

CHAPTER 920
STATE TRANSIT ASSISTANCE
[Prior to 6/3/87, Transportation Department [820]—(09,B)Ch 1]

761—920.1(324A) Statement of policy. State financial assistance to any public transit system shall be restricted to joint projects with the department that hold substantial promise of accomplishing the following goals:

920.1(1) Development, maintenance and improvement of transit services for the general public and for transportation disadvantaged persons, as defined in Iowa Code section 324A.1.

920.1(2) Protection of the rights of private enterprise public transit providers, especially those providing intercity scheduled services on fixed routes.

920.1(3) Improvement of transit system effectiveness and efficiency.

761—920.2(324A) General information. The department shall send annually to each public transit system in Iowa the required forms and instructions for applying for state transit assistance. Requests for assistance and questions about application preparation should be directed to: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)233-7870.

[Editorial change: IAC Supplement 2/23/11]

761—920.3(324A) Definitions.

Department. The state department of transportation. Both the air and transit division and the planning and research division of the department have responsibilities under these rules.

Joint Participation Agreement. A contract between the department and a public transit system for either operations or capital assistance needed for implementation of a transit service project or projects. Each agreement shall include, but not be limited to, a project budget, method of payment, and period of performance.

Programmed project assistance. State transit assistance appropriations minus funds reserved for special projects.

Project. A concerted set of actions that will develop, maintain, or improve one or more elements of the public transit system's service.

Public transit system. A transit system, either urban or regional, which provides transit services to both the general public and transportation disadvantaged persons.

Regional transit system. See Iowa Code subsection 324A.1(7).

Urban transit system. A system designated by the department which meets the requirements of Iowa Code subsection 324A.1(6). To be designated as an urban transit system for the purposes of this chapter, the system must serve a city or urbanized area with a population of 20,000 or more. The system must also be managed by a board of local officials who have either been elected by the public or appointed by elected officials, and who are responsible for policy and oversight of transit services for one or more incorporated areas within Iowa. Nothing in this paragraph shall be construed to exclude any provider of transit services in an urbanized area from state transit assistance funding if that system was in operation on November 10, 1976, and since that time has provided transportation services on a continuing basis to both the general public and the transportation disadvantaged.

761—920.4(324A) Types of projects.

920.4(1) Programmed projects. A programmed project may involve operations assistance, capital assistance, or both. These projects are developed, analyzed and ranked through the transit planning process which involves the following steps:

a. Each public transit system shall arrange with the appropriate planning agencies for a review of all projects submitted, shall ensure public participation and discussion, and shall list the projects by priority.

b. Each public transit system shall submit its ranked list of proposed projects to the air and transit division.

920.4(2) *Special projects.*

a. Special projects are extraordinary, emergency or innovative in nature, and may include, but are not limited to, the following purposes:

- (1) Expanding the scope of planning, managerial, or technical expertise.
- (2) Improving the performance or fiscal viability of the transit system.
- (3) Enhancing the capacity for administration consolidation and service coordination.
- (4) Reducing impediments to intramodal or intermodal transfers.
- (5) Increasing the cooperation between private and public sectors.
- (6) Providing incentives for increased commitment of private or public support.
- (7) Developing, demonstrating, or refining some technical, procedural, or mechanical innovation so that it may be successfully employed by other public transit systems in Iowa.
- (8) Responding to an emergency situation that places an extraordinary and unforeseen strain on the resources of a public transit system.

b. Proposals for special projects may be submitted to the air and transit division at any time. However, because of limited funding, special projects should be submitted with the programmed projects, if possible.

c. A special project may either involve assistance to an individual public transit system or to several systems as a group.

761—920.5(324A) Standards for projects.

