navigational facilities; development or improvement to an integrated transportation corridor in order to improve the productivity, efficiency and security of goods movement to and from PA ports; improvement to facilities and operations of ports, which may include maintenance dredging berths, last mile access, rail-on dock, pipelines to a port, vessel conversions or repowering from fossil fuels to natural gas; etc.

4. **A project related to transportation aspects of transit-oriented development,** which consists of development concentrated around and oriented to transit stations in a manner that promotes transit riding or passenger rail use. The term does not refer to a single real estate project, but represents a collection of projects, usually mixed use, at a neighborhood scale that are oriented to a transit node. Projects may include, but are not limited to: relocation of transit routes to serve densely populated areas, transit shelters, pedestrian improvements to/from transit stops, rail station development, etc.

C. Eligible Costs

1. Funds may be used for the eligible types of projects identified in Section B above to include:
   a. Acquisition of land and buildings, rights of way and easements
   b. Construction activities
   c. Fixed equipment
   d. The clearing and preparation of land
   e. Demolition of structures directly related to the eligible transportation project
   f. Environmental site assessment and environmental studies
   g. No more than 10% of the grant award for engineering, design and inspection costs related to a construction project
   h. Preliminary engineering design related to an eligible project where construction is subsequent phase.
   i. Administrative costs of the applicant only, which are necessary to administer the grant. Administrative costs can include advertising and legal costs, as well as documented staff expenses. Administrative costs shall not exceed 2% of the grant award and any amount over 2% cannot be included as match for this program.

j. Noise or sound barriers.

k. Project contingencies associated with construction and/or infrastructure costs are limited to 5% of those actual costs. No other contingencies shall be included as eligible project costs.

D. Ineligible Costs

l. Ineligible project costs include, but are not limited to:

a. Parking lots or garages not associated with the development or expansion of transportation related assets such as rail stations, transit centers or airports

b. Security cameras (except for those located in a transit center, such as a bus or train station)

c. Fees for securing other financing, interest on borrowed funds, refinancing of existing debt

d. Lobbying, fines, application preparation / consultant fees

e. Reparations and costs incurred prior to the approval of CFA funding.

Section III – Program Requirements

A. Matching Funds Requirement

Financial assistance under the Multimodal Transportation Fund shall be matched by local funding in an amount not less than 30% of the non-federal share of the project costs.

Matching funds from a county or municipality, shall only consist of cash contributions provided by one or more counties or municipalities. Liquid fuels tax, Act 13 impact fees, and other statutorily allocated fees/taxes paid directly to a county or municipality may be used as a local match.

Matching funds from a government council, business, economic development organization, or other public transportation agency shall only consist of cash contributions or cash equivalents for the appraised value of the real estate necessary to construct an eligible project. If using the value of real estate as a cash equivalent, an appraisal not older than one year is required and must be provided with the application submission (Appendix I, Exhibit 11.)

NOTE: The fiscal codes enacted in 2017 through 2022 provides that a municipality receiving financial assistance through the CFA Multimodal Transportation Fund may not be required to provide a local match. The term “municipality” shall mean a county, city, borough, incorporated town, township or local, regional, or metropolitan transportation authority. This provision shall expire December 31, 2023.

B. Other Requirements

1. Conflict of Interest Provision

An officer, director, or employee of an applicant who is a party to or has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant and may not vote on action of the applicant concerning the project, nor participate in the deliberations of the applicant concerning the project.

2. **Nondiscrimination**
   No assistance shall be awarded to an applicant under this program unless the applicant certifies that the applicant shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds must contain the commonwealth's official nondiscrimination clause.

3. **Project Records**
   The applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The CFA requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the CFA, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

4. **Pennsylvania Prevailing Wage Act**
   All or a portion of the construction work associated with the project may be subject to the Pennsylvania Prevailing Wage Act, as determined by the Pennsylvania Department of Labor & Industry. It is the responsibility of the funding recipient to ensure that the Pennsylvania Prevailing Wage Act is followed if applicable.

