Why require a grant match?

• Shows that applicant has something at stake, “skin in the game”

• Is a way of filtering out applicants by financial health,
  • E.g. if match is too much of a hardship, potential for issues with operating funds later down the line
Considerations per the statute (unchanged in HB 2017)

• (d) How much of the cost of a proposed transportation project can be borne by the applicant for the grant from any source other than the Connect Oregon Fund;

• Statute does not specify:
  – Maximum match amounts
  – Form or evidence of the match (cash)
  – How to factor “overmatch” proposals
  – Restrict grant stacking
Current rule language

(2) Applicants that meet all of the following criteria are eligible:

(c) The Applicant has sufficient management and financial capacity to complete the Project including, without limitation, the ability to contribute **30 percent** of the Recipient’s Total Project Cost (Class 1 RR is 50 percent).
Challenges under current rules

• Should we reward “overmatch” – proposing to provide more than the match requirement with a more favorable score?
  • If so, should we hold them to this higher figure if their circumstances change?

• Evidence of match

• Land as a form of match
  • Currently valued on price paid to purchase
  • How recently was it purchased
  • How much of the parcel is being used for the project?
Challenges under current rules, continued

• Amount of match – is 30% the right number?
  • In earlier CO rounds, it had been 20%
  • Would need statute change to adjust

• Some modes/project types can stack other grants, e.g. FAA money that are not available to other modes
  • Should this practice be continued, or should we put some guardrails on it?
Potential changes based upon feedback

• Concerns about overmatch
  • Eliminate – everybody pays the same OR cap overmatch

• 30% match requirement being a potential burden for a worthy project
  • Could be changed globally, or could be reduced for projects above/below a certain size
  • E.g. larger projects require a higher percentage match
Potential changes based upon feedback, cont’d

• Evidence of match
  • Establish required documentation up front in the rule/application

• Land as a form of match – complicates evaluation
  • Has been interpreted to be a match based upon cash outlay for the land, not assessed value
  • Limitation on how recently the land was purchased
  • Limitation on how much of the match this can count towards