920.5(1) *Requirements for transit system.* A public transit system is eligible for project assistance if the system is in compliance with all of the following criteria:

- a.* It uses a centralized accounting system that maintains primary documentation for all revenues and expenses.
- b.* One person is responsible for managing the assets, operations and funding of the system.
- c.* It maintains its policies, routes, schedules, fare structure, and budget in a manner that encourages public review, responsiveness to user concerns, energy conservation, and fiscal solvency.
- d.* It has received departmental approval of its plan or schedule for repayment of any loan administered by the department.

920.5(2) *Project conditions.* The department shall obligate state transit assistance for joint projects that meet the following criteria:

- a.* Each special project shall have a preestablished basis for determining success using a specified means of performance measurement, and a detailed budget of the resources available and the assistance necessary for implementation.
- b.* Each project shall contain payment criteria which are mutually agreed upon by the department and the contracting officer of the transit system.
- c.* A project may involve either capital assistance or operations assistance but a separate joint participation agreement is required for each type of assistance funded.
- d.* State assistance for a special project involving capital expense shall not exceed 13.3 percent of the project's total capital expense. State assistance for a special project involving operating support shall not exceed 50 percent of the project's total operating expense. In special or emergency situations, these requirements may be waived by the director of the air and transit division to permit a fiscal-year maximum of \$5000 for any one system.

920.5(3) *Items not eligible for assistance.*

- a.* Any expense related to heavy rail transit service, including planning, capital, or operations.
- b.* Administrative, operations, or capital expense which is determined by the department to be inconsistent with department policies, public law, officially approved planning and programming documents, or inconsistent with the purpose of improving the effectiveness and quality of transit services.

c. Development of managerial, administrative, or operational systems which duplicate programs made available at no charge to the transit system by the department.

920.5(4) *Determination of system eligibility for programmed project assistance.*

a. Prior to the beginning of each fiscal year, each transit system's programmed eligibility shall be determined through the process shown in the appendix located at the end of this chapter of rules and included as part of this chapter.

(1) Transit system data used in determining programmed eligibility is derived from the last fiscal year for which complete information is available.

(2) The process shown in the appendix establishes the percentage of available state transit assistance funds not reserved for special projects for which each transit system is eligible during the fiscal year.

b. If a known dollar amount of state transit assistance has been appropriated for the fiscal year, the amount of each system's eligibility for programmed project assistance from this appropriation shall be determined by multiplying the system's programmed eligibility by the amount of the appropriation not reserved for special projects.

c. If the dollar amount of state transit assistance is not known until the funds are actually deposited in the state transit assistance fund, the amount of each system's eligibility for programmed project assistance from these funds shall be determined as follows: At the beginning of each fiscal quarter, the system's programmed eligibility shall be multiplied by the amount of new funds not reserved for special projects that were deposited in the state transit assistance fund during the previous quarter.

d. A transit system's eligibility for programmed project assistance may be reduced if it is subject to the sanctions outlined in Iowa Code section 324A.5 or 761—Chapter 910.

920.5(5) *Determination of amount reserved for special projects.* Each fiscal year, up to \$300,000 may be reserved from state transit assistance appropriations for special projects if the appropriations for the year are expected to equal or exceed \$500,000. Any special project funds not obligated in the previous fiscal year and any funds made available through closeout of previously approved projects may also be reserved for special projects. Special project funds are distributed by the department on a discretionary basis in accordance with subrule 920.4(2) of this chapter.

761—920.6(324A) Processing.

920.6(1) *Review.* The department, through its air and transit division and planning and research division, shall review the proposed projects.

920.6(2) *Program.* Based on available funds and the project priorities established by the transit systems, the air and transit division shall prepare a list of both programmed and special projects recommended for funding approval.

920.6(3) *Approval.* The air and transit division shall submit the list to the transportation commission for approval.

920.6(4) *Agreement.* Upon approval by the commission, the air and transit division shall prepare a joint participation agreement and send it to the public transit system for signing. The agreement shall be returned to the air and transit division for signing by the department.

Rules 920.1(324A) to 920.6(324A) are intended to implement Iowa Code chapter 324A.