5. **Proof of Notification**
   The applicant must provide proof that the county and host municipality or municipalities have been notified about the intended project (Appendix 1, Exhibit 8).

6. **Certification of Expenses**
   In lieu of a formal project audit and prior to final closeout of the grant agreement, the applicant shall be required to complete a Multimodal Transportation Fund Grant Closeout Report and submit copies of all canceled checks verifying the expenditure of the Multimodal Transportation Fund proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

7. **Bidding Requirements**
   Applicants must comply with all applicable federal, state, and local laws and regulations dealing with bidding and procurement.

8. **Guideline Provisions**
   The Multimodal Transportation Fund guidelines may be modified or waived by the CFA unless otherwise required by law.

Section IV – Grants

1. Grants are available for projects with a total eligible cost of $100,000 or more.
2. Grant requests shall not exceed $3,000,000 for any project.
3. In order to be eligible for a Multimodal Transportation Fund grant, all other funding must be committed for the proposed project by the application deadline (Appendix I, Exhibit 3.)
4. Commencement of work prior to receiving CFA approval will result in the project being ineligible for funding consideration.
5. To be eligible for reimbursement, project costs must be incurred within the time frame established by the grant agreement.

Section V – Application Process

A. Application Procedures

1. To apply for funding, the applicant must submit the on-line Department of Community and Economic Development Electronic Single Application for Assistance located at dced.pa.gov/singleapp. Required supplemental information outlined in Appendix I of these guidelines must be attached electronically to the application as directed on the Addenda tab. For technical inquiries regarding the submission of the on-line application, contact the Customer Service Center at (800) 379-7448 or (717) 787-3405.

2. Applications are received annually between March 1 and July 31. All applications and required supplemental information must be electronically submitted by close of business on July 31.

3. The CFA charges a $100 non-refundable application fee for the submission of Multimodal Transportation Fund applications. The application fee must be paid electronically by credit or debit card or electronic check through our secure, third-party vendor. Payment of the application fee must be completed prior to the certification and submission of the Electronic Single Application for Assistance. Detailed payment instructions will be provided on the Certification Tab of the Electronic Single Application for Assistance once all required fields have been completed.

B. Application Evaluation

All applications for financial assistance will be reviewed by the DCED under the direction of the CFA to determine eligibility and competitiveness of the proposed project. Projects will be evaluated using the appropriate criteria from the following list of evaluation criteria for the various types of eligible projects:

1. The economic conditions of the region where the project is located.
2. Consistency with local, regional, and statewide planning.
3. Benefits to a transportation system by mitigating a public safety issue.
4. The technical and financial feasibility of the project. Applicants must show that all financial commitments are in place to achieve the project goals and ensure the project will be fully completed with the use of these funds.
5. The level of non-CFA matching investment in the project. Increased consideration will be given to those projects that exceed the matching funds requirement.
6. Increased consideration will be given for the number and quality of the permanent jobs to be created or preserved in Pennsylvania by an identified business as part of the project.
7. Regional nature of the project.
8. Project readiness.
9. Multimodal in nature, supporting the connectivity, integration, or revitalization of at least two different means of transportation.

Section VI – Procedures for Accessing Funds

Following approval of an application by the CFA, a grant agreement and commitment letter will be electronically issued by the CFA to the applicant explaining the terms and conditions of the grant. The Grantee must provide the names, titles, and e-mail addresses for two authorized individuals to receive and electronically sign the grant agreement. The grant agreement must be electronically signed and returned to the CFA within 45 days of the date of the commitment letter or the offer may be withdrawn by the CFA.

One fully executed copy of the grant agreement will be returned to the applicant with a payment request form and instructions for requesting payment. **The applicant shall obtain the services of a professional engineer licensed in Pennsylvania, who will certify to the CFA during construction and upon completion of the project that the expenses were incurred and were in accordance with plans approved by the CFA.** The CFA will release funds to the applicant at not less than 30-day intervals.

