# EOWB Finance Committee Packet

**AGENDA ITEM 3A**

Because demand for the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program exceeds budgetary resources, the DOT is utilizing periodic fixed-date solicitations to establish a competitive group of projects to be evaluated against the TIFIA program statute, regulation, and objectives. Applicants must prepare a Letter of Interest using the format provided below.

Letters of Interest being submitted for this funding cycle are due by 4:30 p.m. ET on December 30, 2011. Applicants that submitted Letters of Interest for a prior fiscal year must resubmit using the current form to be considered. The total narrative for this letter should not exceed 20 pages, excluding any exhibits.

Applicants for Federal credit assistance for Federal fiscal year 2012 must compete at the Letter of Interest stage to secure an invitation to submit a formal application. As such, this Letter of Interest format incorporates requirements related to satisfying project fundamentals and addressing the statutory TIFIA evaluation criteria, as detailed in the November 2011 Federal Register. Please reference this Notice of Funding Availability and the TIFIA Program Guide for guidance on the TIFIA evaluation criteria and the application process.

After concluding its review of the Letters of Interest, the DOT will invite complete applications (including the Executive Summary, preliminary rating opinion letter and detailed plan of finance). The application due date will be established after consultation between the TIFIA JPO and the applicant. By submitting this Letter of Interest, the applicant certifies that if selected to submit a formal application and enter negotiations, the applicant will pay the required fees.

If you have any questions regarding completing this form, please contact Duane Callender at (202) 366-9644. Please complete all applicable information using this Letter of Interest form and attach this request via email to TIFIACredit@dot.gov by 4:30 p.m. ET on December 30, 2011.

---

***A) Project Description.** Describe the project, including its location, purpose, design features, estimated capital cost, and development schedule.*

**Project Overview**

The Elgin O'Hare - West Bypass ("EOWB" or the "Project"), a "Project of Regional and National Significance" is a multi-modal project that is designed to improve congestion surrounding Chicago O'Hare International Airport ("O'Hare Airport"). Consisting primarily of an extension of the existing Elgin-O'Hare Expressway east to provide for western access to O'Hare Airport and related capacity enhancement and connections to other modes of transit, the Project was initiated in 2007 by a collaboration between the Illinois Department of Transportation ("IDOT") and the Federal Highways Administration ("FHWA"). The Project continues to experience a significant level of regional support most recently reaffirmed in a report of Governor Pat Quinn's EOWB Advisory Council (See attachment). This TIFIA Letter of Interest ("LOI") is requesting a TIFIA Loan which will finance the local governmental contribution to the Project of approximately $350 million in addition to the Illinois State Toll Highway Authority ("Tollway") contribution that will fund up to approximately $3.1 billion of the Project costs.

In 2005, SAFETEA-LU identified the EOWB as a Project of Regional and National Significance and included $140 million in designated funding for development for the Project. This Federal earmark was matched by IDOT in the amount of $35 million. As a result, a planning process was initiated to develop a comprehensive, multimodal transportation system solution that includes the extension of the Elgin O'Hare Expressway from its eastern terminus at Thorndale Avenue to O'Hare Airport, construction of a West Bypass connecting I-90 with I-294, and associated improvements to the area's multi-modal transportation system.

The study area for the Project extends over 125 square miles, bordered roughly by I-90 (Jane Addams Memorial Tollway) to the north, I-294 (Tri-State Tollway) to the east, I-290 (Eisenhower Expressway) to the south, and the Elgin O'Hare Expressway to the west. This area spans across 33 communities in Cook County and DuPage County in Illinois.

The study area serves as a major transportation hub, with O'Hare Airport, one of the nation's busiest airports, multiple interstate highways, transit facilities (including bus and commuter rail lines), and major highway and rail freight transportation facilities and intermodal distribution centers. It also contains the second largest employment base in the Chicago metropolitan area with more than 500,000 jobs. Given its geographic position as a transportation and employment hub, 18% of all vehicle trips in the Chicago region are made within the EOWB study area. This sizeable travel demand has been outpacing the capacity of the transportation infrastructure, resulting in severe traffic congestion, traffic delays and reduced travel efficiency.

**Tier One and Tier Two Studies: Overview**

Project planning has been advanced in two parts, or tiers. A fundamental component of the planning process is an extensive stakeholder and public outreach framework, consistent with IDOT's Context Sensitive Solution ("CSS") policy. Public involvement has been a cornerstone of the study process, and has been critical for developing regional consensus on a Project.

**Tier One** studies focused on an examination of the transportation needs, evaluation of transportation system alternatives at a broad system planning level, and consideration of environmental and human impacts of the alternatives. Tier One was completed on June 17, 2010 with issuance of the Tier One Final Environmental Impact Study ("EIS") and Record of Decision ("ROD").

**Tier Two** studies are ongoing, and are focused on traditional Phase I engineering and environmental studies, including consideration of design alternatives, for operationally independent elements of the Tier One Preferred Alternative.

**Project Costs and Schedule Overview**

The capital cost of the initial construction phase of the Project, which maintains the integrity of the full build-out of the Project, satisfies federal requirements for operational independence and logical termini and meets the travel needs of the Project area within the "interim" design period, is estimated at $3.4 billion (escalated at 5 % APR to the mid-point of construction). Although the Project includes right-of-way for transit service, in addition to shoulder improvements, the capital cost for transit improvements (including rolling stock, stations and parking for implementation of an express bus system along the Elgin O'Hare corridor), which is estimated to be $86 million, is not included in the Project's capital cost.

The Project implementation schedule for the initial construction phase is presently being considered with the development of a comprehensive implementation and financing plan for the Project. This includes consideration of an accelerated implementation schedule for the initial phase, with advance construction commencing in late-2013 and with overall construction activities concluding the end of 2025.

***B) Project Participants.** Describe the overall organizational structure for the project. What entity (i.e., public-sector agency/authority or private-sector company) will serve as the applicant? Will the applicant and the borrower be the same entity? Who are the members of the project team?*

***Name of Applicant/Borrower:***

The Applicant/Borrower is the Illinois Finance Authority ("IFA" or the "Authority") on behalf of the EOWB Project. Other participants include the Tollway, IDOT, the State and numerous local government units in the Project area. The Tollway is the lead agency in charge which is in charge of the design, construction and operation of the Project.

Detailed description of the IFA:

The IFA is authorized by the Illinois Finance Authority Act to issue tax-exempt and taxable bonds and make and guarantee loans to help meet the financial needs of local government, businesses and not-for-profit entities.

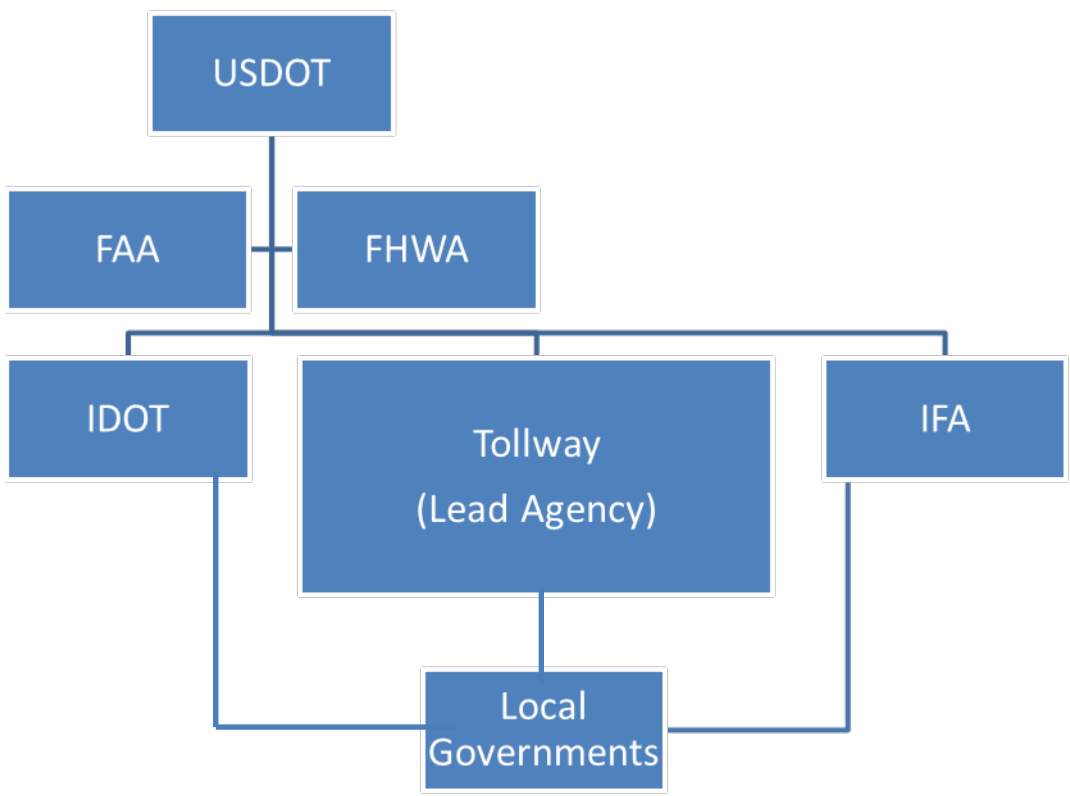
The IFA is governed by a fifteen member, non-paid Board. Board Members, who are appointed by the Governor and confirmed by the Senate, represent a breadth of experience in economic development, finance, banking, industrial development, small business management, real estate development, housing, health facilities financing, local government financing, community development, venture finance, construction and labor relations. The IFA Team is led by Executive

Director Christopher B. Meister, who was nominated by the Governor and appointed by the Board via Resolution. See attached organization chart for the IFA.

***Organizational Structure:***

The lead agency for development of the Project is the Tollway, which is in charge of the design, construction and operation of the Project. The IFA is the conduit issuer of the debt on behalf of the local government contribution to the Project. The toll revenues from which are designated to fund approximately 89% of the Project costs.

(1) Tollway: The Tollway is in charge of Project construction and Project management. Project funding will go through the Tollway from the toll payers (in the form of toll revenue) and other revenue sources. The Tollway will bid contracts for construction.
(2) FHWA: FHWA designated the Project a Project of Regional and National Significance" in 2005, and thus gave the project $140 million in grant funding.
(3) Toll Payers: Toll Payers will pay revenue to the Tollway in the form of toll revenue.
(4) IDOT: IDOT administered the federal earmark of $140 million and matched it with $35 million, initiating the environmental and engineering work required by the National Environmental Protection Act.
(5) Local Government Units: Local Government Units will contribute to debt service in the form of Sales Tax, Motor Fuel Tax, Property Tax and/or other General Funds.
(6) IFA: The IFA will act as a conduit for the TIFIA loan proceeds which will be provided to the Tollway, as well as for the debt service, which will be funded from the Local Government Units.



***Project Website or Applicant/Borrower Website:***

IFA website: http://www.il-fa.com/

EOWB website: http://elginohare-westbypass.org/SitePages/Home.aspx

***C) Proposed Financing. Describe the plan of finance. State the proposed sources and uses of funds for the project, including the type and the amount of credit assistance sought from DOT. Identify the source(s) of revenue or other security that would be pledged to the TIFIA credit instrument. Address the status of any revenue feasibility study.***

***Sources and Uses of Funds:***

*Sources:*

| | |
|---|---|
| *$3,100,000,000* | *Tollway Funding* |
| ***$ 350,000,000*** | ***TIFIA Loan*** |
| *$3,450,000,000* | *Total Sources* |

*Uses:*

| | |
|---|---|
| *$3,450,000,000* | *Project Costs* |


The TIFIA Loan of $350 million represents the funding for the local governmental contribution to the Project of approximately11%. The remaining 89% of the Project will be financed through Tollway funding.

In addition, the FHWA has provided $140 million to the Project and IDOT has provided $35 million of local match for the FHWA funding.

***Type of Credit Assistance**:* TIFIA Loan

***Amount**:* $350 million

***Description of Revenue Source(s) Pledged to Repayment:*** For further detail on the methods of repayment, please see the attached draft of the Chapman and Cutler memo which explains the multiple financial alternatives for the local government units to pay back the TIFIA loan. Examples of such include a combination of Motor Fuel Tax, Sales Tax, Property Tax and/or other General Funds from the communities involved.

***D) Satisfaction of TIFIA Selection Criteria. Summarize the potential benefits to be achieved through the use of a TIFIA credit instrument with respect to the TIFIA selection criteria. A project that has a negative effect on safety or environmental sustainability needs to demonstrate significant merits in other components to be selected for funding.***

***Significance (also address issues related to the project's impact on: livability (providing transportation options linked with housing and commercial development to improve the economic opportunities/quality of life in U.S. communities); economic competitiveness (improving the long-term efficiency and reliability in the movement of people and goods); and safety (improving the safety of U.S. transportation facilities and systems and the communities and populations they impact.):***

The EOWB project encompasses a unique and special set of physical and economic relationships that together offer tremendous economic benefit to the area west of O'Hare Airport, the Chicago region and the State of Illinois ("State"). The combination of a world class airport, interstate highways, and intermodal freight facilities has already created one of the world's largest industrial developments and the second largest employment center in the Chicago region. However, since 2007 employment in the project area has declined by 70,000 jobs, or almost 14 percent. Although the loss of employment has been seen across the country, a 14 percent decline in the area is well above national (9 percent) and regional (7 percent) averages. Analysis shows that employment in the area will not return to 2007 levels over the course of the next 30 years and may never return without significant transportation improvements. The EOWB is expected to address the declining economic conditions of the area and improve travel efficiency. It also provides the needed access and visibility to stimulate greater and more varied development than what exists today. The short- and long-term economic effects, travel time savings, and the cumulative economic growth benefits of the EOWB are not only compelling, but would completely transform the economy of the region.

The EOWB is reconized as a project of regional and national significance by SAFETEA-LU (one of only a dozen such projects in the nation). The Chicago Metropolitan Agency for Planning's ("CMAP") *GO TO 2040 Comprehensive Regional Plan* identified EOWB as one of the top major capital projects that would provide congestion relief and enhanced accessibility to the area surrounding O'Hare Airport, a major economic driver in the region. The Urban Land Institute Chicago also named the EOWB as on one of the major infrastructure "game changers" needed to maintain the region's competitive edge, as well as foster equitable growth and increase connectivity. Governor Pat Quinn also recognized the significance of the EOWB when he established the EOWB Advisory Council (the "Advisory Council") in October 2010 to advance the project in an environmentally and financially sustainable manner while enhancing economic opportunities for all stakeholders. The Advisory Council provided a forum for State and regional transportation agencies, elected officials, planning, labor, business, and public finance groups, and other community leaders to collaborate on how to make the project a reality. The Advisory Council provided a final report to the Governor that through the development of goals and guiding principles identified a set of recommendations on how to maximize long-term growth, incorporate sustainable planning practices, and ensure a diverse workforce throughout the Project's development.