APPENDIX TO
761—920.5(324A)

FY	Fiscal year. The 12-month period beginning July 1 of one year and ending June 30 of the following year.
LDI	Locally determined income. All transit system revenue dedicated for operations expense during a fiscal year, minus federal operating assistance from the U.S. Department of Transportation and minus all special project operating support and programmed eligibility funds received from the Iowa Department of Transportation.
OpExp	Operations expense. All eligible transit system expenses related to operating, maintaining, and administering transit operations.
Pass	Passenger. A person boarding a transit vehicle for the purpose of making a trip. A passenger is counted each time a person boards a vehicle, even though the person may be on the same journey from origin to destination.
PE	Programmed eligibility. The percentage of any state transit assistance appropriation that a public transit system is eligible to receive from the nondiscretionary portion of the appropriation. Determination of a public transit system's "programmed eligibility" shall be made using the method diagrammed in this appendix. System programmed eligibility is reduced by 25 percent for each quarter of any fiscal year in which no joint participation agreement with the department has been executed. The director of the air and transit division may waive this reduction.
RevMi	Revenue Miles. Total vehicle miles traveled by revenue vehicles of public transit systems while in revenue service. Excludes miles traveled to and from storage facilities and other deadhead travel.

APPENDIX TO
761—920.5(324A)

FORMULA FOR DETERMINATION OF PROGRAMMED ELIGIBILITY

$$\begin{array}{r}
 \text{Regional RevMi} \\
 \text{Total State RevMi}
 \end{array}
 \times
 \frac{\text{System's LDI}}{\text{Sum of LDI for all regions}}
 +$$

$$\begin{array}{r}
 \text{Regional RevMi} \\
 \text{Total State RevMi}
 \end{array}
 \times
 \frac{\text{System's Pass to OpExp ratio}}{\text{Sum of Pass to OpExp ratios for all regions}}
 +$$

$$\begin{array}{r}
 \text{Regional RevMi} \\
 \text{Total State RevMi}
 \end{array}
 \times
 \frac{\text{System's RevMi to OpExp ratio}}{\text{Sum of RevMi to OpExp ratios for all regions}}$$

$$\begin{array}{r}
 \text{Urban RevMi} \\
 \text{Total State RevMi}
 \end{array}
 \times
 \frac{\text{System's LDI}}{\text{Sum of LDI for all urbans}}
 +$$

$$\begin{array}{r}
 \text{Urban RevMi} \\
 \text{Total State RevMi}
 \end{array}
 \times
 \frac{\text{System Pass to OpExp ratio}}{\text{Sum of Pass to OpExp ratios for all urbans}}
 +$$

$$\begin{array}{r}
 \text{Urban RevMi} \\
 \text{Total State RevMi}
 \end{array}
 \times
 \frac{\text{System's RevMi to OpExp ratio}}{\text{Sum of RevMi to OpExp ratios for all urbans}}$$

[Filed 9/15/76, Notice 7/26/76—published 10/6/76, effective 11/10/76]
 [Filed 2/18/82, Notice 1/6/82—published 3/17/82, effective 4/21/82]
 [Filed 4/17/85, Notice 2/27/85—published 5/8/85, effective 6/12/85]
 [Filed emergency 12/11/85—published 1/1/86, effective 1/1/86]
 [Filed 2/20/86, Notice 1/1/86—published 3/12/86, effective 4/16/86]
 [Filed 5/11/87, Notice 3/11/87—published 6/3/87, effective 7/8/87]
 [Filed emergency 6/15/89 after Notice 5/3/89—published 7/12/89, effective 7/1/89]
 [Filed 9/25/91, Notice 8/21/91—published 10/16/91, effective 11/20/91]
 [Filed 1/15/92, Notice 12/11/91—published 2/5/92, effective 3/11/92]
 [Filed emergency 7/1/92—published 7/22/92, effective 7/27/92]
 [Filed 3/25/94, Notice 2/16/94—published 4/13/94, effective 5/18/94]
 [Filed 9/8/94, Notice 7/20/94—published 9/28/94, effective 11/2/94]
 [Editorial change: IAC Supplement 2/23/11]

