

August 17, 2026

City of Fargo Commission
City Hall – 225 4th St N
Fargo, ND 58102

Dear Commissioners:

The Federal Transit Administration (FTA) made available to the City of Fargo \$3,885,825 in Section 5307 funds for Public Transportation Operating Assistance. This allocation represents the full FFY2026 apportionment received directly by the City of Fargo.

- Of the total allocation, \$2,171,706 will be used by the City of Fargo to support eligible net operating expenses of the Fargo transit system for the period of January 1, 2026 through December 31, 2026, including the required allocations for transit security and safety activities. The remaining \$1,714,119 will be suballocated to the City of Moorhead to support its eligible public transportation operating expenses.

The Federal Transit Administration (FTA) made available to the City of Fargo \$334,470 in Section 5339 funds for capital projects. This allocation represents the full FFY2024 apportionment received directly by the City of Fargo.

- These funds will be used for capital projects identified in the Program of Projects, including supplemental funding for the Pedestrian Warning System and the purchase of two Microtransit Expansion vehicles. The local match required for these projects will be provided by the City of Moorhead.

The North Dakota Department of Transportation (NDDOT) suballocated \$137,000 in federal Section 5339 funds to the City of Fargo for capital projects. These funds represent a portion of NDDOT's federal apportionment made available to the City of Fargo.

- These funds will be used toward the purchase of three Road Supervisor vehicles identified in the Program of Projects.

The City of Fargo is required to hold a public hearing prior to submitting and executing the grant application. The attached Program of Projects has been developed by the Transit staff and will be submitted and executed with the application for these funds.

All projects identified in the Program of Projects that require funding from the City of Fargo were included in the City's 2026 budget approval process, and the necessary local funding was approved as part of the adopted 2026 budget.

RECOMMENDED MOTION: Approve the attached Program of Projects and authorize staff to submit and execute the grant applications for Section 5307 Operating Assistance and 5339 Capital Projects.

Sincerely,

A handwritten signature in blue ink that reads "Jordan Smith". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Jordan Smith

Assistant Transit Director – Fleet and Facilities

701-476-5940

jmsmith@matbus.com

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Fargo City Commission will hold a public hearing on August 17, 2026 at 5:00 pm in the City Commission chambers for the purpose of considering the City's Section 5307 and Section 5339 Federal Transportation Administration grant preliminary program of projects for 2026. Unless amended, the proposed POP and projects contained in this advertisement will become the final POP. People with disabilities who need special accommodations (alternative format, interpreter/signer) should contact Julie Harris in the Transit Department at 701-241-8140 or by email: jharris@matbus.com. A Final Program of Projects will be available to the public at the Transit Department, 650 23rd Street N, Fargo, ND 58102.

A. The program is below:

CITY OF FARGO, NORTH DAKOTA
METROPOLITAN AREA TRANSIT
2026 PROGRAM OF PROJECTS AND BUDGETS AMENDED
URBANIZED AREA: Fargo, ND - Moorhead, MN
DESIGNATED RECIPIENT: City of Fargo, North Dakota
APPLICANT: City of Fargo, North Dakota

FFY 2026 SECTION 5307 (Full Year Apportionment)	\$3,885,825
FFY 2024 SECTION 5339 Bus and Bus Facility Formula - Large Urban	\$334,470
FFY 2024 SECTION 5339 Bus and Bus Facility Formula - State Suballocation	\$137,000
FFY 2025 SECTION 5339 Bus and Bus Facility Formula - Large Urban	\$0
TOTAL CARRYOVER FUNDS	\$0
TOTAL FEDERAL FUNDS AVAILABLE	\$4,357,295
TOTAL FEDERAL FUNDS REQUESTED FOR 2026 PROGRAM OF PROJECTS	\$4,357,295

PROGRAM OF PROJECTS DESCRIPTIONS	LOCAL SHARE	FEDERAL SHARE	PROJECT TOTALS
I. CAPITAL PROJECTS (FFY2024 & FFY2025 5339)			
A. 80%/20% Funding			
1. 3 Road Supervisor Vehicles	20,082	80,328	100,410
2. Supplemental funds Pedestrian Warning System	12,000	71,142	83,142
3. 2 Microtransit Expansion Vehicles	80,000	320,000	400,000
Section 5339 Program of Project Totals- Fargo	\$112,082	\$471,470	\$583,552

III. OPERATING ASSISTANCE - FY26 SECTION 5307- FARGO

A. Maximum Federal Funding			
1. Eligible net operating expenses of the Fargo Transit System for the period of January 1, 2026 through December 31, 2026 (50% Federal Funding Level)	2,148,360	2,148,360	4,296,720
2. 1% Security	21,717	21,717	43,434
3. .075% Safety	1,629	1,629	3,258
Section 5307 Program of Project Totals- Fargo	\$2,171,706	\$2,171,706	\$4,343,412

III. OPERATING ASSISTANCE - FY26 SECTION 5307- MOORHEAD

A. Maximum Federal Funding			
1. Eligible net operating expenses of the Fargo Transit System for the period of January 1, 2026 through December 31, 2026 (50% Federal Funding Level)	1,695,692	1,695,692	3,391,384
2. 1% Security	17,141	17,141	34,282
3. .075% Safety	1,286	1,286	2,571
Section 5307 Program of Project Totals - Moorhead	\$1,714,119	\$1,714,119	\$3,428,238

Total Section 5307 Program of Project Totals Combined	\$3,885,825	\$3,885,825	\$7,771,650
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B. RELOCATION

No persons, families, or businesses will be displaced by this project.

C. ENVIRONMENT

This project will not have a significant environmental impact upon the transit services in the area identified above.

D. COMPREHENSIVE PLANNING

This preliminary program of projects is in conformance with comprehensive land use and transportation planning for the area and is consistent with the locally adopted programming of projects in the annual element of the Transportation Improvement Plan (TIP).

E. ELDERLY AND PERSONS WITH DISABILITIES

This project takes into consideration the special transportation needs of the elderly by providing elderly & paratransit services.

F. CHARTER BUS

The City of Fargo will not provide any charter bus operations without first notifying all private operators in the area who claim to be willing and able to provide such service. If a private operator claims to be willing and able to provide charter services, then the City must review the evidence to determine whether or not the private operator will physically be able to provide the charter service, and if the provider has the required legal authority and necessary safety certifications that are required. If it is found that there is at least one willing and able provider which meets all of the aforementioned legal requirements by law, the City is prohibited from using FTA funded vehicles and equipment for charter service.

G. SCHOOL BUS OPERATIONS

The Fargo will not be engaged in school bus operations exclusively for the transportation of students or school personnel.

H. PRIVATE ENTERPRISE

Private enterprise is considered in all potential procurement contracts and subcontracts necessary in the operation of the transit system.

Interested persons or agencies desiring an opportunity to be heard with respect to social, economical, and environmental aspects of the program of projects may be heard at a public hearing.

A copy of the preliminary program of projects, the current Transportation Development Plan, the current Transportation Improvement Plan, and a draft copy of the proposed grant application is available for public inspection at the City Transit Office, 650 23rd Street N, Fargo, North Dakota 58102.

Jordan Smith, Assistant Transit Director
(Publish Date August 5, 2026 and August 12, 2026)