The final report to the Governor made the strong claim that this project is a necessity to the area, region and state, where the considerable economic impact findings speak for themselves. The economic impacts that would result from the implementation of the EOWB include:

- Opportunity exists to create 65,000 permanent jobs in the project area by 2040.
- Local tax revenues have the potential to increase by $29 million (2010 $) annually.
- 13,450 jobs will be created annually in the region during construction.
- $750 million in federal, state, and local tax revenue will be generated during the construction period.
- Travel delays will be reduced, saving $145 million annually by 2040.
- Provides up to 4,700 acres of potential redevelopment.
- Economic output (total value of sales in the region before subtracting the value of intermediate goods) would be $6 billion to regional economy.
- Taking no action will cause the area to stagnate and employment will not return to 2007 levels by 2040.

With 18 percent of all vehicle trips (over 4.1 million daily trips) in the Chicago region made within the Project area, some aspects of the competitive position of the area are being compromised by impaired access and severe traffic congestion. The proposed transportation system improvements will enable the area to achieve its full potential. Transportation benefits of the proposed improvements include: reduction in traffic volume on local roads by 17 percent during rush hour (about 10 minutes per one hour trip); accommodation for three times as many vehicles per day as local roads carry now; cumulative travel time savings of 28 percent for trips from O'Hare Airport to the north, south, west or northwest; saves drivers 13 minutes on a five-mile trip from I-290 to York Road.

The EOWB would create a fundamental shift in the competitive position of the Project area. These transportation improvements will bring with them a more modern, diverse and higher value economic base that is more closely aligned with long-term economic trends. The investment in the EOWB will not only improve the transportation system, it will allow the area to achieve new economic highs, create thousands of jobs, and enhance the overall livability in the region.

***Private Participation:***

The Project's overall plan of finance currently includes issuance by the Tollway of Tax Exempt Toll Revenue Bonds, which in the current market conditions is expected to provide the lowest overall cost of finance, following the TIFIA Loan of $350 million. These bonds will be supported by the Tollway's pledge of its Toll Revenues from its entire system, and as such the toll revenues collected represents substantial private participation.

There are currently $86 million in transit improvements that are unfunded and not included in the $3.4 billion project costs These transit improvements do not currently have a funding source, however, there exists the potential opportunity for private participation to fund these costs if such an option presents itself. There exists the great need for expansion and improvements throughout the transit system in the EOWB project area, and the Regional Transportation Authority ("RTA") continues to explore Public Private Partnerships ("P3") as well as other forms private investment. The RTA would be a highly desirable and reliable partner to enter a partnership with if the P3 opportunity becomes available.

If these $86 million of transit improvements could be funded, such improvements would greatly enhance the local and regional business community around O'Hare Airport. O'Hare Airport is extremely important to the business community surrounding it and without the economic strength of the O'Hare Airport and the transit system around it, the business community cannot survive. The primary source of private participation as this Project is currently formulated consists of improving access to O'Hare Airport for the local and regional business community. As evidenced by the high level of support achieved by the Project, it is anticipated that its completion will result in increased efficiencies and a stronger business climate.

***Environmental:***

*Environment (also address issues related to <u>sustainability</u> (improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and reducing other transportation-related impacts on ecosystems, including the use of tolling or pricing structures to reduce or manage high levels of congestion on highway facilities and encourage the use of alternative transportation options); and <u>state of good repair</u> (improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize lifecycle costs and use environmentally sustainable practices and materials):*

One of the benefits of the Project is anticipated to be the reduction in traffic delay and congestion, which will have the benefit of also reducing air pollution.

The EOWB has given priority to the environment from its inception. The early planning and design was founded in context sensitive design, minimization and avoidance of natural and human impact, and sustainable practices. Combined these practices have yielded a project that fits within the context of the communities that it is located, that has low level impact to natural and human resources, and through sustainable design meets the needs of the present generation without compromising the ability of future generations to meet their needs.

Through a process of context sensitive design the Project has been located in an urban area without impairment to community values, development patterns, and cohesion. The Project sponsors from the beginning adhered to the principles of context sensitive design and engaged stakeholders to describe the community opportunities and constraints relevant to the location of the new highway. Project related decisions have clearly reflected the input of stakeholder and have created trust in the process and its final recommendations. At the end of the process consensus was unanimous in support of the Project and its location.

The environmental consequences of a major transportation project in an urban area include both natural and human resources. Minimizing and avoiding those consequences required a clear understanding of the potential resource impacts and the value placed upon them by the regulatory agencies and local communities. Again, early engagement of resources agencies and communities on this topic helped to shape the resource priorities, and how best to manage their avoidance in the planning and design process. The commitment to the principles of minimizing and avoiding were practiced with every developing step to the final solution. Environmental planners and engineers working together and respecting the opinions of others helped to develop a project with comparatively low levels of natural and human impact. Those impacts that could not be avoided are compensated with mitigation that is cutting edge. One example includes the incorporation of Best Management Practices (BMP's) that would enhance the quality of stormwater runoff to nearby receiving waters. The extent of these practices would be placed throughout the project to reduce impact on already impair waterways.

In the interest of long term environmental investment, the project is striving to be a showcase of sustainable practices. As directed by the Governor of Illinois, the EOWB Advisory Council examined sustainable practices that would distinguish this project as a corridor of the future. Emerging from the Council's report to the Governor were seven categories of sustainable goals and recommendations ranging from energy reduction to water quality to the use of materials. Acknowledging the use of sustainable practices and actually doing them are often very different. In this case the commitment has been made to the Governor that these practices will be exercised in this project. Combined with that commitment is the selection of a sustainability Czar (or sustainability manager) to oversee the implementation and monitoring of sustainable practices. The practices are further emphasized during design with final designers making every effort to incorporate those practices that are reasonable and feasible. Similarly, during construction the contractor will be required to embrace those practices that promote the use of sustainable materials, recycling waste, reducing energy use and more. Finally in the operational phase there are many opportunities for sustainable practices including; energy reducing technology that will help to lower life cycle costs; the use of alternative deicers or application rates that reduce chloride concentrations to nearby waterways; accommodations for all electric vehicles, all electronic tolling, congestion pricing that improves travel efficiency and lower air emissions, and many more options.

The combination of context sensitive design, avoidance and minimization of environmental impacts, and sustainable design have come together in the Project that achieve a new level of environmental excellence, while simultaneously drastically improving travel time, increasing transit options, decreasing congestion and improving roadway efficiency.

***Project Acceleration**:*
The overall Project is anticipated to be accelerated by the TIFIA. If the Project is not approved for the TIFIA Loan, it is anticipated that the Tollway's recent toll increase will be used to fund the Tollway's other high priority capital projects which are currently unfunded. Thus it is clear that financing the local governmental contribution with the TIFIA Loan is critical to ensure timely delivery of this important Project to the region.

***Creditworthiness (to the extent information is available at this stage):***
The Project will be financed under a well established financing mechanism in place at the IFA, a Pooled Bond Program for Local Governments, for which the IFA serves as conduit issuer. The TIFIA Loan credit constituted through this mechanism is expected to be composed of up to 17 highly rated local governmental credits within the surrounding region. It should be noted that the TIFIA Loan will have no exposure to traffic and revenue performance or operations and maintenance for the Project or the Tollway.

Under the IFA's Pooled Bond Program the State may intercept pledged revenues in support of the TIFIA Loan financing. In addition, the IFA may allocate the State's Moral Obligation ("MO") backup. The Project enjoys widespread regional support given the congestion currently experienced in the region. The IFA anticipates that this will be an "A" rated credit.

***Use of Technology:***
The EOWB will use new advances in technology, in particularly those that will reduce life cycle costs. Examples of uses of technology include the creation of a closed all-electronic toll collection system on the EOWB, the use of alternative deicers or application rates that reduce chloride concentrations to nearby waterways, accommodations for all electric vehicles, congestion pricing that improves travel efficiency and lower air emissions, and many more.

***Budget Authority (to the extent information is available at this stage):***
The Project is remarkable in that its budget consists of approximately 89% funding from a mature toll highway system and is only approximately 11% funded from the TIFIA Loan.

***Reduced Federal Grant Assistance:***
As a project of national significance as designated by SAFETEA-LU, the Project was awarded $140 million in federal grants. In addition, the Tollway has identified funding for $3.1 billion in pay-as-you-go funding and toll revenue bonds. This creates a current outstanding Project funding gap of $350 million. By granting the EOWB the TIFIA Loan in the amount of $350 million this will reduce federal grant assistance going forward because this is the Project's current gap in funding. Going forward it is anticipated that there will not be a need for anymore federal grants for the Project.

***E) <u>Environmental Review.</u> Summarize the status of the project's environmental review. Specifically, discuss whether the project has received a Categorical Exclusion, Finding of No Significant Impact, or Record of Decision or whether a draft Environmental Impact Statement has been circulated.***

Final EIS is expected to be received in December 2012.
The **Tier One** EIS, circulated in September 2009, evaluated numerous alternative strategies and corridors for multi-modal transportation enhancements that would improve regional and local travel by reducing congestion, travel efficiency, access to O'Hare Airport from the west, and modal opportunities and connections. The alternative selected in the 2010 ROD is the optimal combination of improvement types (roadway, transit and bicycle/pedestrian) and location for the improvements. Public involvement activities included over 200 one-on-one meetings with affected communities and resulted in unanimous community support of the Selected Alternative. The Tier One EIS received IDOT's first "Lack of Objection" rating by the United States Environmental Protection Agency.

**Tier Two** expands on the Tier One Selected Alternative with advanced design to identify facility type (toll road, non-toll road, or combination of both), mainline lane requirements, interchange configurations, transit accommodations, and bicycle/pedestrian facilities). Detailed environmental and socioeconomic analysis has been applied to precisely located sensitive resources and to the determination of specific avoidance, minimization, and mitigation measures. The Tier Two EIS is nearing completion and is expected to be circulated in early 2012. The Tier Two Final EIS is expected to be signed in late 2012 and completion of the Tier Two ROD is anticipated for the end of 2012.

<u>Detailed Description of Tier One and Tier Two Studies:</u>
**Tier One** studies began with a comprehensive review of transportation system performance and needs, which served as the basis for establishing the overall purpose and need for the project. These needs included the necessity to improve:

- Regional and local travel by reducing congestion,
- Travel efficiency,
- Access to O'Hare Airport from the west,
- Model opportunities and connections.

A broad range of transportation system improvements were considered in Tier One, including improvements to the existing system, expansion of the existing system, and a combination of system improvements and expansion. This included both roadway and transit improvements, as well as a complement of non-motorized improvements (to accommodate bicyclists and pedestrians), transportation system management strategies, and travel demand management strategies. Improvements were developed to complement other transportation improvements in the area, including the ongoing O'Hare Modernization Program. The preferred alternative was ultimately selected on the basis of the evaluation of the overall performance, costs, and environmental and socioeconomic impacts of the alternatives, as well as overwhelming public and regulatory/resources agency support. Features of the Preferred Alternative area illustrated on Exhibit 1 and include:

- Construction of the easterly extension of the Elgin O'Hare Expressway as a fully access-controlled highway, extending a distance of approximately 5.4 miles from west of I-290 to the proposed West Bypass and O'Hare West Terminal connection. The extension would generally be sited along the existing Thorndale Avenue corridor.

- Construction of the West Bypass as a fully access-controlled highway, extending a distance of approximately 6.2 miles from I-294 to I-90. The West Bypass would run south from I-90 along the western edge of O'Hare Airport to the Bensenville Yard and would then tunnel under and extend east along the north side of Green Street/Franklin Avenue before turning south to connect with I-294.

- Widening of the existing Elgin O'Hare Expressway, extending approximately 4.4 miles from IL 19 west of I-290.

- Improvements at 17 interchange locations, including: construction of four new system interchanges; construction of eight new service interchanges; and improvements to five existing interchanges.

- Complementary improvements to approximately 23 miles of adjacent interstate, arterial and local roadways.

- Right-of-way and shoulder improvements for transit service, including commuter rail service, rail or bus rapid transit ("BRT"), express bus, local bus, and shuttles (to be provided by others).

- A set of complementary non-motorized transportation improvements, including new bicycle trails and pedestrian paths.

**Tier Two** studies were initiated in 2010, with a focus on the detailed engineering and environmental studies for the Tier One Preferred System Alternative. Tier Two alternative studies are focused on evaluating design alternatives, and construction sequencing and implementation options. Environmental analyses and documentation will include detailed studies of possible methods to avoid, minimize and mitigate impacts on environmental resources within the Project footprint. Products of the Tier Two effort will include a Tier Two EIS and ROD, an Access Justification Report for the I-290 interchange area, and associated preliminary engineering plans and documentation. Another important aspect of the Tier Two studies is the development of an Initial Financial Plan and Project Management Plan, consistent with major projects requirements prescribed by the FHWA (TEA-21, Title 23, Section (106(h)).

Given the substantial costs of the overall plan, a construction sequencing plan is being prepared with the ongoing Tier Two studies. The object is to develop a financially attainable plan for the initial construction phase which maintains integrity of the full project, satisfies federal requirements for operational independence and logical termini, and serve the area's travel needs within an "interim" design period. Additional design features required to accommodate longer travel time needs were deferred to subsequent construction phases. Features of the initial and future construction phases are illustrated on Exhibits 2-A through 2-D. The initial construction phase would include:

- Construction of the Elgin O'Hare Extension (west of I-290 to Yard Road) and of the West Bypass (I-90 to I-294) with an initial cross section providing two travel lanes in each direction, including new frontage roads along the Elgin O'Hare Extension.

- Widening and resurfacing of the existing Elgin O'Hare Expressway

- Interchange improvements and construction to accommodate interim design year traffic, including associated improvements to connecting roadways, at the following locations:

- Elgin O'Hare Expressway and Roselle Road, and Meacham Road/Medinah Road/Rohlwing Road

- The proposed Elgin O'Hare Extension at I-290, Park Boulevard, Arlington Heights Road/Prospect Avenue, Wood Dale Road, IL 83, West Bypass and O'Hare West Access.

- The proposed West Bypass at I-294, Franklin Avenue/Green Street, IL 19 (Irving Park Road), IL 72 (Touhy Avenue), and I-90

- I-90 and Elmhurst Road, and I-294 and IL 64 (North Avenue)

- Acquisition of most of the right-of-way needed for the full build-out plan

- Interim transit bus service, to be implemented by transit providers, along the Elgin O'Hare corridor consisting of express buses in mixed traffic (with an outside shoulder option under congested highway conditions) and station improvements, to be implemented by transit providers, at the following locations:

  --Stations at Roselle Road, Meacham Road, Hamilton Lakes and Lively/Wood Dale Road (with separate westbound and eastbound platforms and bus pull-outs along the interchange entrance ramps)

- Connections and enhancements at the Schaumberg and Hanover Park Metra stations

***F) Other Information. Briefly discuss any other issues that may affect the development and financing of the project, such as community support, pending legislation or litigation.***

**Community Support:** Strong support exists among suburban mayors and elected officials. Surrounding local governments have passed 19 formal resolutions in favor of the Project. In October 2010, the Illinois governor created the Advisory Council complement the planning and construction of the Project. Moreover, the federal government included a $140 million grant in the last transportation bill and labeled the project a "Project of Regional and National Significance." The Project is also listed in the Chicago Metropolitan Agency for Planning's GO TO 2040 fiscally constrained capital projects.