CHAPTER 921
ADVANCED ALLOCATIONS OF STATE TRANSIT ASSISTANCE FUNDING
[Prior to 6/3/87, Transportation Department [820]—(09,B)Ch 2]

761—921.1(324A) Scope of chapter. This chapter shall apply only to those transit systems eligible for and having or proposing to have a “Joint Participation Agreement” in force with the Iowa department of transportation for state transit assistance funding as set forth in rules 761—Chapter 920. This chapter implements provisions for advance allocations of state transit assistance funding as set forth in Iowa Code subsection 324A.6(5). The requirements for the award of state funds for state transit assistance and subsequent procedures are found in rules 761—Chapter 920.

761—921.2(324A) Basic types of advance allocations. Advance allocations of state transit assistance are paid prior to the time actual expenditures are incurred. Three basic types of advance allocations shall be available:

921.2(1) Payment of one-fourth (or 25 percent) of the total “Joint Participation Agreement” amount prior to or during each fiscal quarter, starting on the execution date of the “Joint Participation Agreement.”

921.2(2) Payment of an amount to be denoted in the “Joint Participation Agreement” prior to or during each fiscal quarter, starting on the execution date of the “Joint Participation Agreement.”

921.2(3) Payment of the total “Joint Participation Agreement” amount prior to or during the project period, starting on the execution date of the “Joint Participation Agreement.”

761—921.3(324A) Application for advance allocations.

921.3(1) Transit systems having or proposing to have a “Joint Participation Agreement” with the department for state transit assistance funding may make written application for advance allocations of the “Joint Participation Agreement” amount. The application shall be directed to: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)233-7870.

921.3(2) Transit systems applying for state transit assistance funding, pursuant to 761—Chapter 920, may make written application for advance allocations of proposed or existing “Joint Participation Agreement” amount as part of the application for state transit assistance.

921.3(3) No application for advance allocation shall be complete without:

- a. The name of the transit system.
- b. A specific statement of the reasons why an advance allocation is required by the transit system.
- c. A statement from the transit system which indicates the specific existing or proposed “Joint Participation Agreement” from which advance allocations are to be derived.
- d. A statement from the transit system which indicates that the contract officer has read these administrative rules and certifies that the contract officer shall comply with them.
- e. The signature of the contract officer of the transit system, and the date of the signature.
- f. If varied advance allocations per quarter are requested pursuant to subrule 921.2(2), the following shall also be included in the application:

(1) A statement denoting the proposed advance allocations for each quarter, including the dollar amounts and the percentage of each quarter’s proposed advance allocation to the total “Joint Participation Agreement” amount.

(2) A statement of justification for the varied allocation amounts requested.

(3) A detailed transit system cash flow analysis projected for the performance period of the “Joint Participation Agreement.”

921.3(4) Rescinded, effective April 16, 1986.

[Editorial change: IAC Supplement 2/23/11]

761—921.4(324A) Application approval. The air and transit division of the Iowa department of transportation shall review all applications for advance allocations of state transit assistance. It shall also approve, disapprove or defer all such applications. Provisions of applications which are approved

shall be written into and made a part of the transit system's state transit assistance "Joint Participation Agreement," if it is in effect, or written into such "Joint Participation Agreement" when awarded by the department pursuant to rules 761—Chapter 920. The transit system shall be so notified of such action. Transit systems whose applications for advance allocations are disapproved or deferred shall be so notified, including the reason(s) for such actions.

761—921.5(324A) Consideration in determining the approval of advance allocation application. The air and transit division shall give consideration to the following items in determining the approval, disapproval or deferment of advance allocation applications:

921.5(1) The justification submitted with the application pursuant to subrule 921.3(3).