Section VII – Program Inquiries

Program inquiries should be directed to:

PA Department of Community and Economic Development
Center for Business Financing – Grants Office
Multimodal Transportation Fund
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Telephone (717) 787-6245
Fax (717) 787-9154
e-mail: ra-dcedcbf@pa.gov

Appendix I – Supplemental Information

In addition to completing the Department of Community and Economic Development Single Application for Assistance, please include the following items when applying for a grant under Multimodal Transportation Fund:

Exhibit 1 Project Description

Provide a clear and concise description of the project which discusses all of the following:

a. a clear, concise, and focused description of the proposed transportation improvements;

b. the specific location of the project site, including the municipality, street names and transportation project boundaries;

c. the need for the proposed transportation improvements;

d. if applicable, whether the transportation improvements will result in positive economic development impact and/or job creation;

e. the estimated start and end dates of construction;

f. the entity (or entities) holding ownership of the transportation improvement project site location.

Exhibit 2 Cost Estimate

Provide a thorough, detailed, and complete estimate (including unit costs and quantities) for the total project cost of the transportation improvement project. The estimate must be current (within 1 year of application submission) and must be prepared, signed, sealed, and dated by a Pennsylvania licensed engineer or other qualified professional.

Exhibit 3 Matching Funds Commitment

Provide funding commitment letters from all other project funding sources (including equity commitments):

- Funding commitments of equity from the applicant or private third party must be signed and dated (indicating the amount of funds being committed) **AND** be accompanied by documentation (such as audited financial statements) showing the ability to commit such matching funds.
- Funding commitments or term sheets provided by lending institutions must include the term, rate, and collateral conditions and must be signed and dated.

Exhibit 4 Color-Coded Map

Provide a detailed, color-coded design drawing/map with a color legend, that shows a clear illustration of the transportation improvement project to include street names and project boundaries. When applicable, current conditions and proposed improvements should be shown.

Exhibit 5 Owner Consent

If the applicant is not the owner of the transportation improvement site location, a letter from the property owners(s) giving applicant consent for the project is required.

Exhibit 6 Permit List

A list of all state, federal, and local planning and permit approvals required for the project.

Exhibit 7 Planning Letter

A letter from the appropriate planning agency certifying that the proposed project is in compliance with the comprehensive land use plans.

Exhibit 8 Resolution

For public sector applicants, provide a resolution duly adopted by the applicant's governing board formally requesting the grant, designating an official to execute all documents, briefly describing the project scope, and identifying the grant amount being sought. (See Appendix II for a Sample Resolution).

Exhibit 9 Acquisition

For projects that include acquisition of land, provide a copy of the sales agreement or easement accompanied by a recent "as is" appraisal (within 1 year of application submission) prepared by either a Member, Appraisers Institute (MAI) or a PA State Certified Appraiser. Should a Public Transportation Agency be requesting grant funds for acquisition, copies of written consent from the county and municipality in which the land is situated is also required.

Exhibit 10 Cash Equivalent Appraisal

For projects that include real estate cash equivalents, provide a copy of a recent "as is" appraisal (within 1 year of application submission) prepared by either a Member, Appraisers Institute (MAI) or a PA State Certified Appraiser. NOTE: Cash equivalents are not acceptable for all eligible applicants (see Section III) and may only include the "as is" appraised value of the real estate which is necessary to construct the proposed transportation improvements contained in the application.

Appendix II – Authorized Official Resolution

Be it RESOLVED, that the _____ (Name of Applicant) of _____ (Name of County) hereby request a Multimodal Transportation Fund grant of $_____ from the Commonwealth Financing Authority to be used for _____.

Be it FURTHER RESOLVED, that the Applicant does hereby designate _____ (Name and Title) and _____ (Name and Title) as the official(s) to execute all documents and agreements between the _____ (Name of Applicant) and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, _____, duly qualified Secretary of the _____ (Name of Applicant), _____ (Name of County) _____, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the _____(Governing Body) at a regular meeting held _____ (Date) and said Resolution has been recorded in the Minutes of the _____ (Applicant) and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the _____ (Applicant), this ____ day of ____, 20___.

_____
Name of Applicant

_____
County

_____
Secretary