**Pending Legislation**: It should be noted that on August 23, 2011 PA 97-0502 was signed into law by Governor Quinn, granting IDOT the necessary powers for the development, financing, and operation of transportation projects through P3 agreements with one or more private entities. The State law also gives the Tollway the right of first refusal with regards to any such project. Amendments to PA 97-0502 are anticipated in Spring 2012 to streamline the P3 process.

It is anticipated that the Project will be contracted through a traditional design bid build method of procurement.

**Pending Litigation:** NA.

***G) Is the project consistent with the State Transportation Plan and, if applicable, the metropolitan plan?***

☐ *No* *X Yes* ☐ *Not applicable*

*Please briefly elaborate.* Insert Text Here.

***H) Is the project prepared to submit an application for TIFIA assistance within a short timeframe after receiving an invitation from the TIFIA JPO? What factors could impact this timetable?***

Yes, the IFA is prepared to submit the TIFIA application on behalf of the Project by February 28th, assuming that the LOI is accepted by the TIFIA JPO on a timely basis. Receiving the notification on a timely basis from the TIFIA JPO will be important for the IFA to initiate the Credit Rating Indicator process.

***I) Please provide any additional information necessary.***

Please find attached the EOWB Advisory Report.

***J) Identify a key contact person with whom all communication should flow.***

*Name:* Christopher Meister
*Title:* Executive Director
*Street Address:* 180 N. Stetson, Suite #2555
*City/State:* Chicago, IL
*Phone:* 312-651-1310
*Fax:*
*E-mail:* CMeister@il-fa.com

***K) Additional information requested.***

*DUNS:* In Process
*Project Location:*
*State:* Illinois *County:* DuPage and Cook *City:*
*Congressional Districts Impacted by the Project:*
*Type of Jurisdiction (e.g., rural, urban):*

Fees. The undersigned certifies that, if invited to submit a formal application, payment of a non-refundable $50,000 application fee will be made to the DOT concurrent with the application submission. For projects that enter credit negotiations, the undersigned further certifies a transaction fee will be paid at closing or, in the event no final credit agreement is reached, upon invoicing by the DOT, in the amount equal to the actual costs incurred by the DOT in procuring the assistance of outside financial advisors and legal counsel. This fee is due whether or not the loan closes.

Debarment. The undersigned certifies that it is not currently, nor has it been in the preceding three years: 1) debarred, suspended or declared ineligible from participating in any Federal program; 2) formally proposed for debarment, with a final determination still pending; 3) voluntarily excluded from participation in a Federal transaction; or 4) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment and Suspension Regulations: 49 C.F.R. Part 29).

Default/Delinquency. The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.

**Signature**: By submitting this Letter of Interest, the undersigned certifies that the facts stated herein are true, to the best of the applicant's knowledge and belief after due inquiry, and that the applicant has not omitted any material facts. The undersigned is an authorized representative of the applicant.

**Submitted by:**

**Applicant/Borrower Name:**

**Title_____ Executive Director______________________**

**Organization: Illinois Finance Authority – Elgin O'Hare Western Bypass Project____**

**Date:_ December 30, 2011__________________________**

***Please attach any relevant documents (e.g., maps, organization charts, etc.).***

**Elgin O'Hare West Bypass (EOWB)**
**Initial Construction Plan Estimated Cost Summary (12/15/11)**

| Improvement Component | Section: West | Central | South | North | Total |
|---|---|---|---|---|---|
| **EOWB Advisory Council Estimates (2010 Cost)** [1] | | | | | |
| **Roadway Improvements** | | | | | |
| Right-of-Way Acquisition | $0 | $77,000,000 | $207,000,000 | $188,000,000 | $472,000,000 |
| Construction and Engineering | $53,000,000 | $764,000,000 | $574,000,000 | $279,000,000 | $1,670,000,000 |
| ***Subtotal*** | ***$53,000,000*** | ***$841,000,000*** | ***$781,000,000*** | ***$467,000,000*** | ***$2,142,000,000*** |
| **Toll Collection** | | | | | ***$0*** |
| | | | | ***Subtotal (Roadway)*** | ***$2,142,000,000*** |
| **Transit Improvements (by Transit Agency)** [2] | ***$27,000,000*** | ***$26,000,000*** | ***$0*** | ***$0*** | ***$53,000,000*** |
| | | | | **Total** | **$2,195,000,000** |
| **Illinois Tollway *Move Illinois* Program Estimates (Escalated Costs)**[3] | | | | | |
| **Roadway Improvements** | | | | | |
| Right-of-Way Acquisition | $0 | $88,000,000 | $247,000,000 | $245,000,000 | $580,000,000 |
| Construction and Engineering | $64,000,000 | $1,041,000,000 | $935,000,000 | $515,000,000 | $2,555,000,000 |
| ***Subtotal*** | ***$64,000,000*** | ***$1,129,000,000*** | ***$1,182,000,000*** | ***$760,000,000*** | ***$3,135,000,000*** |
| **Toll Collection** | | | | | ***$265,000,000*** |
| | | | | ***Subtotal (Roadway)*** | ***$3,400,000,000*** |
| **Transit Improvement Estimates (Funding and Implementation by Transit Agency TBD; Escalated Costs)**[4] | | | | | |
| **Transit Improvements (by Transit Agency)** [4] | **$44,000,000** | **$42,000,000** | **$0** | **$0** | **$86,000,000** |

[1] Initial Construction Plan estimates in present year (2010) terms as identified in the EOWB Advisory Council *Final Report to Governor Pat Quinn* (June, 2011). Toll collection costs were not included in estimate.

[2] Estimate of cost in present year (2010) terms for rolling stock, stations, and parking required for interim transit service improvements (express bus in mixed traffic with shoulder riding option). Shoulder improvement costs are included in construction and engineering estimates.

[3] Initial Construction Plan estimates escalated to year of implementation costs based on the anticipated implementation schedule identified in the Illinois Tollway *Move Illinois Program* .

[4] Estimate of cost for interim transit service improvements (express bus in mixed traffic with shoulder riding option), escalated to year of implementation costs. Year 2020 assumed as the implementation year for express bus service.

Chapman and Cutler LLP

# MEMORANDUM

TO: Christopher Meister
Illinois Finance Authority

FROM: Chapman and Cutler LLP

DATE: December 16, 2011

RE: Financing by Units of Local Government for the Elgin-O'Hare Western By-Pass

---

You have provided us with a list of units of local government which may choose to finance their pro rata shares of the costs of the Elgin-O'Hare Western By-Pass (the *"Project"*). A significant number of the units of local government on the list are home rule units of government, which may help to simplify matters. Therefore, for purposes of discussing financing alternatives for the units of local government on the list, we have sorted said units on the list into three (3) distinct categories, as follows:

**HOME RULE UNITS OF GOVERNMENT**

Addison
Arlington Heights
Chicago
Cook County
Des Plaines
Elk Grove Village
Elmhurst
Hanover Park
Mount Prospect
Northlake
Schaumburg
Schiller Park

**NON-HOME RULE CITIES AND VILLAGES**

Bensenville
Franklin Park
Itasca
Medinah
Roselle
Wood Dale

**NON-HOME RULE COUNTY**

DuPage County

*Financing Alternatives for Home Rule Units.* The home rule units on the list have great flexibility in issuing debt to finance the Project, since they may determine their own affairs, and are generally not subject to State statutory limitations. A home rule unit of government could issue general obligation bonds to finance the Project without any referendum requirement, without regard to any debt limit and without regard to the Property Tax Extension Limitation Law. A home rule unit could also issue sales tax and/or motor fuel tax revenue bonds to finance the Project. As a practical matter, most home rule units opt to issue general obligation bonds, setting aside any rating issues, and then abate the tax levy with any allocable revenues. We can discuss the reasons for this in greater detail if you would like. A home rule unit has the flexibility to consider other financing structures.

*Financing Alternatives for Non-Home Rule Cities and Villages.* Since all of the non-home rule cities and villages on the list are located in Cook County and the collar counties, they are all subject to the Property Tax Extension Limitation Law (*i.e.*, tax caps). The non-home rule cities and villages are also subject to referendum requirements and debt limits for general obligation bonds, so general obligation bonds are probably not a realistic financing alternative for the non-home rule cities and villages. Although limited tax bonds are a theoretical possibility to finance the Project, a non-home rule city or village would have to have room in their property tax extension for the limited tax bonds, and that may be highly unlikely under the circumstances of the financing of the Project. The likely alternatives for the financing of the Project by a non-home rule city or village include alternate bonds (also called double-barreled bonds) utilizing sales taxes and/or motor fuel taxes as a revenue source or motor fuel tax revenue bonds, which may also have an additional pledge of sales taxes. Although alternate bonds require a back-door referendum and a BINA hearing, alternate bonds do carry a general obligation back-up pledge. For your reference, we have attached our memorandum on Financing Alternatives for Illinois Non-Home Rule Cities and Villages, and draw your attention to the discussion with respect to the viable financing alternatives described above.

*Financing Alternatives for DuPage County.* As a non-home rule unit of government, DuPage County is subject to virtually all of the limitations applicable to non-home rule cities and villages. The financing alternatives for DuPage County are similar to those available for non-home rule cities and villages, as well, to-wit alternate bonds utilizing sales taxes and/or motor fuel taxes as a revenue source or motor fuel tax revenue bonds, which may also have an additional pledge of sales taxes. However, given the size of DuPage County, limited tax bonds and installment contracts may also be financing alternatives for the Project. For your reference, we have attached our memorandum on Financing Alternatives for Illinois Counties, and draw your attention to the discussion of the viable financing alternatives described above.

We have provided the analysis contained in this Memorandum based on the limited facts provided to us concerning the Project and other issues. Therefore, the discussion in this Memorandum is general in nature, and will require further definition as the financings proceed. In addition, each of the financing alternatives discussed above has a multitude of statutory requirements relating to the proper issuance of the obligations and various procedural requirements which must be complied with in order to issue the obligations, some of which requirements are discussed in the attached memoranda. There may also be other State law issues that may need to be addressed when more facts are known to us. Other revenue sources may also be available for the financing alternatives discussed in this Memorandum. Please also recall that under the Local Government Program of the Authority, the State intercept would be available to enhance the local obligations with the pooling through the Authority.

We hope that this Memorandum addresses your initial questions regarding the financing of the Project as it relates to the units of local government on the list. If we can provide any clarification of the discussion contained in this Memorandum or any further information regarding this matter, please let us know.

# Public Finance

Chapman and Cutler LLP
Attorneys at Law · Focused on Finance®

CURRENT ISSUES RELATED TO PUBLIC FINANCE FEBRUARY 2011


## Borrowing Alternatives for Illinois Non-Home Rule Cities and Villages

The purpose of this Memorandum is to summarize the borrowing alternatives available to Illinois non-home rule cities and villages. Under current law, borrowings by such cities and villages are governed by the provisions of the following laws:

(1) the Illinois Municipal Code, as amended (the *"Municipal Code"*);

(2) the Local Government Debt Reform Act of the State of Illinois, as amended (the *"Debt Reform Act"*);

(3) the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Extension Limitation Law"*);

(4) the Bond Issue Notification Act of the State of Illinois, as amended (*"BINA"*); and

(5) the Internal Revenue Code of 1986, as amended (the *"Tax Code"*) and the arbitrage and rebate regulations promulgated thereunder (the *"Federal Regulations"*).

Compliance with the Municipal Code, the Debt Reform Act, the Extension Limitation Law and BINA is necessary for the borrowing to be valid and legally binding. Compliance with the Tax Code and the Federal Regulations is necessary for the interest on the borrowing to be exempt from federal income taxation.

### General Provisions

The *debt limit* for non-home rule municipalities is 8.625% of the equalized assessed valuation of the municipality. General obligation bonds and installment contracts are generally subject to the debt limit. Tax anticipation warrants, general obligation warrants (except for refunding obligations issued pursuant to the Debt Reform Act), revenue anticipation notes, revenue bonds, tort judgment bonds, bonds that finance water or wastewater treatment facilities mandated by a compliance order and, except under certain circumstances, alternate bonds, are not subject to the debt limit of a municipality.

Under the Debt Reform Act, whenever a municipality is authorized to issue bonds (defined in the Debt Reform Act to include any instrument evidencing the obligation to pay money) without referendum, the municipality may add *issuance costs* (including underwriter's discount, bond insurance or other credit enhancement costs) to the estimated costs of the project. The municipality may pay such costs from bond proceeds.

The Debt Reform Act also allows a municipality to use bond proceeds for *capitalized interest* on its bonds for a period not to exceed the greater of two years or six months after the estimated date of completion of the project financed or accomplishment of the purpose for which the bonds are issued. The corporate authorities may provide for such capitalized interest without a prior appropriation.

The Debt Reform Act also permits municipalities to *sell bonds at a discount*. Whenever bonds are sold at a discount, the bonds must be sold at a price and bear interest at such rate or rates so that either the true interest cost (yield) or the net interest rate received upon the sale of the bonds does not exceed the maximum rate otherwise authorized by applicable law. *Competitive sales* of a municipality's bonds are not required.

In many cases, the Municipal Code limits, by way of a formula or otherwise, the amount of bonds that a municipality may issue for a particular purpose. *Issuance costs, capitalized interest* and *underwriter's discount*, if financed out of bond proceeds, count against these limits imposed by applicable law and decrease the amount of proceeds available for a project.

The Debt Reform Act extends the time within which a *tax levy for general obligation or limited bonds* must be filed. Prior to the passage of the Debt Reform Act, a municipality was required to file any debt service levy with the county clerk on or before December 31 of a given year in order to have taxes extended for the payment of the bonds in the following year. The Debt Reform Act provides that municipalities are authorized to levy a tax for the payment of debt service on general obligation or limited bonds at any time prior to March 1 of the calendar year during which the tax will be collected. County clerks are required to accept the filing of such tax levy up to March 1 notwithstanding that such filings occur after the end of the calendar year during which the tax will be collected.

In extending taxes for general obligation bonds, the county clerk must add to the levy for debt service on such bonds an amount sufficient, in view of all losses and delinquencies in tax collection, to produce tax receipts adequate for the prompt payment of such debt service.

Whenever the authorization of or the issuance of bonds is subject to either a *referendum or a backdoor referendum held after August 13, 1999*, the approval, once obtained, remains (a) for five years after the date of the referendum or (b) for three years after the end of the petition period for the backdoor referendum.