921.5(2) Previous experience of the air and transit division in dealing with the transit system making application including but not limited to the following:

- a. Timeliness of contract and application materials, as assessed by the air and transit division.
- b. Fiscal management capability of the transit system, as assessed by the air and transit division.

761—921.6 Rescinded, effective April 16, 1986.

761—921.7(324A) Reports, and suspension and termination of allocations.

921.7(1) Transit systems receiving advance allocations shall provide quarterly and end-of-the-year financial and statistical reports to the air and transit division in the manner and within the time limits described in the state transit assistance "Joint Participation Agreements." These reports shall be made on forms prescribed for that purpose and furnished to the transit systems by the air and transit division.

921.7(2) Failure to file quarterly and end-of-the-year financial and statistical reports by any transit system with the air and transit division in the manner and within the time limits described in the state transit assistance "Joint Participation Agreement" shall be cause for suspension or termination of those provisions of the "Joint Participation Agreement," and therefore, suspension or termination of advance allocation payments made by the Iowa department of transportation. The air and transit division shall notify any transit system of such actions.

921.7(3) Payment of eligible "Joint Participation Agreement" expenses to a transit system that has had advance allocation contract provisions suspended or terminated by the air and transit division shall be by the method of reimbursement payments as described in the state assistance "Joint Participation Agreements."

761—921.8(324A) Income derived from interest-bearing accounts and investments.

921.8(1) Any transit system that receives advance allocation payments shall deposit these funds in a separately identified interest-bearing account until such time as they are expended on costs incurred by the transit system.

921.8(2) All income derived from interest-bearing accounts and investments shall be credited to the transit system and its transit accounts as a nonoperating or nontransportation revenue.

761—921.9(324A) "Joint Participation Agreement" close and audits.

921.9(1) Each transit system receiving advance allocations shall, as part of the end-of-the-year financial and statistical report, calculate the total "Joint Participation Agreement" amount eligible for payment by the Iowa department of transportation within the limits stated in the "Joint Participation Agreement." This eligible "Joint Participation Agreement" amount shall be compared to the total amount of the advance allocations for that "Joint Participation Agreement." If the advance allocations' total is greater than the eligible "Joint Participation Agreement" amount, the transit system must repay the Iowa department of transportation the difference. After verification of these calculations, the department shall issue to the public transit system an invoice for the amount of the required repayment. Failure to make this repayment shall be grounds for:

- a. Termination of other transit assistance "Joint Participation Agreements" with that transit system,

b. Suspension or termination of further advance allocations made on future “Joint Participation Agreements,”

c. Reduction of Iowa department of transportation participation in existing or future “Joint Participation Agreements,” or

d. Reducing future “Joint Participation Agreement” reimbursement requests of the transit system by an amount not to exceed the unpaid debt owed the Iowa department of transportation and crediting the outstanding debt of the project being closed out.

921.9(2) The air and transit division may institute any such action(s) as stated in subrule 921.9(1) above and shall notify any transit system of such action taken against them.

921.9(3) After the repayment and end-of-the-year financial and statistical reports are submitted, or after the air and transit division has instituted any action(s) for failure to do so, the Iowa department of transportation shall audit the transit system’s books, accounts, records and other material and information necessary to determine “Joint Participation Agreement” compliance. The advance allocations paid to the transit system shall be taken into consideration and made part of the amount to be audited.

Rules 921.1 to 921.9 are intended to implement Iowa Code chapter 324A.

[Filed emergency 10/26/79—published 11/14/79, effective 10/26/79]

[Filed 2/20/86, Notice 1/1/86—published 3/12/86, effective 4/16/86]

[Filed 5/11/87, Notice 3/11/87—published 6/3/87, effective 7/8/87]

[Filed 1/15/92, Notice 12/11/91—published 2/5/92, effective 3/11/92]

[Filed emergency 7/1/92—published 7/22/92, effective 7/27/92]

[Editorial change: IAC Supplement 2/23/11]

CHAPTER 922
FEDERAL TRANSIT ASSISTANCE
[Prior to 6/3/87, Transportation Department[820]—(09,B)Ch 3]

761—922.1(324A) Projects for nonurbanized areas and private nonprofit transportation providers.