A municipality whose aggregate principal amount of bonds outstanding or proposed exceeds $10,000,000 may enter into agreements for *interest rate swaps* and other interest rate risk management tools with respect to any issues of its bonds. The bonds must be identified to the swap. Net payments under swap agreements are treated as interest for the purpose of calculating the interest rate limit applicable to the bonds, provided that, for this purpose only, the bonds are deemed to bear interest at taxable rates. Swap agreements and the payments to be made thereunder do not count against the debt limit of the municipality.

A *credit rating* of a municipality's debt by the rating agencies, Fitch, Inc., Moody's Investor's Service or Standard & Poor's, is not legally required, but a favorable rating may reduce the interest rate to be paid. The rating agencies review the overall management, debt and financial picture of the municipality, including recent audits and fund balances. *Bond insurance* may also reduce the interest rate paid by a municipality on its debt.

In connection with the issuance of its bonds, a municipality may enter into agreements ("*Credit Agreements*") to provide additional security or liquidity, or both, for the bonds, including municipal bond insurance, letters of credit, lines of credit, standby bond purchase agreements and surety bonds. A municipality may also enter into agreements for the purchase or remarketing of its bonds ("*Remarketing Agreements*") to provide a mechanism for remarketing bonds tendered for purchase. The term of the Credit Agreements or Remarketing Agreements may not exceed the term of the bonds, plus any time period necessary to cure any defaults under such agreements.

Under Section 265(b)(3) of the Tax Code, banks and certain other financial institutions are not allowed any deduction for interest expense attributable to tax-exempt debt acquired after August 7, 1986, unless the *"small* *issuer exception"* applies. If a municipality will not issue more than $10,000,000 of tax-exempt debt during the calendar year and it designates the debt as a "qualified tax-exempt obligation" pursuant to said Section 265(b)(3), the restriction on the deduction for interest expense does not apply.

## Bond Issue Notification Act

BINA requires corporate authorities proposing to sell non-referendum general obligation bonds or limited bonds (other than refunding bonds) to hold at least one public hearing concerning the municipality's intent to sell the bonds. The municipal clerk must publish notice of the hearing at least once in a newspaper of general circulation in the municipality not less than seven and not more than 30 days before the date of the hearing and must post notice of the hearing at the principal office of the corporate authorities at least 48 hours before the hearing. Care must be taken to ensure that the notice appears above the name or title of the municipal clerk. At the hearing, the corporate authorities must explain the reasons for the proposed bond issue and permit persons to present written or oral testimony. The corporate authorities must then wait at least seven days following the final adjournment of the hearing before adopting an ordinance providing for the sale of the bonds.

## Limited Bonds

Municipalities subject to the Extension Limitation Law are permitted to issue limited bonds. Limited bonds are issued in lieu of general obligation bonds that otherwise have been authorized by applicable law. They are payable from a separate property tax levy that is unlimited as to rate, but the amount of taxes that will be extended to pay the bonds is limited by the Extension Limitation Law. Limited bonds are payable from a municipality's debt service extension base (*the "Base"*), which is an amount equal to that portion of the municipality's extension for the applicable levy year (which depends on when the Extension Limitation Law was first applicable to the municipality) for the payment of non-referendum bonds (other than alternate bonds or refunding bonds issued to refund bonds initially issued pursuant to referendum), increased each year, beginning with the 2009 levy year, by the lesser of 5% or the percentage in the Consumer Price Index for All Urban Consumers (as defined in the Extension Limitation Law) during the 12-month calendar year preceding the levy year.

Municipalities subject to the Extension Limitation Law may only issue non-referendum general obligation bonds as limited bonds. To the extent a municipality, under current law, does not have a Base that would otherwise enable it to levy taxes to pay debt service on non-referendum bonds for the size and scope of a project the municipality wants to undertake, the municipality could establish or increase a Base pursuant to referendum in accordance with the Extension Limitation Law.

The balance of this memorandum describes numerous non-referendum financing alternatives that initially were not available to tax-capped municipalities under the Extension Limitation Law. Those obligations now may be issued as limited bonds upon compliance with applicable law.

## Borrowing Alternatives for Capital Projects

Federal Regulations generally permit the proceeds of borrowings for capital projects to be invested without any restriction as to yield for three years after the issuance of the bonds, so long as the municipality reasonably expects to expend the proceeds with due diligence within such three year period. In addition, the municipality must enter into a substantially binding commitment to spend at least five percent of the bond proceeds within six months after the issuance of the bonds and must proceed with due diligence to complete the project.

Federal Regulations restrict the ability of a municipality to use bond proceeds to reimburse itself for expenditures incurred prior to the issuance date of the bonds, unless the municipality, in compliance with the Federal Regulations, formally declares its intent to reimburse itself for such expenditures with the bond proceeds. Preliminary expenditures (*e.g.*, architectural, engineering, surveying, soil testing and similar costs, but not including land acquisition or site preparation) may be reimbursed without a formal declaration of intent so long as such preliminary expenditures do not exceed 20% of the proceeds received from the sale of the bonds.

Section 148(f) of the Tax Code requires municipalities to rebate to the United States Treasury an amount equal to the sum of (A) the excess of (i) the amount earned on bond proceeds over (ii) the amount which would have been earned if such proceeds had been invested at the bond yield, plus (B) any income attributable to such excess. If this rebate requirement is not met, the bonds will be arbitrage bonds and the interest on the bonds will not be tax-exempt. However, arbitrage earnings need not be rebated to the United States Treasury if the expenditure of bond proceeds meets certain spend-down requirements or if the municipality does not issue more than $5,000,000 of tax-exempt bonds in the calendar year in which the bonds are issued.

**General Obligation Bonds.** Generally, the Municipal Code requires that general obligation bonds secured by a direct unlimited ad valorem property tax must be approved by the voters. This referendum requirement has many exceptions. The Municipal Code provides that certain general obligation bonds, including the following, may be issued without referendum:

- Bonds to refund existing indebtedness;
- Bonds to fund or refund judgment indebtedness;
- Working cash fund bonds;
- Bonds issued by a municipality when ordered to abate pollution under the Environmental Protection Act;
- Bonds issued for the acquisition, construction, or improvement of water or wastewater treatment facilities mandated by a compliance order issued by the United States Environmental Protection Agency or the Illinois Pollution Control Board; and
- Bonds issued under Section 8-5-16 of the Municipal Code so long as such bonds, together with the other bonds issued and outstanding under that Section, do not exceed one-half of one percent of the equalized assessed value of the taxable property within the municipality.

Such bonds are full faith and credit general obligations payable from an ad valorem property tax unlimited as to rate or amount or, for a municipality subject to the Extension Limitation Law, may be issued as limited bonds.

**Revenue Bonds.** Revenue bonds are obligations of a municipality payable solely from the net revenue derived from the financed project or facilities. The full faith and credit of the municipality is not pledged to the payment of the bonds. In order for non-home rule municipalities to issue revenue bonds, the revenue source must be related to the purpose for which the bonds are being issued and there must be a specific statutory grant of power for the issuance of the bonds.

The Municipal Code authorizes the issuance of revenue bonds for numerous revenue producing projects including, but not limited to, conservation plan areas, hospitals, cultural centers, parking, redevelopment, housing, various recreational facilities, airports, public utilities (water, sewer, gas, electric), subways and street railways. Bonds for each such facility are issued under specific sections of the Municipal Code.

If revenue bonds are to be issued for a specifically authorized purpose, there is no statutory limit on the dollar amount of revenue bonds which may be issued. The amount of revenues available to pay the bonds may, however, limit the feasibility of the size of an issue. In addition, revenue bonds are not included in any computations of indebtedness for the purposes of constitutional or statutory limitations.

While a direct referendum is not required, the issuance of revenue bonds is typically subject to a backdoor referendum. For example, Division 139 of the Municipal Code authorizes a municipality to issue and sell revenue bonds for the purpose of "defraying the cost of acquiring, constructing, extending, or improving a combined waterworks and sewerage system or any part thereof." The bonds are payable solely from the revenues derived from the operation of the combined waterworks and sewerage system. Division 139 also specifies the backdoor referendum petition procedure. If within 30 days after the publication of the authorizing ordinance, 10% or more of the number of registered voters in the municipality sign a petition requesting a referendum, the question of issuing the revenue bonds must be submitted to the voters.

**Alternate Bonds.** Section 15 of the Debt Reform Act permits municipalities to issue alternate or "double-barrelled" bonds. Alternate bonds are general obligation bonds payable from enterprise revenues or from a revenue source, or both, with the general obligation of the municipality acting as backup security for the bonds. Once issued, and until paid or defeased, alternate bonds are a general obligation of the municipality, for the payment of which its full faith and credit are pledged, and are payable from the levy of ad valorem property taxes upon all taxable property in the municipality without limitation as to rate or amount. The intent of the Debt Reform Act is for the enterprise revenues or the revenue source to be sufficient to pay the debt service on the alternate bonds so that taxes need not be levied, or if levied, need not be extended, for such payment. Alternate bonds are not regarded or included in any computation of indebtedness for the purpose of any statutory provision or limitation unless taxes, other than a designated revenue source, are extended to pay the bonds. In the event taxes are extended, the amount of alternate bonds then outstanding constitutes indebtedness of the municipality until an audit of the municipality shows that the alternate bonds have been paid from the pledged enterprise revenues or revenue source for a complete fiscal year.

The Debt Reform Act prescribes several conditions that must be met before alternate bonds may be issued. First, alternate bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, then the revenue bonds must have been authorized under applicable law (including satisfying any backdoor referendum requirements) and the alternate bonds must be issued for the purpose for which the revenue bonds were authorized. If issued payable from a revenue source limited in its purposes or applications, then the alternate bonds must be issued only for such limited purposes or applications.

Second, alternate bonds are subject to a backdoor referendum. The issuance of alternate bonds must be submitted to referendum if, within thirty days after publication of the authorizing ordinance and notice of intent to issue the alternate bonds, a petition is filed with the municipal clerk. The petition must be signed by the greater of (i) 7.5% of the registered voters of the municipality or (ii) the lesser of 200 of the registered voters or 15% of the registered voters, asking that the issuance of the alternate bonds be submitted to referendum. Backdoor referendum proceedings for revenue bonds and for alternate bonds to be issued in lieu of revenue bonds may be conducted at the same time.

Third, the municipality must demonstrate that the enterprise revenues are, or that the revenue source is, sufficient to meet the requirements of the Debt Reform Act. If enterprise revenues are pledged as security for the alternate bonds, the municipality must demonstrate that such revenues are sufficient in each year to pay all of the following:

(a) costs of operation and maintenance of the utility or enterprise, excluding depreciation;

(b) debt service on all outstanding revenue bonds payable from such enterprise revenues;

(c) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds;

(d) other contractual or tort liability obligations, if any, payable from such enterprise revenues; and

(e) in each year, an amount not less than 1.25 times debt service on all:

   (i) outstanding alternate bonds payable from such enterprise revenues; and

   (ii) the alternate bonds proposed to be issued.

If one or more revenue sources are pledged as security for the alternate bonds, the municipality must demonstrate that such revenue sources are sufficient in each year to provide not less than 1.25 times (1.10 times if the revenue source is a government revenue source, debt service on all outstanding alternate bonds payable from such revenue source and on the alternate bonds proposed to be issued. A municipality need not meet the test described in this paragraph for the amount of debt service set aside at closing from bond proceeds or other moneys.

**Installment Contracts.** Two separate sections of the Municipal Code and Section 17(b) of the Debt Reform Act authorize municipalities to purchase real or personal property pursuant to installment contracts. Under Division 76.1 of the Municipal Code, a municipality may enter into an installment contract not to exceed twenty years. The installment contract is payable from the levy of a direct, unlimited ad valorem property tax sufficient to pay the installments. Accordingly, a municipality subject to the Extension Limitation Law must be authorized by a direct referendum to enter into a Division 76.1 installment contract.

A Division 76.1 installment contract entered into by a municipality that is not subject to the Extension Limitation Law is subject to a backdoor referendum. The ordinance providing for the installment contract must be published at least twice within 30 days after its passage. If, within 30 days after the second publication, at least 10% of the registered voters in the municipality file a petition requesting a referendum, the question of whether the ordinance authorizing the installment contract should become effective will be submitted to the voters.

A municipality which is authorized to enter into an installment contract under Division 76.1 may issue debt certificates in lieu of or as evidence of the amounts payable under the installment contract. The ability to issue such certificates adds flexibility to the municipality's marketing of its installment contract obligations.

Section 11-61-3 of the Municipal Code also permits a municipality to purchase real or personal property pursuant to an installment contract. This form of installment contract differs from an installment contract entered into pursuant to Division 76.1 in the following respects:

- The installment payments of principal and interest are payable solely from the general funds of the municipality; there is no separate tax levy to support the installment payments;
- The municipality is not permitted to issue its own certificates evidencing the installment payments due under the contract; and
- No backdoor referendum is required in order to enter into the installment contract.

Section 17(b) of the Debt Reform Act also authorizes municipalities to purchase real or personal property pursuant to an installment contract with a maximum term of 20 years. Municipalities are authorized to issue debt certificates evidencing the indebtedness incurred under such an installment contract. The payment obligation under such an installment contract and on such certificates constitutes a binding and enforceable promise to pay the amount borrowed plus the interest thereon. The municipality is expected to agree to annually appropriate amounts sufficient to pay the principal and interest on the installment contract and the debt certificates. There is no separate levy available for the purpose of making such payments.

**Leases.** Municipalities may lease real or personal property for a term not exceeding 20 years under Section 17(b) of the Debt Reform Act. A municipality is authorized to issue debt certificates evidencing the indebtedness incurred under the lease. As with installment contract financings, the payment obligation under a lease is a binding and enforceable promise to pay, for which the municipality agrees to appropriate sufficient funds on an annual basis.

**Special Service Areas.** When special services are provided to a particular contiguous area within a municipality, in addition to the services generally provided throughout the municipality, a municipality may create a special service area and the cost of the special services may be paid from taxes levied upon the taxable real property within the area. Taxes may be levied in the special service area at a rate or amount sufficient to produce revenues required to provide the special services.

Prior to the first levy of taxes in the special service area, and prior to or within 60 days after the adoption of the ordinance proposing the establishment of the special service area, the municipality is required to hold a public hearing and to publish and mail notice of such a hearing. At the public hearing, any interested person may file written objections or give oral statements with respect to the establishment of the special service area and the levy of taxes therein. As a result of the hearing, the municipality may delete areas from the special service area so long as the remaining area is contiguous. An ordinance establishing the special service area must be timely filed with the county recorder and the county clerk.

Bonds secured by the full faith and credit of the territory included in the special service area may be issued for the purpose of providing the special services. Such bonds are retired by a levy of taxes unlimited as to rate or amount against the taxable real property in the special service area. The county clerk will annually extend taxes against all of the taxable real property in the area in amounts sufficient to pay the principal and interest on the bonds. Such bonds are exempt from both BINA and the Extension Limitation Law.

Prior to the issuance of special service area bonds, the municipality must give published and mailed notice and hold a hearing at which any interested person may file written objections, or be heard orally, with respect to the issuance of the bonds. The questions of the creation of the area, the levy of a tax on the area and the issuance of bonds for providing special services may all be considered at the same hearing.

The creation of the special service area, the levy of a tax within the area and the issuance of bonds for the provision of special services to the area are subject to a petition process. If, within 60 days after the public hearing, a petition signed by not less than 51% of the electors residing within the special service area and 51% of the owners of record of land within the special service area is filed with the municipal clerk objecting to the creation of the special service area, the levy of a tax or the issuance of bonds, the area may not be created, the tax may not be levied and the bonds may not be issued. If such petitions are filed, the subject matter of the petition may not be proposed relative to any of the signatories within the next two years.

**Special Assessments.** Similar to service area financings, a special assessment is a method of financing used when a municipal improvement benefits a particular area to a greater extent than it benefits the entire municipality. The cost of such improvement is assessed against individual properties in amounts approximately equal to the value of the benefit to the properties assessed. Each assessment is a lien on the property and is payable in annual installments, with interest. Except for the public benefit portion of the special assessment, special assessment debt does not count against the statutory municipal debt limit. Article 9 of the Municipal Code grants the authority to certain municipalities to make these local improvements by special assessment and sets forth the municipal and court procedures for doing so.

In general, municipalities may finance special assessment projects by selling (usually at a discount) the vouchers issued for services in lieu of payment or by exchanging all such vouchers with special assessment bonds. In addition, municipalities may issue, subject to BINA and the Extension Limitation Law, judgment funding bonds to pay their public benefit portion of the assessment. Finally, the Special Assessment Supplemental Bond and Procedures Act provides supplemental authority regarding the procedures for the making of local improvements and the issuance and sale of obligations payable from special assessments.

**Tax Increment Financing.** Tax increment financing provides a means for municipalities, after the approval of a "redevelopment plan and project," to redevelop blighted, conservation or industrial park conservation areas. The Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended, allows the use of incremental property taxes to pay certain redevelopment project costs and to pay debt service with respect to tax increment bonds issued to pay redevelopment project costs. The municipality is authorized to issue tax increment bonds payable from, and secured by, incremental property tax revenues expected to be generated in the redevelopment project area. Incremental property tax revenues are derived from the increase in the current equalized assessed valuation of the real property within the redevelopment project area over and above the certified initial equalized assessed valuation for such redevelopment project area.

Before adopting the necessary ordinances to designate a redevelopment project area, a municipality must hold a public hearing and convene a joint review board to consider the proposal. At the public hearing, any interested person or taxing district may file written objections and may give oral statements with respect to the proposed financing. After the municipality has considered all comments made by the public and the joint review board, it may adopt the necessary ordinances to designate a redevelopment project area.

Tax increment bonds may be secured by the full faith and credit of the municipality. The issuance of general obligation tax increment bonds is subject to a "backdoor," rather than a direct, referendum. Once a municipality has authorized the issuance of tax increment obligations secured by its full faith and credit, the ordinance authorizing the issuance must be published in a newspaper of general circulation in the municipality. In response, the voters may petition to request that the question of issuing obligations using the full faith and credit of the municipality as security to pay for redevelopment project costs be submitted to the electors of the municipality. If, within 30 days after the publication, 10% of the registered voters of the municipality sign such a petition, the question of whether to issue tax increment bonds secured by the municipality's full faith and credit must be approved by the voters pursuant to referendum.

Tax increment revenues may also be treated as a "revenue source" and be pledged to the payment of alternate bonds under Section 15 of the Debt Reform Act.

## Short-Term Borrowing Alternatives to Meet Operating Expenses

The following are ways that a municipality can borrow to meet cash flow needs. Federal Regulations require an analysis of a municipality's cash flow needs if the obligations are to be issued on a tax-exempt basis. Federal Regulations provide that this need is determined by preparing monthly cash flow estimates for the fund for which the borrowing is to be made.

The proceeds of the borrowing may be invested without regard to yield restriction if the size of the borrowing is not greater than the sum of (a) the projected greatest cumulative cash flow deficit during the 13 months following the issuance of the bonds for the fund for which the borrowing is to be made and (b) the lesser of (i) five percent of the actual total expenditures from such fund in the preceding fiscal year or (ii) the amount of working capital reserve maintained in such fund as calculated in the manner specified in the Federal Regulations. In addition, Federal Regulations require warrants or notes to mature within the greater of (a) 13 months after their issuance or (b) 60 days after the delinquency date for the taxes being anticipated.

**Interfund Borrowings.** Pursuant to Section 8-1-3.1 of the Municipal Code, a municipality may borrow money from one of its funds for the use of another fund. The borrowing must be for a lawful corporate purpose and repaid within the fiscal year.

**Promissory Notes.** Pursuant to Section 8-1-3.1 of the Municipal Code, a municipality may borrow money from any bank or financial institution. The indebtedness shall be evidenced by a promissory note or similar debt instrument, but not a bond, authorized by an ordinance of the corporate authorities and executed by the mayor or president of the corporate authorities, as the case may be. The borrowing must be for a lawful corporate purpose and repaid within 10 years. The obligation of the municipality to make payments due under the promissory note shall be a lawful direct general obligation of the municipality. The municipality will be expected to agree to annually appropriate amounts sufficient to make payments due under the promissory note, but the promissory note will be valid whether or not the municipality includes such appropriation in any annual or supplemental appropriation adopted by the corporate authorities. The indebtedness evidenced by the promissory note does count against the municipality's statutory debt limit.

**Tax Anticipation Warrants.** Tax anticipation warrants are issued in anticipation of taxes levied but not yet collected. Such warrants may be issued in an amount up to 85% of the total amount of the taxes levied for the particular fund against which the warrants are issued. Municipalities must ensure that the amount of warrants also does not exceed 85% of (a) the municipality's last known equalized assessed valuation times (b) the maximum permitted tax rate for the particular fund involved. Warrants may have a fixed maturity date and are payable in the numerical order of their issuance solely from the taxes levied for the particular fund involved. Such taxes are pledged for the payment of the warrants and must be set aside and held for the payments of the warrants.

**General Obligation Tax Anticipation Warrants**. General obligation tax anticipation warrants are authorized by the Debt Reform Act. Such warrants bear a specified due date and are secured by a levy of ad valorem taxes upon all taxable property in the municipality without limit as to rate or amount (if the municipality is not subject to the Extension Limitation Law). No additional money should accrue to the municipality as a result of the taxes levied to pay general obligation warrants because when the warrants are issued, the county clerk is instructed to reduce the specific tax rate by the percentage necessary to produce an amount to pay the principal of and interest on the warrants. A municipality may not issue general obligation tax anticipation warrants in excess of the formulas described above.

Under the Debt Reform Act, a municipality may issue *refunding warrants or general obligation bonds to refund warrants* should taxes or other revenues be delayed or insufficient to pay the warrants. The refunding warrants or bonds may also be secured by a levy of ad valorem taxes upon all taxable property in the municipality without limit as to rate or amount or, for a municipality subject to the Extension Limitation Law, may be issued as limited bonds.

Warrants initially issued are not included in any computation of indebtedness for the purpose of any statutory provision or limitation. Refunding warrants and general obligation bonds issued to refund warrants may be issued without regard to existing debt limitations. Upon being issued, however, such general obligation refunding bonds or warrants must be included and regarded as indebtedness.

**Tax Anticipation Notes**. Tax anticipation notes, like general obligation tax anticipation warrants, have a fixed maturity date and are general obligations issued in anticipation of taxes levied but not yet collected. A municipality may issue notes in an amount, including principal, interest thereon and costs of issuance thereof, not exceeding 85% of the taxes levied for the particular fund against which the notes are issued. The amount of notes, including principal, interest and costs of issuance, also may not exceed 85% of (a) the municipality's last known equalized assessed valuation times (b) the maximum permitted tax rate for the particular fund involved. No notes may be issued if there are tax anticipation warrants outstanding against the tax to be anticipated by the notes. Tax anticipation notes are secured by the levy and collection of a direct annual tax upon all taxable property in the municipality sufficient to pay the principal and interest on the notes to maturity. As with general obligation warrants, no additional money should accrue to the municipality as a result of the tax because when tax anticipation notes are issued, it is the duty of the county clerk to reduce the specific tax rate by the percentage necessary to produce an amount to pay the principal of, interest on and costs of issuance of the notes. Unlike tax anticipation warrants, tax anticipation notes count against a municipality's debt limit.

Because general obligation tax anticipation warrants and tax anticipation notes are, and refunding warrants and general obligation bonds to refund warrants may be, secured by an unlimited property tax, they are subject to the requirements of the Extension Limitation Law and BINA and are, therefore, rarely issued.

**Personal Property Tax Replacement Anticipation Notes** may be issued in an amount not to exceed 75% of the entitlement of replacement taxes for the year anticipated. The amount of any transfers from the working cash fund of the municipality in anticipation of replacement taxes should be subtracted from the amount authorized by the 75% formula. The entitlement amount must be certified by the Director of the Illinois Department of Revenue. The notes are payable solely from personal property replacement taxes distributed to the municipality.

**Revenue Anticipation Notes.** Revenue anticipation notes may be issued in anticipation of revenue from a reliable source such as federal aid, state revenue sharing or local taxes and fees. The notes must mature no more than twelve months from their date of issue. Revenue anticipation notes may not be issued after the revenue to be anticipated has become delinquent and may not be issued in an amount in excess of 85% of such revenues. The notes are payable solely from the revenues that have been anticipated and do not count against a municipality's debt limit.

## Long-Term Borrowing Alternatives to Meet Operating Expenses

Federal Regulations require an analysis of the anticipated need for these borrowings. The bonds are secured by the levy of a direct annual tax on all taxable property in the municipality without limitation as to rate or amount or, for a municipality subject to the Extension Limitation Law, may be issued as limited bonds.

**Insurance Reserve Bonds.** Insurance reserve bonds may be issued without referendum for the purpose of creating a reserve for the payment of any cost, liability or loss against which a municipality may protect itself or self-insure pursuant to Section 9-103 of the Local Governmental and Governmental Employees Tort Immunity Act of the State of Illinois, as amended (the "Tort Immunity Act"), or for the payment of which a municipality may levy a tax pursuant to Section 9-107 of the Tort Immunity Act, including any or all tort judgments or settlements entered against or entered into by the municipality. Such reserve fund, including interest earnings reasonably anticipated thereon, may not be funded in an amount in excess of that which is reasonably required for the payment of such costs (including costs of issuance of the bonds issued for the purpose of funding such reserve fund) as certified by an independent auditor, actuary or insurance underwriter. Furthermore, such reserve may not be increased beyond 125% of the auditor's, actuary's or insurance underwriter's estimated ultimate losses at the 95% confidence level. The Tax Code imposes significant restrictions on the ability of a municipality to issue insurance reserve bonds on a tax-exempt basis. Generally, in order to issue insurance reserve bonds on a tax-exempt basis, bond proceeds on deposit in the insurance reserve fund may be invested only in certain other tax-exempt obligations until the bonds are retired.

**Tort Judgment Funding Bonds.** Tort judgment funding bonds may be issued without referendum for the payment of any tort judgments or settlements entered against or entered into by the municipality. Such bonds may be issued in an amount necessary to discharge obligations under such judgments or settlements and do not count against the municipality's statutory debt limit.

**Working Cash Fund Bonds.** A municipality may create, set apart, maintain and administer a fund for the purpose of enabling the municipality to have in its treasury at all times sufficient money to meet its demands. The funds may be used for ordinary and necessary expenditures and for general and special corporate purposes. For the purpose of creating the working cash fund, the municipality may incur debt and issue bonds in an amount not to exceed $700,000. The ordinance authorizing the issuance of the bonds is operative and valid without a referendum and the corporate authorities must provide for the collection of an ad valorem property tax unlimited as to rate or amount. A municipality subject to the Extension Limitation Law may issue Working Cash Fund Bonds as limited bonds. All money received from the issuance of Working Cash Fund Bonds must be set apart in the working cash fund and must be used only for the purposes for which the bonds were issued. The fund will not be regarded as a current asset available for appropriation and may not be appropriated by the corporate authorities in an annual appropriation ordinance. In order to provide money with which to meet ordinary and necessary disbursements for salaries and other general and special corporate purposes, money may be transferred from the working cash fund to the general or special corporate funds of the municipality. Money so transferred shall be deemed to have been transferred in anticipation of the collection of taxes levied for such general or special corporate fund. The amount of money transferred from the working cash fund to such general or special corporate fund, together with the aggregate amount of tax anticipation warrants or notes drawn against the taxes levied for such general or special corporate fund, including the amount of interest accrued and estimated to accrue thereon, cannot exceed 90% of (a) the municipality's last known equalized assessed valuation times (b) the maximum permitted tax for such general or special corporate purposes.

For additional information, please contact:

**Erin P. Bartholomy**
(312) 845-3893
bartholo@chapman.com

**Patricia M. Curtner**
(312) 845-3815
curtner@chapman.com

**Lynda K. Given**
(312) 845-3814
given@chapman.com

**Daniel L. Johnson**
(312) 845-3811
djohnson@chapman.com

**Kelly K. Kost**
(312) 845-3875
kost@chapman.com

**Timothy V. McGree**
(312) 845-3803
mcgree@chapman.com

**Lawrence E. White**
(312) 845-3426
white@chapman.com

# Public Finance

Chapman and Cutler LLP
Attorneys at Law · Focused on Finance®

CURRENT ISSUES RELATED TO PUBLIC FINANCE FEBRUARY 2011


## Borrowing Alternatives for Illinois Counties

The purpose of this Memorandum is to summarize the borrowing alternatives available to Illinois counties. Under current law, such borrowings are governed by the provisions of various laws, including the following:

(1) the Counties Code of the State of Illinois, as amended (the *"Counties Code"*);

(2) the Local Government Debt Reform Act of the State of Illinois, as amended (the *"Debt Reform Act"*);

(3) the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Extension Limitation Law"*);

(4) the Bond Issue Notification Act of the State of Illinois, as amended (*"BINA"*); and

(5) the Internal Revenue Code of 1986, as amended (the *"Tax Code"*), and the arbitrage and rebate regulations promulgated thereunder (the *"Federal Regulations"*).

Compliance with Illinois law is necessary for the borrowing to be valid and legally binding, and compliance with the Tax Code and the Federal Regulations is necessary for the interest on the borrowing to be exempt from federal income taxation.