922.1(1) General information.

a. Section 18 of the Federal Transit Act established a program of federal financial assistance for support of public transportation projects in areas outside urbanized areas of 50,000 or more population as defined by the U.S. Census Bureau.

b. Section 16 of the same Act established a program of federal financial assistance for support of capital acquisitions for private nonprofit providers of specialized transportation services for elderly and handicapped persons.

c. As required by the Federal Transit Act, the Iowa transportation commission has been designated by the governor to administer both programs within Iowa, subject to review by the Federal Transit Administration (FTA).

922.1(2) State management plan.

a. Sections 16 and 18 federal transit assistance programs within Iowa shall be administered according to “Iowa’s State Management Plan for the Section 16 and 18 FTA Programs,” dated July 1, 1993, which has been prepared by the department and approved by the Federal Transit Administration in conformance with FTA Circulars 9040 and 9070.1C.

b. Copies of the state management plan are available upon request from: Air and Transit Division, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

This rule is intended to implement Iowa Code chapter 324A.

[Editorial change: IAC Supplement 2/23/11]

[Filed 2/20/86, Notice 1/1/86—published 3/12/86, effective 4/16/86]

[Filed 5/11/87, Notice 3/11/87—published 6/3/87, effective 7/8/87]

[Filed 1/15/92, Notice 12/11/91—published 2/5/92, effective 3/11/92]

[Filed emergency 7/1/92—published 7/22/92, effective 7/27/92]

[Filed 1/27/94, Notice 12/22/93—published 2/16/94, effective 3/23/94]

[Editorial change: IAC Supplement 2/23/11]

CHAPTER 923
CAPITAL MATCH REVOLVING LOAN FUND
[Prior to 6/3/87, Transportation Department[820]—(09,B)Ch 4]

761—923.1(71GA,ch265) General information.

923.1(1) Scope of chapter. The general assembly appropriated money from the petroleum overcharge fund to the department to be used as a revolving loan fund for transit capital purchases by public transit systems. The revolving loan fund will enable public transit systems to obtain the matching funds required to qualify for capital purchases under federally funded projects. The fund will provide multiyear interest-free loans to public transit systems to allow faster capital acquisitions. Loan recipients shall be required to demonstrate ability to repay the loan from budgeted funds or revenues.

923.1(2) Information. Information, requests for assistance, and answers to questions about the preparation and submission of loan requests may be obtained by contacting: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)233-7870.

[Editorial change: IAC Supplement 2/23/11]

761—923.2(71GA,ch265) Definitions. The definitions in rule 761—920.3(324A), Iowa Administrative Code, for “department,” “public transit system,” and “project” shall also apply to this chapter.

761—923.3(71GA,ch265) System eligibility. A public transit system is eligible to request a capital assistance loan from the revolving loan fund if it complies with all of the following criteria:

923.3(1) It uses a centralized accounting system that maintains primary documentation for all revenue and expenses.

923.3(2) One person is responsible for managing the assets, operations, and funding of the system.

923.3(3) It maintains its policies, routes, schedules, fare structure, and budget in a manner that encourages public review, responsiveness to user concerns, energy conservation, and fiscal solvency.

761—923.4(71GA,ch265) Project eligibility.

923.4(1) A project is eligible if it meets all of the following criteria:

a. It is a transit-related project for a capital purchase, e.g., new or replacement vehicles, facilities, or both.

b. It qualifies for federal funding approval which includes meeting the federal spare vehicle ratio requirement.

c. It meets an identifiable transit need that has been included in the public transit system’s planning or programming document.

d. It is part of a statewide program of transit projects which has been adopted by the transportation commission.

e. The local funding needed for the project justifiably exceeds the public transit system’s annual capital match funding capability.