### General Provisions

The general statutory *debt limit for counties with a population under 500,000* is 2.875% of the county's equalized assessed valuation. However, the Local Government Debt Limitation Act of the State of Illinois, as amended, provides that debt incurred for the purpose of building county court houses, jails, and other necessary county buildings, and to provide furniture, rooms and offices for the county circuit court, county board, State's attorney, county clerk, county treasurer, recorder, sheriff and clerks of court may be issued *without regard* to the 2.875% debt limit. Tax anticipation warrants, general obligation warrants (except for refunding obligations issued pursuant to the Debt Reform Act), tax anticipation notes, personal property replacement tax notes, revenue anticipation notes, revenue bonds and, generally, alternate bonds do not count against the debt limit of a county, but general obligation bonds (other than, generally, alternate bonds), installment contracts, leases, debt certificates and judgments, unless issued or incurred for the purposes described above, *do count against* the 2.875% debt limit.

Under certain circumstances, counties are subject to *another statutory debt limitation.* Counties are authorized to issue *referendum-approved bonds* when the county board deems it necessary to issue such bonds to enable the county board to perform any duties imposed upon it by law, so long as the amount of the bonds does not exceed, including the then existing indebtedness of the county, 5.75% of the county's equalized assessed valuation. In any county bond issue, care must be taken to assure that the county complies with either or both of the applicable statutory debt limitations.

Under the Debt Reform Act, whenever a county is authorized to issue bonds (defined in the Debt Reform Act to include any instrument evidencing the obligation to pay money), without referendum, the county may add *issuance costs* (including underwriter's discount, bond insurance or other credit enhancement costs) to the estimated costs of the project. The county may pay such costs from bond proceeds.

The Debt Reform Act also allows a county to use bond proceeds for *capitalized interest* on its bonds for a period not to exceed the greater of two years or a period ending six months after the estimated date of completion of the project or accomplishment of the purpose for which the bonds are issued. The county board may provide for such capitalized interest without a prior appropriation.

The Debt Reform Act also permits counties to *sell bonds at a discount*. Whenever bonds are sold at a discount, the bonds must be sold at a price and bear interest at such rate or rates so that either the true interest cost (yield) or the net interest rate received upon the sale of the bonds does not exceed the maximum rate otherwise authorized by applicable law. *Competitive sales* of county bonds are not required.

In some cases, the Counties Code limits the amount of bonds that a county may issue for a particular purpose. *Issuance costs, capitalized interest and underwriter's discount*, if financed out of bond proceeds, count against these limits imposed by applicable law and decrease the amount of proceeds available for a project.

The Debt Reform Act extends the time within which a *tax levy for general obligation or limited bonds* must be filed. Prior to the passage of the Debt Reform Act, a county was required to file any debt service levy with the county clerk on or before December 31 of a given year in order to have taxes extended for the payment of the bonds in the following year. The Debt Reform Act provides that counties are authorized to levy a tax for the payment of debt service on general obligation or limited bonds at any time prior to March 1 of the calendar year during which the tax will be collected. County clerks are required to accept the filing of such tax levy prior to March 1 notwithstanding that such filings occur after the end of the calendar year next preceding the calendar year during which the tax will be collected.

In extending taxes for general obligation bonds, the county clerk must add to the levy for debt service on such bonds an amount sufficient, in view of all losses and delinquencies in tax collection, to produce tax receipts adequate for the prompt payment of such debt service.

Whenever the authorization of or the issuance of bonds is subject to either a *referendum or a backdoor referendum*, the approval, once obtained, remains (a) for five years after the date of the referendum or (b) for three years after the end of the petition period for the backdoor referendum.

A county whose aggregate principal amount of bonds outstanding or proposed exceeds $10,000,000 may enter into agreements for *interest rate swaps* and other interest rate risk management tools with respect to any issues of its bonds. The bonds must be identified to the swap. Net payments under swap agreements are treated as interest for the purpose of calculating the interest rate limit applicable to the bonds, *provided* that, for this purpose only, the bonds are deemed to bear interest at taxable rates. Swap agreements and the payments to be made thereunder do not count against the debt limit of the county.

In connection with the issuance of its bonds, a county may enter into agreements (*credit agreements*) to provide additional security or liquidity, or both, for the bonds, including municipal bond insurance, letters of credit, lines of credit, standby bond purchase agreements and surety bonds. A county may also enter into agreements for the purchase or remarketing of its bonds (*remarketing agreements*) to provide a mechanism for remarketing bonds tendered for purchase. The term of the credit agreements or remarketing agreements may not exceed the term of the bonds, plus any time period necessary to cure any defaults under the agreements.

A *credit rating* of county debt by the rating agencies, Fitch, Inc., Moody's Investors Service or Standard & Poor's Ratings Services, is not legally required, but a favorable rating may reduce the interest rate paid by a county. The rating agencies review the overall management, debt and financial picture of the county, including recent audits and fund balances. *Bond insurance* may also reduce the interest rate paid by a county on its debt.

Under Section 265(b)(3) of the Tax Code, banks and certain other financial institutions are not allowed any deduction for interest expense attributable to tax-exempt debt acquired after August 7, 1986, unless the *"small issuer exception"* applies. If a county will not issue more than $10,000,000 of tax-exempt debt during the calendar year and it designates the debt as a "qualified tax-exempt obligation" pursuant to said Section 265(b)(3), the restriction on the deduction for interest expense does not apply.

## Bond Issue Notification Act

BINA requires county boards proposing to sell non-referendum general obligation bonds or limited bonds (other than refunding bonds) to hold at least one public hearing concerning the county's intent to sell the bonds. The county clerk must publish notice of the hearing at least once in a newspaper of general circulation in the county not less than seven and not more than 30 days before the date of the hearing and must post notice of the hearing at the principal office of the county board at least 48 hours before the hearing. Care must be taken to ensure that the notice appears above the name or title of the county clerk. At the hearing, the county board must explain the reasons for the proposed bond issue and permit persons to present written or oral testimony. The county board must then wait at least seven days following the hearing before adopting the ordinance or resolution providing for the sale of the bonds.

## Limited Bonds

Counties subject to the Extension Limitation Law are permitted to issue limited bonds. Limited bonds are issued in lieu of general obligation bonds that otherwise have been authorized by applicable law. They are payable from a separate property tax levy that is unlimited as to rate, but the amount of taxes that will be extended to pay the bonds is limited by the Extension Limitation Law. Limited bonds are payable from a county's debt service extension base (the *"Base"*), which is an amount equal to that portion of the county's extension for the applicable levy year for the payment of non-referendum bonds (other than alternate bonds or refunding bonds issued to refund bonds initially issued pursuant to referendum) increased each year, beginning with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers (as defined in the Extension Limitation Law) during the 12-month calendar year preceding the levy year.

Counties subject to the Extension Limitation Law may only issue non-referendum general obligation bonds as limited bonds. To the extent a county, under current law, does not have a Base that would otherwise enable it to levy taxes to pay debt service on non-referendum bonds for the size and scope of a project the county wants to undertake, the county could establish or increase a Base pursuant to referendum in accordance with the Extension Limitation Law.

This memorandum includes the description of various financing alternatives that initially were not available to tax-capped counties under the Extension Limitation Law. Those obligations now may be issued as limited bonds upon compliance with applicable law.

## Long-Term Borrowing Alternatives For Capital Projects

Federal Regulations generally permit the proceeds of borrowings for capital projects to be invested without any restriction as to yield for three years after the issuance of the bonds, so long as the county reasonably expects to proceed with due diligence to expend the proceeds within such three year period. In addition, the county must enter into a substantially binding commitment to spend at least five percent of the bond proceeds within six months after the issuance of the bonds and must proceed with due diligence to complete the project.

Federal Regulations restrict the ability of a county to use bond proceeds to reimburse itself for expenditures incurred prior to the issuance date of the bonds, unless the county, in compliance with the Federal Regulations, has formally declared its intent to reimburse itself for such expenditures with the proceeds of the bonds. Preliminary expenditures (e.g., architectural, engineering, surveying, soil testing and similar costs, but not including land acquisition or site preparation) may be reimbursed without a formal declaration of intent so long as such preliminary expenditures do not exceed 20% of the proceeds received from the sale of the bonds.

Section 148(f) of the Tax Code requires counties to rebate to the United States Treasury an amount equal to the sum of (A) the excess of (i) the amount earned on bond proceeds over (ii) the amount which would have been earned if such proceeds had been invested at the bond yield, plus (B) any income attributable to such excess. If this rebate requirement is not met, the bonds will be arbitrage bonds and the interest on the bonds will not be tax-exempt. However, arbitrage earnings need not be rebated to the United States Treasury if the expenditure of bond proceeds meets certain spend-down requirements or if the county does not issue more than $5,000,000 of tax-exempt obligations in the calendar year in which the bonds are issued.

## General Obligation Bonds

Counties have the authority to issue *general obligation bonds* to finance a variety of capital projects. General obligation bonds are bonds for which a county has the power to levy taxes on the equalized assessed valuation of all taxable property in the county. These taxes can be levied without limit as to rate or amount, or may be restricted to a particular rate or amount. Under the Debt Reform Act, general obligation bonds can be refunded by revenue bonds, but general obligation bonds cannot refund revenue bonds or alternate bonds (unless permitted by applicable law). General obligation bonds can be either *referendum* or *non-referendum* bonds.

*Referendum approved general obligation bonds* are bonds that require the approval of the voters in a county and are secured by a levy of a direct annual tax on all taxable property in the county. Depending on the statute under which the bonds are issued, these taxes can be levied without limit as to rate or amount or may have to be restricted to a particular rate.

When the county board deems it necessary to issue referendum bonds, the county board must enter an order of record specifying the amount of bonds required and the purpose for which they are to be issued. The county board certifies the question of issuing the bonds to the applicable election authority who submits the question to the voters at any election in accordance with the general election law.

If the bonds will be paid from property taxes which will exceed the taxes that are authorized to be levied by the county board without referendum, the county board must, by an order entered of record, set forth substantially the amount of such excess required, the purpose therefor and the number of years the excess will be required to be levied and provide for the submission of the question of assessing the additional tax rate to the voters at the next election for county officers. The county board then certifies the question to the proper election authority who submits the proposition at a general election in accordance with the general election law.

If a county board determines to issue referendum bonds and levy a tax therefor in excess of the statutory limits, then the county may submit both questions to voters at the same election and may include both questions in one ballot proposition.

Generally, counties have the authority to issue general obligation bonds in order to enable them to perform any of the duties imposed upon them in the Counties Code and other applicable law. In most cases, this *general* statutory authority enables counties to issue general obligation bonds to finance projects and facilities that further county purposes, which include providing for county hospitals, county nursing homes, county health departments and county roads. In addition, counties have specific statutory authority to issue general obligation bonds for particular projects. The following is a summary of certain referendum and non-referendum bonds authorized by the Counties Code and other applicable law and organized by the type of capital project being financed:

**County Courthouses**

- *Courthouse bonds for counties under 300,000* in population may be issued if approved by *referendum*. The bonds may be issued for the reconstruction and remodeling of an existing courthouse or the construction of a new courthouse and related facilities at the same or a new location, and for the acquisition of land and fixtures for the courthouse and related facilities. The bonds are secured by a levy of a direct annual tax on all taxable property in the county without limitation as to rate or amount.
- *Bonds for the construction or remodeling of county courthouses in counties with more than 300,000 in population and an increase in population of 30% or more from any decennial census to the next such census may* be issued, *subject to a backdoor referendum*, and are payable from a tax levied upon all taxable property in an amount not to exceed .05% of the county's equalized assessed valuation. Issuance of these bonds is subject to approval of the electorate if a petition with signatures of not less than 5% of the registered voters in the county is filed with the county clerk within 28 days following the first publication of the county board resolution providing for the issuance of the bonds.

  - If insufficient petitions are filed and no referendum is therefore required for the approval of the bonds, counties subject to the Extension Limitation Law must issue such bonds as limited bonds. Consequently, in such counties, taxes to pay the bonds would be limited as to amount under the Extension Limitation Law *and* limited as to rate under the .05% tax rate limit.
  - If insufficient petitions are filed and no referendum is therefore required for the approval of the bonds, counties not subject to the Extension Limitation Law may issue the bonds secured by a levy of a direct annual tax on all taxable property in the county unlimited as to amount, but limited as to rate under the .05% tax rate limit.
  - If sufficient petitions are filed and the bonds are approved by referendum, the county may issue the bonds secured by a levy of a direct annual tax on all taxable property in the county unlimited as to amount but limited as to the tax rate under the .05% tax rate limit, regardless of whether the county is subject to the Extension Limitation Law.

- *Bonds for the construction or remodeling of county courthouses in counties with more than 300,000 in population but without an increase in population of 30% from any decennial census to the next such census* may be issued if approved by *referendum.* The bonds are secured by a levy of a direct annual tax on all taxable property in the county without limitation as to amount but limited as to the maximum tax rate set forth in the ballot proposition.

**County Jails**

- *Bonds to build county jails and sheriffs' residences for counties under 80,000* in population may be issued if approved by *referendum.* The bonds are secured by a levy of a direct annual tax on all taxable property in the county without limitation as to rate or amount.
- *Bonds for the construction of county jails and sheriffs' residences for counties with a population between 80,000 and 500,000* may be issued *subject to a backdoor referendum,* and are payable from a tax levied upon all taxable property in the county. Issuance of these bonds is subject to approval of the electorate if a petition with signatures of not less than 10% of the registered voters in the county is filed with the county clerk within 30 days of the first publication of the resolution adopted by the county board providing for the issuance of the bonds.
  - If insufficient petitions are filed and no referendum is therefore required for the approval of the bonds, counties subject to the Extension Limitation Law must issue such bonds as limited bonds. Consequently, in such counties, the taxes to pay the bonds would be limited as to amount under the Extension Limitation Law, but unlimited as to rate.
  - If insufficient petitions are filed and no referendum is therefore required for the approval of the bonds, counties not subject to the Extension Limitation Law may issue the bonds secured by a levy of a direct annual tax on all taxable property in the county without limitation as to rate or amount.
  - If sufficient petitions are filed and the bonds are subsequently approved by referendum, the county may issue the bonds secured by a levy of a direct annual tax on all taxable property in the county without limitation as to rate or amount, regardless of whether the county is subject to the Extension Limitation Law.

- *Bonds for the construction or remodeling of county jails for counties between 500,000 and 1,000,000* in population may be issued *subject to a backdoor referendum*, and are payable from taxes levied in an amount not to exceed .07% of the county's equalized assessed valuation. Issuance of these bonds is subject to approval of the electorate if a petition with signatures of not less than 10% of the registered voters in the county is filed with the county clerk within 30 days following the first publication of the county board's resolution providing for the issuance of the bonds.

- *Bonds for the construction or remodeling of county jails for counties (other than home rule counties) with a population over 1,000,000* may be issued if approved by *referendum*. The bonds are secured by a levy of a direct annual tax on all taxable property in the county without limitation as to amount but limited as to the maximum tax rate set forth in the ballot proposition.

**County Medical Service Facilities**

- *Medical Service Facility Bonds for counties under 200,000* in population may be issued pursuant to the Medical Service Facility Act, as amended, for the purpose of acquiring, building and equipping medical service facilities to be leased to doctors in the community, if the bonds and the maximum tax rate to pay for such bonds are approved by *referendum*. The bonds are secured by a levy of a direct annual tax on all taxable property in the county without limitation as to amount but limited as to the maximum tax rate approved by the referendum.

**County Juvenile Shelter Care and Detention Homes**

- *County Shelter Care and Detention Home Bonds* may be issued *either by referendum or without referendum depending upon how the county adopted* the County Shelter Care and Detention Home Act, as amended (the *"Juvenile Shelter Care Act"*). The bonds may be issued to acquire or construct a shelter care or detention home for delinquent, neglected, dependent, abused, or addicted minors and are payable from taxes levied to pay the same. In order to *build* such a home, a county can collect a tax not exceeding .04% of the county's equalized assessed valuation and, in order to *operate* the home, a county can collect a tax of .02%. The taxes collected for such homes may be increased to .10% if approved by referendum.

    - For counties that have adopted the Juvenile Shelter Care Act by a majority vote of its electors, bonds may be issued *without referendum*. Counties subject to the Extension Limitation Law must issue such bonds as limited bonds. Consequently, in such counties, taxes to pay the bonds would be limited as to amount under the Extension Limitation Law *and* limited as to rate under the tax rate limit discussed above. In counties not subject to the Extension Limitation Law, however, taxes to pay the bonds would be limited as to the tax rate limit discussed above, but unlimited as to amount.

    - For counties that have adopted the Juvenile Shelter Care Act by a majority vote of its county board, bonds must be issued by *referendum*. The bonds are secured by a levy of a direct annual tax on all taxable property in the county without limitation as to amount but limited as to the tax rate discussed above.

**Stormwater Management**

- *Bonds for stormwater management* may be issued *without referendum* by counties under 1,500,000 in population located in the area served by the Northeastern Illinois Planning Commission in order to implement any stormwater plan as defined under Section 5-1062 of the Counties Code. These bonds are meant to allow counties to manage and mitigate the effects of urbanization on stormwater drainage. Any county, at least of which part has been declared a disaster area by presidential proclamation as a result of flooding after July 1, 1986, may levy an annual *non-referendum tax* to pay for the bonds. The tax may not exceed .20% of equalized assessed valuation in addition to the other taxes authorized to be levied in the county by law and said tax rate may be increased by referendum. Counties which have not been so declared a disaster area by presidential proclamation must submit the question of taxes to *referendum* for approval before the .20% tax can be levied to pay the bonds. Counties subject to the Extension Limitation Law must issue such bonds as limited bonds. Consequently, in such counties, taxes to pay the bonds would be limited as to amount due to the Extension Limitation Law and limited as to rate under the tax rate limit for these purposes.

**County Voting Machines**

- *Bonds for the purchase of voting machines* may be issued *without referendum* in amounts necessary for counties to acquire voting machines or electronic voting systems in order to comply with general election laws. Counties may levy a direct annual tax upon all taxable property in the county for the purpose of paying the principal of and interest on such bonds. Such tax is not subject to any statutory limitations relative to taxes that may be extended for county purposes, except that counties subject to the Extension Limitation Law must issue such bonds as limited bonds.

**County Highway and Superhighway Projects**

- *Highway Bonds for counties under 1,000,000* in population may be issued to construct, improve, or maintain county highways, roads or bridges *without referendum*. The bonds are payable from funds as pledged by the county board; however, the county board has no authority to levy a special property tax for the purpose of paying the bonds. Under the Illinois Highway Code, as amended, a county is authorized to levy a number of taxes in order to repair, maintain and construct county highways and said taxes can be pledged by the county board to the repayment of the bonds.
    - *County Highway Tax.* A county may levy a tax to (i) improve, maintain, repair, construct and reconstruct county highways, (ii) pay for lands, quarries, pits, or other deposits of road material needed in constructing the highways, (iii) acquire and maintain machinery and equipment and (iv) operate and construct or reconstruct buildings for housing highway offices, machinery, equipment and materials used in the construction, repair and maintenance of the highways. This tax is in addition to the maximum of all other county taxes which the county is authorized to levy, and cannot exceed .10% or the rate limit in effect on July 1, 1967, whichever is greater, of the county's equalized assessed valuation. The tax rate can be increased to .20% if approved by referendum.
    - *Special Tax for County Highways* or *Assisting Road Districts.* A county may, if approved by *referendum*, levy a tax for up to 5 years for the purpose of (i) constructing or repairing county highways, (ii) assisting one or more road districts in the county up to 25% of the cost of the construction or repair of township or district roads, or (iii) for both purposes. This tax is in addition to the statutory rate authorized for counties and cannot exceed .0833% of the county's equalized assessed valuation.
- *Superhighway Bonds for counties over 500,000* in population may be issued *without referendum* in an amount or amounts not exceeding $70,000,000. These bonds can be issued without regard to any statutory rate limitation relative to taxes that may be extended for county purposes, except that counties subject to the Extension Limitation Law must issue such bonds as limited bonds.

## Revenue Bonds

*Revenue Bonds* are obligations of the county payable *solely* from the *net revenue derived from the financed projects or facilities.* The full faith and credit of the county is not pledged for the payment of the bonds. In order for any non-home rule county to issue revenue bonds, however, there must be a revenue source related to the purpose for which the bonds are to be issued and there must be a specific statutory grant of power for the issuance of the bonds. The Counties Code and other acts applicable to counties authorize the issuance of revenue bonds for numerous revenue-producing projects, including the following:

- *Hospital Revenue Bonds* may be issued for the purpose of constructing, repairing, remodeling, extending, improving, equipping or acquiring a site(s) for a hospital building(s).
- *Homes for the Aged Revenue Bonds* may be issued to purchase, construct, equip, operate and maintain one or more homes for the aged. Any county may refund and refinance these bonds whenever doing so is in the public interest and federal funds can be used to redeem the bonds in whole or in part.
- *Garbage, Waste and Refuse Revenue Bonds* may be issued in order to furnish, acquire or operate grounds, property or other facilities for the disposal, treatment or recycling of garbage, waste or refuse by sanitary landfill methods or other appropriate technology. Any county that has a solid waste management plan or is a signatory to a plan shared by counties or municipalities has the power to require by ordinance, license, contract or other means that all or any portion of solid waste, garbage, refuse and ashes generated within the unincorporated areas of the county be delivered to a regional pollution control facility. Counties can contract with private entities to operate the facility or deliver the waste.
- *Medical Service Facility Revenue Bonds* may be issued to build, purchase, lease or improve any medical or dental office or clinic, including the land, furnishings and equipment necessary for such a site, pursuant to the Medical Service Facility Revenue Bond Act, as amended. The revenue bonds are payable from revenues received by the county from the rental, lease or sale of such facility. Alternatively, a county may lend the proceeds of the bonds to any person to finance the cost of such facility on terms providing for the repayment of the bonds.
- *Parking Facilities Revenue Bonds* may be issued for the purpose of acquiring, building, improving, equipping, managing, maintaining or controlling motor vehicle parking lots, garages, parking meters, the related real estate and any other revenue producing facilities related to the regulation, control and parking of motor vehicles in the county.
- *Revenue Bonds* may be issued in order to construct, acquire by condemnation or purchase any *waterworks properties, sewage facilities or waste management facilities* payable from the income and revenue derived from the operation of the waterworks properties or sewage facilities, or combination thereof, or waste management facilities.
- *Industrial Revenue Bonds* may be issued for the purpose of building, rebuilding, acquiring, improving or extending *industrial projects* within the county, pursuant to the Industrial Building Revenue Bond Act, as amended. Industrial projects include a wide range of capital projects—land, buildings, machinery and equipment—related to any manufacturing, industrial, research, transportation or commercial enterprise. Examples of industrial projects include factories, warehouses, industrial plants, office buildings, repair and

service facilities, freight terminals, research facilities, railroad facilities and commercial facilities. In addition, counties can build or convert structures to be leased as (i) correctional facilities by the Illinois Department of Corrections or (ii) state facilities by the Department of Central Management Services (if the facilities are built according to applicable standards). Counties can use industrial revenue bonds for site preparation, landscaping and all appurtenances and facilities incidental to these projects, including utilities, access roads, railroad sidings, truck docking, parking facilities, dockage, track, depot, terminals and switching, signaling or industry related equipment. While a county is authorized to acquire, build, rebuild and improve an industrial project, a county is not required to acquire or hold title to the project and can (a) *sell, lease, or rent* these projects to private enterprises engaged in the industries related to the project or (b) *loan the proceeds* of the bonds to such enterprises.

## Alternate Bonds

*Alternate Bonds* or *"double-barrelled bonds"* may be issued pursuant to the Debt Reform Act. Alternate bonds are general obligation bonds payable from enterprise revenues or from a revenue source, or both, with the general obligation of the county acting as backup security for the bonds. Once issued, and until paid or defeased, alternate bonds are a general obligation of the county, for the payment of which its full faith and credit are pledged, and are payable from the levy of ad valorem property taxes upon all taxable property in the county without limitation as to rate or amount. The intent of the Debt Reform Act is for the enterprise revenues or the revenue source to be sufficient to pay the debt service on the alternate bonds so that taxes need not be levied, or if levied, need not be extended, for such payment. Alternate bonds are not regarded or included in any computation of indebtedness for the purpose of any statutory provision or limitation unless taxes are extended to pay the bonds. In the event taxes are extended, the amount of alternate bonds then outstanding constitutes indebtedness of the county until an audit of the county shows that the alternate bonds have been paid from the pledged enterprise revenues or revenue source for a complete fiscal year.

The Debt Reform Act prescribes several conditions that must be met before alternate bonds may be issued. First, alternate bonds must be issued for a lawful corporate purpose. If issued in lieu of revenue bonds, then the revenue bonds must have been authorized under applicable law (including satisfying any backdoor referendum requirements) and the alternate bonds must be issued for the purpose for which the revenue bonds were authorized. If issued payable from a revenue source limited in its purposes or applications, then the alternate bonds must be issued only for such limited purposes or applications.

Second, alternate bonds are subject to a backdoor referendum. The issuance of alternate bonds must be submitted to referendum if, within thirty days after publication of the authorizing ordinance and notice of intent to issue the alternate bonds, a petition is filed with the county clerk. The petition must be signed by the greater of (i) 7.5% of the registered voters in the county or (ii) the lesser of 200 of the registered voters or 15% of the registered voters. Backdoor referendum proceedings for revenue bonds and for alternate bonds to be issued in lieu of revenue bonds may be conducted concurrently.

Third, the county must demonstrate that the enterprise revenues are, or that the revenue source is, sufficient to meet the requirements of the Debt Reform Act. If enterprise revenues are pledged as security for the alternate bonds, the county must demonstrate that such revenues are sufficient in each year to pay all of the following:

(a) costs of operation and maintenance of the utility or enterprise, excluding depreciation;

(b) debt service on all outstanding revenue bonds payable from such enterprise revenues;

(c) all amounts required to meet any fund or account requirements with respect to such outstanding revenue bonds;

(d) other contractual or tort liability obligations, if any, payable from such enterprise revenues; and

(e) in each year, an amount not less than 1.25 times debt service on all:

   (i) outstanding alternate bonds payable from such enterprise revenues; and

   (ii) the alternate bonds proposed to be issued.

If one or more revenue sources are pledged as security for the alternate bonds, the county must demonstrate that such revenue sources are sufficient in each year to provide not less than 1.25 times (1.10 times if the revenue source is a governmental revenue source) debt service on all outstanding alternate bonds payable from such revenue source and on the alternate bonds proposed to be issued. A county need not meet the test described in this paragraph for the amount of debt service set aside at closing from bond proceeds or other moneys.

## Installment Contracts, Leases and Debt Certificates

*Installment Contracts* are authorized for the purchase or improvement of any real estate, equipment, machinery or other personal property for public purposes under contracts providing for payment in installments. The maximum term of an installment contract is 20 years. A county's payment obligation under an installment contract constitutes a binding and enforceable promise to pay the amount borrowed plus interest. The county is expected to agree to annually appropriate amounts to pay the principal of and interest on the installment contract. There is no separate tax levy available for the purpose of making such payments. A county takes title to the project being financed under an installment contract as construction progresses.

*Leases* of real estate or personal property for public purposes may be entered into, for a term not exceeding 20 years for real property and personal property, pursuant to the Debt Reform Act and Section 5-1083 of the Counties Code.

*Sale-leaseback or lease-leaseback* agreements may be entered into by a county to the extent permitted by Section 17(b) of the Debt Reform Act or other applicable law.

*Debt Certificates* may be issued by a county to evidence the payment obligation of the county under an installment contract or lease. The county board may provide for the treasurer, comptroller, finance officer or other officer of the county board charged with financial administration to act as counter-party to the installment contract or lease, as nominee-seller or lessor. The installment contract or lease is then executed by an authorized officer of the county and is filed with and executed by the nominee-seller or lessor. As the county board executes contracts for the acquisition and construction of the project to be financed (work contracts), the county board orders those work contracts to be filed with the nominee-seller or lessor. The nominee-seller or lessor identifies the work contracts to the installment contract or lease. That identification permits the payment of the work contracts from the proceeds of the debt certificates. Debt certificates are paid from lawfully available funds of the county. A county is expected to agree to annually appropriate amounts to pay the principal of and interest on the debt certificates. There is no separate levy available for the purpose of making such payments.

## Special Service Area and Assessment Bonds

*Special Service Area Bonds.* When special services are provided to a particular contiguous area within a county, in addition to the services generally provided throughout the county, a county may create a *special service area* and the cost of the special services may be paid from taxes levied upon the taxable real property within the area pursuant to the Special Service Area Tax Law, as amended. A county may create a special service area within a municipality or municipalities when the municipality or municipalities consent to the creation of the special service area. Taxes may be levied in the special service area at a rate or amount sufficient to produce revenues required to provide the special services.

Prior to the first levy of taxes in the special service area, and prior to or within 60 days after the adoption of the ordinance proposing the establishment of the special service area, the county is required to hold a public hearing and to publish and mail notice of such a hearing. At the public hearing, any interested person may file written objections, or be heard orally, with respect to the establishment of the special service area and the levy of taxes therein. As a result of the hearing, the county may delete areas from the special service area so long as the remaining area is contiguous. An ordinance establishing the special service area must be timely filed with the county recorder and the county clerk.

Bonds secured by the full faith and credit of the territory included in the special service area may be issued for the purpose of providing the special services. Such bonds are retired by a levy of taxes unlimited as to rate or amount against the taxable real property in the special service area. The county clerk will annually extend taxes against all of the taxable real property in the area in amounts sufficient to pay the principal and interest on the bonds. Such bonds are exempt from both BINA and the Extension Limitation Law. Special service area bonds do not count against the county's statutory debt limit.