923.4(2) A project to purchase vans for a vanpool, as defined in Iowa Code subsection 325.1(9), may be submitted by an individual or a group through the appropriate public transit system. A vanpool project is eligible for an interest-free loan from the revolving loan fund only after funds for all other projects have been allocated.

761—923.5(71GA,ch265) Procedure.

923.5(1) Federal funding request. The public transit system shall submit an application for federal funding approval of the proposed project to either the air and transit division or to the Federal Transit Administration, as required by the type of funding requested.

923.5(2) Loan request. The public transit system shall normally submit a request for a revolving fund loan to the air and transit division when the annual grant application is made, but may submit a request at any time if a specific need arises. The request shall include, but not be limited to, the following topics and documents:

- a. A description and cost estimate of the proposed project.
- b. An explanation of the benefits, including projected energy conservation benefits, to be gained from the project.
- c. An explanation and justification of need for the loan.
- d. A proposed schedule of when funds will be needed for the project.
- e. A proposed loan repayment plan with schedule and source of funds.

923.5(3) *Criteria for selection.* The air and transit division shall review each loan request and shall evaluate the projects for funding. Based on the following criteria (not listed in order of preference), preference shall be given to projects that:

- a. Foster coordination among transit services, such as a ground transportation center, a joint maintenance facility, or cooperative vehicle usage.
- b. Enhance local or regional economic development, such as a transit mall, passenger shelter facilities, or vehicles for extension of services.
- c. Increase federal funding to the state, such as accelerating purchase of replacement vehicles.
- d. Extend services to the transportation disadvantaged.
- e. Promote energy conservation, such as fuel efficiency.
- f. Require the loan as only a portion of the local matching funds required.

923.5(4) *Approval.* Based on available funds, the air and transit division shall approve loans for projects meeting the criteria in subrule 923.4(1) or shall submit recommended loan projects meeting the criteria in subrule 923.4(2) to the transportation commission for approval. Submission may be on an annual or an individual basis.

923.5(5) *Agreement.* Upon approval by the transportation commission, the air and transit division shall prepare a loan contract and send it to the public transit system for signing. The signed contract shall be returned to the air and transit division for signing by the department.

923.5(6) *Default.* If a public transit system fails to make a loan payment as agreed in the contract, the air and transit division may, at its option, deduct the amount of any loan payment past due from state transit assistance payments allocated to that transit system.

These rules are intended to implement 1985 Iowa Acts, chapter 265.

[Filed emergency 4/2/86—published 4/23/86, effective 4/4/86]

[Filed 6/10/86, Notice 4/23/86—published 7/2/86, effective 8/6/86]

[Filed emergency 10/9/86—published 11/5/86, effective 10/9/86]

[Filed 12/18/86, Notice 11/5/86—published 1/14/87, effective 2/18/87]

[Filed 5/11/87, Notice 3/11/87—published 6/3/87, effective 7/8/87]

[Filed 1/15/92, Notice 12/11/91—published 2/5/92, effective 3/11/92]

[Filed emergency 7/1/92—published 7/22/92, effective 7/27/92]

[Filed 9/8/94, Notice 7/20/94—published 9/28/94, effective 11/2/94]

[Editorial change: IAC Supplement 2/23/11]

CHAPTER 924
PUBLIC TRANSIT INFRASTRUCTURE GRANT PROGRAM

761—924.1(324A) Purpose. The purpose of the public transit infrastructure grant program is to provide funding for improvement of the vertical infrastructure of Iowa's designated public transit systems.

761—924.2(324A) Definitions. The following definitions shall apply to this chapter:

"Public transit system" means one of the regional transit systems or urban transit systems designated under Iowa Code section 324A.1.

"Vertical infrastructure" is defined in Iowa Code section 8.57, subsection 6.

761—924.3(324A) Information and forms. Information, instructions, and application forms may be obtained from the Office of Public Transit, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)239-1875. Information and forms are also available through the Internet at <http://www.iatransit.com>.

761—924.4 Reserved.

761—924.5(324A) Applicant eligibility. Eligible public transit systems shall be limited to the regional transit systems and urban transit systems that have been designated under Iowa Code chapter 324A.

761—924.6(324A) Project eligibility. Projects may be considered for funding only if:

924.6(1) The project has been included in a locally approved transportation improvement program and in the statewide transportation improvement program.

924.6(2) Local match for the project is currently available.

924.6(3) The project is capable of being substantially completed within 18 months of project selection.

761—924.7(324A) Eligible project activities. Activities that are eligible for reimbursement include, but are not limited to, the following:

924.7(1) Construction, expansion, or renovation of facilities for administration of public transit operations, including any associated design, land acquisition, grading and foundation work.

924.7(2) Construction, expansion, or renovation of facilities for servicing, maintenance or storage of public transit vehicles, including any associated design, land acquisition, grading and foundation work.

924.7(3) Construction, expansion, or renovation of transit vehicle fueling facilities, including any associated design, land acquisition, grading and foundation work.

924.7(4) Construction, expansion, or renovation of passenger waiting facilities, including any associated design, land acquisition, grading and foundation work.

924.7(5) Relocating an existing administrative or maintenance facility, if necessary to correct violations of safety or design standards. Such project may include any associated design, land acquisition, grading and foundation work.

761—924.8(324A) Ineligible project activities. A transit facility may be incorporated into a larger project. Examples might include, but are not limited to, an intermodal facility, a headquarters for the umbrella organization sponsoring the transit program, or a public works facility. If this is the case, those costs attributable to the nontransit elements of the larger project shall not be eligible under this program.

761—924.9 Reserved.

761—924.10(324A) Funding.

924.10(1) Program funds may reimburse up to 80 percent of transit-related project costs.

924.10(2) At least 20 percent of transit-related project costs must be provided from local sources by the sponsoring transit system in cash or value of real property.

924.10(3) Assistance from the public transit infrastructure grant program, when combined with federal or other state resources, may not exceed 80 percent of the project's transit-related costs.

761—924.11(324A) Project applications.

924.11(1) Project applications shall be submitted to the office of public transit.

924.11(2) Each application shall contain:

a. General information, including the transit system name, contact person, mailing address, E-mail address, telephone number, and fax number.

b. A project data sheet. The data sheet shall include the following:

(1) A brief description of the project and its purpose, project justification and anticipated benefits to the transit program.

(2) Cost information including total project cost and an itemized breakdown of project components (including transit vs. nontransit costs).

(3) The proposed implementation schedule.

(4) A statement of the applicant's ability to complete the project.

(5) A sketch of the project.

c. Documentation of project feasibility and costs.

d. A resolution from the governing body of the sponsoring transit system endorsing the project and authorizing the necessary local funding match.

761—924.12 and 924.13 Reserved.

761—924.14(324A) Project priorities. The transportation commission shall consider the following in project selection:

924.14(1) Benefits of project to the transit program in terms of:

a. Enhancement of the life of the transit vehicle fleet.

b. Enhancement to transit services.

c. Increased ridership.

924.14(2) Readiness to proceed.

924.14(3) Feasibility of timely completion of the proposed project.

924.14(4) Ability of the project to leverage other funds.

761—924.15(324A) Review and approval. Department staff shall review project applications with an industry advisory committee and shall submit recommendations to the transportation commission. The transportation commission is responsible for approving the projects to be funded.

761—924.16(324A) Project agreement and administration.

924.16(1) *Agreement.* After a project has been approved, the department shall enter into an agreement with the transit system sponsoring the project.

924.16(2) *Payments.* Payments to the transit system sponsor for eligible project costs shall be made on a cost reimbursement basis.

These rules are intended to implement Iowa Code sections 8.57 and 324A.1 and 2006 Iowa Acts, chapter 1179, section 55.

[Filed 12/13/06, Notice 11/8/06—published 1/3/07, effective 2/7/07]