Prior to the issuance of special service area bonds, the county must give published and mailed notice and hold a hearing at which any interested person may file written objections, or be heard orally, with respect to the issuance of the bonds. The questions of the creation of the area, the levy of a tax on the area and the issuance of bonds for providing special services may all be considered at the same hearing.

The creation of the special service area, the levy of a tax within the area and the issuance of bonds for the provision of special services to the area are subject to a petition process. If, within 60 days after the public hearing, a petition signed by not less than 51% of the electors residing within the special service area and 51% of the owners of record of land within the special service area is filed with the county clerk objecting to the creation of the special service area, the levy of a tax or the issuance of bonds, the area may not be created, the tax may not be levied and the bonds may not be issued. If such petitions are filed, the subject matter of the petition may not be proposed relative to any of the signatories within the next two years.

*Special Assessment Bonds.* Similar to special service area financings, a special assessment is a method of financing a county improvement constituting a "local improvement" that benefits a particular area. The cost of such improvement is assessed against individual properties in amounts approximately equal to the value of the benefit to the properties assessed. Each assessment is a lien on the property and is payable in installments, usually annually with interest. Except for the public benefit portion of the special assessment and any county property assessed for actual benefit, special assessment debt does not count against the county's statutory debt limit.

The Special Assessment Supplemental Bond and Procedures Act, as amended, provides supplemental authority regarding the procedures for the making of local improvements and the issuance and sale of obligations payable from special assessments. Special assessment bonds may be issued to make local improvements outside of a municipality. Counties may pay for these bonds entirely or partly through special assessments raised for specific local improvements. The types of *local improvements* that may be funded by special assessment bonds include:

(i) constructing, installing, improving or extending storm sewers, sanitary sewers or water mains;

(ii) improving, widening, repairing or extending any street, highway, road, boulevard, alley, sidewalk or other public way;

(iii) constructing, installing or repairing curbs, gutters, street lights and all necessary appurtenances; and

(iv) any combination of the above within or abutting any platted subdivision.

## Public Building Commissions

Pursuant to the Public Building Commission Act, as amended, counties are authorized to create public building commissions (*"PBCs"*) for the purpose of assisting counties in the construction, acquisition, improvement, replacement and operation of public buildings and facilities. The PBC is authorized to issue lease revenue bonds and use the bond proceeds to finance the county's project. To accomplish the financing, the PBC takes legal title to the county's buildings and facilities that are being constructed and improved by the proceeds of the bond issue, and the PBC leases them to the county. For the county's use of said facilities, the county levies a tax upon all taxable property in the county to provide for the lease rental payments to the PBC. The PBC issues revenue bonds payable from the lease rental payments made by the county. This financing method may be of limited use to counties subject to the Extension Limitation Law, as such counties cannot levy a new tax without referendum approval in order to make such lease rental payments to the PBC. For counties that are not subject to the Extension Limitation Law, however, an unlimited tax upon all taxable property may be levied to provide for the lease rental payments to the PBC.

## Short-Term Borrowing Alternatives to Meet Operating Expenses

The following are ways that counties can borrow to meet cash flow needs. Federal Regulations require an analysis of the county's cash flow needs if the obligations are to be issued on a tax-exempt basis. The arbitrage regulations provide that this need is determined by preparing monthly cash flow estimates for the fund for which the borrowing is to be made. The proceeds of the borrowing may be invested without regard to yield restriction if the size of the borrowing is not greater than the sum of (i) the projected greatest cumulative cash flow deficit during the thirteen months following the issuance of the bonds for the fund for which the borrowing is to be made and (ii) the lesser of (a) five percent of the actual total expenditures from such fund in the preceding fiscal year or (b) the amount of working capital reserve maintained in such fund as calculated in the manner specified in the Federal Regulations. In addition, Federal Regulations require warrants or notes to mature within the greater of (a) 13 months after their issuance or (b) 60 days after the delinquency date for the taxes being anticipated.

*Tax Anticipation Warrants* are issued in anticipation of taxes levied but not yet collected. Such warrants may be issued in an amount up to 85% of the total amount of the taxes levied for the particular fund against which the warrants are issued. Counties must ensure that the amount of warrants also does not exceed 85% of (a) the county's last known equalized assessed valuation times (b) the maximum permitted tax rate for the particular fund involved. Warrants may have a fixed maturity date and are payable in the numerical order of their issuance solely from the taxes levied for the particular fund. Such taxes are pledged for the payment of the warrants and must be set aside and held for payment of the warrants.

*General Obligation Tax Anticipation Warrants* are authorized by the Debt Reform Act. Such warrants bear a specified due date and are secured by a levy of ad valorem taxes upon all taxable property in the county without limit as to rate or amount (if the county is not subject to the Extension Limitation Law). No additional money should accrue to the county as a result of the taxes levied to pay general obligation warrants because when the warrants are issued, the county clerk is instructed to reduce the specific tax rate by the percentage necessary to produce an amount to pay the principal of and interest on the warrants. A county may not issue general obligation tax anticipation warrants in excess of the formulas described above.

Under the Debt Reform Act, a county may issue *refunding warrants or general obligation bonds to refund warrants* should taxes or other revenues be delayed or insufficient to pay the warrants. The refunding warrants or bonds may also be secured by a levy of ad valorem taxes upon all taxable property in the county without limit as to rate or amount or, for a county subject to the Extension Limitation Law, may be issued as limited bonds.

Warrants initially issued are not included in any computation of indebtedness for the purpose of any statutory provision or limitation. Refunding warrants and general obligation bonds issued to refund warrants may be issued without regard to existing debt limitations. Upon being issued, however, such general obligation refunding bonds or warrants must be included and regarded as indebtedness.

*Tax Anticipation Notes*, like general obligation tax anticipation warrants, have a fixed maturity date and are general obligations issued in anticipation of taxes levied but not yet collected. A county may issue notes in an amount, including principal, interest thereon and costs of issuance thereof, not exceeding 85% of the taxes levied for the particular fund against which the notes are issued. The amount of notes, including principal, interest and costs of issuance, also may not exceed 85% of (a) the county's last known equalized assessed valuation times (b) the maximum permitted tax rate for the particular fund involved. No notes may be issued if there are tax anticipation warrants outstanding against the tax to be anticipated by the notes. Illinois law requires that the notes mature within two years. In addition, Federal Regulations place restrictions on the maximum maturity of notes. Tax anticipation notes are secured by the levy and collection of a direct annual tax upon all taxable property in the county sufficient to pay the principal and interest on the notes to maturity. As with general obligation warrants, no additional money should accrue to the county as a result of the tax because when tax anticipation notes are issued, it is the duty of the county clerk to reduce the specific tax rate by the percentage necessary to produce an amount to pay the principal of, interest on and costs of issuance of the notes.

Because general obligation tax anticipation warrants and tax anticipation notes are, and refunding warrants and general obligation bonds to refund warrants may be, secured by an unlimited property tax, they are subject to the requirements of the Extension Limitation Law and BINA and are, therefore, rarely issued.

*Personal Property Tax Replacement Anticipation Notes* may be issued in an amount not to exceed 75% of the entitlement of replacement taxes for the year anticipated. The amount of any transfers from the working cash fund of the county in anticipation of replacement taxes should be subtracted from the amount authorized by the 75% formula. The entitlement amount must be certified by the Director of the Illinois Department of Revenue. The notes are payable solely from personal property replacement taxes distributed to the county.

*Revenue Anticipation Notes* may be issued in anticipation of revenue from a reliable source such as federal aid, state revenue sharing or local taxes and fees. The notes must mature no more than twelve months from their date of issue and must be authorized by a vote of at least two-thirds of the members of the county board. Revenue anticipation notes may not be issued after the revenue to be anticipated has become delinquent and may not be issued in an amount in excess of 85% of such revenues. The notes are payable solely from the revenues that have been anticipated and do not count against a county's debt limit.

## Long-Term Borrowing Alternatives for Working Capital

*Bonds for the payment of outstanding indebtedness* may be issued, if approved by *referendum*, when a county determines there are outstanding claims for county expenses or county purposes that, when added to the sum levied for county purposes, exceed the sum of 25 cents on $100 valuation of property. The bonds are secured by the levy of a direct annual tax on all property in the county without limitation as to rate or amount. Federal Regulations require an analysis of the anticipated need for these borrowings and the period of time over which the bonds may mature.

*Counties over 200,000* in population may issue bonds *for the payment of outstanding indebtedness without referendum*, so long as the aggregate principal amount of the bonds to pay such claims does not exceed $2,500,000 and the bonds mature within 10 years. The bonds are secured by the levy of a direct annual tax on all taxable property in the county without limitation as to rate or amount or, for a county subject to the Extension Limitation Law, the bonds must be issued as limited bonds. Federal Regulations require an analysis of the anticipated need for these borrowings and the period of time over which the bonds may mature.

*Insurance Reserve Bonds* may be issued without referendum for the purpose of creating a reserve for the payment of any cost, liability or loss against which a county may protect itself or self-insure pursuant to Section 9-103 of the Local Governmental and Governmental Employees Tort Immunity Act of the State of Illinois, as amended (the *"Tort Immunity Act"*), or for the payment of which a county may levy a tax pursuant to Section 9-107 of the Tort Immunity Act, including any or all tort judgments or settlements entered against or entered into by the county. Such reserve fund, including interest earnings reasonably anticipated thereon, may not be funded in an amount in excess of that which is reasonably required for the payment of such costs (including costs of issuance of the bonds issued for the purpose of funding such reserve fund) as certified by an independent auditor, actuary or insurance underwriter. Furthermore, such reserve may not be increased beyond 125% of the auditor's, actuary's or insurance underwriter's estimated ultimate losses at the 95% confidence level. Insurance reserve bonds may be issued as limited bonds in counties subject to the Extension Limitation Law. The Tax Code imposes significant restrictions on the ability of a county to issue insurance reserve bonds on a tax-exempt basis. Generally, in order to issue insurance reserve bonds on a tax-exempt basis, bond proceeds on deposit in the insurance reserve fund may be invested only in certain other tax-exempt obligations until the bonds are retired.

## Refunding Bonds

*Refunding Bonds* may be issued to pay the outstanding bonds of a county in order to avoid a default, restructure the debt burden of the county or reduce the interest costs of the county. Refunding bonds are not subject to direct or backdoor referendum. The bonds are secured by the levy of a direct annual tax on all taxable property in the county without limitation as to rate or amount or, for a county subject to the Extension Limitation Law, may be issued as limited bonds. The issuance of refunding bonds requires compliance with complex Federal Regulations. At the commencement of any refunding, a county should consult bond counsel regarding the federal tax implications involved.

## For additional information, please contact:

**Erin P. Bartholomy**
(312) 845-3893
bartholo@chapman.com

**Patricia M. Curtner**
(312) 845-3815
curtner@chapman.com

**Lynda K. Given**
(312) 845-3814
given@chapman.com

**Daniel L. Johnson**
(312) 845-3811
djohnson@chapman.com

**Kelly K. Kost**
(312) 845-3875
kost@chapman.com

**Timothy V. McGree**
(312) 845-3803
mcgree@chapman.com

**Lawrence E. White**
(312) 845-3426
white@chapman.com

## Elgin O'Hare Western Bypass
## Comparison of Tax-Exempt Public Finance vs. TIFIA Financing

| Date | Public Finance | TIFIA Loan @ 3.12% | Difference | PV @ 4.49% |
|---|---|---|---|---|
| 1/15/2013 | 21,250,764 | 16,575,000 | 4,675,764 | 4,473,191 |
| 1/15/2014 | 21,253,974 | 16,573,564 | 4,680,410 | 4,285,215 |
| 1/15/2015 | 21,254,954 | 16,576,668 | 4,678,286 | 4,099,203 |
| 1/15/2016 | 21,252,104 | 16,574,000 | 4,678,104 | 3,922,892 |
| 1/15/2017 | 21,251,390 | 16,575,560 | 4,675,830 | 3,752,486 |
| 1/15/2018 | 21,251,005 | 16,576,036 | 4,674,969 | 3,590,566 |
| 1/15/2019 | 21,250,709 | 16,575,272 | 4,675,437 | 3,436,610 |
| 1/15/2020 | 21,254,129 | 16,578,112 | 4,676,017 | 3,289,334 |
| 1/15/2021 | 21,251,507 | 16,574,244 | 4,677,263 | 3,148,818 |
| 1/15/2022 | 21,255,370 | 16,573,668 | 4,681,702 | 3,016,361 |
| 1/15/2023 | 21,253,088 | 16,576,072 | 4,677,016 | 2,883,847 |
| 1/15/2024 | 21,252,088 | 16,576,144 | 4,675,944 | 2,759,285 |
| 1/15/2025 | 21,255,288 | 16,573,728 | 4,681,560 | 2,643,880 |
| 1/15/2026 | 21,252,088 | 16,573,668 | 4,678,420 | 2,528,566 |
| 1/15/2027 | 21,252,288 | 16,575,652 | 4,676,636 | 2,418,981 |
| 1/15/2028 | 21,250,663 | 16,574,368 | 4,676,295 | 2,314,859 |
| 1/15/2029 | 21,253,063 | 16,574,660 | 4,678,403 | 2,216,380 |
| 1/15/2030 | 21,253,588 | 16,576,216 | 4,677,372 | 2,120,666 |
| 1/15/2031 | 21,251,563 | 16,573,724 | 4,677,839 | 2,029,736 |
| 1/15/2032 | 21,251,313 | 16,577,028 | 4,674,285 | 1,941,035 |
| 1/15/2033 | 21,251,938 | 16,575,660 | 4,676,278 | 1,858,413 |
| 1/15/2034 | 21,252,538 | 16,574,464 | 4,678,074 | 1,779,234 |
| 1/15/2035 | 21,255,250 | 16,578,128 | 4,677,122 | 1,702,427 |
| 1/15/2036 | 21,253,500 | 16,576,184 | 4,677,316 | 1,629,335 |
| 1/15/2037 | 21,251,750 | 16,573,476 | 4,678,274 | 1,559,636 |
| 1/15/2038 | 21,255,500 | 16,574,692 | 4,680,808 | 1,493,421 |
| 1/15/2039 | 21,253,000 | 16,574,364 | 4,678,636 | 1,428,580 |
| 1/15/2040 | 21,253,000 | 16,577,180 | 4,675,820 | 1,366,365 |
| 1/15/2041 | 21,253,750 | 16,577,672 | 4,676,078 | 1,307,720 |
| 1/15/2042 | 21,253,500 | 16,575,528 | 4,677,972 | 1,252,029 |
| 1/15/2043 | 21,250,500 | 16,575,436 | 4,675,064 | 1,197,480 |
| 1/15/2044 | 21,253,000 | 16,576,928 | 4,676,072 | 1,146,267 |
| 1/15/2045 | 21,253,750 | 16,574,536 | 4,679,214 | 1,097,745 |
| 1/15/2046 | 21,250,750 | 16,577,948 | 4,672,802 | 1,049,131 |
| 1/15/2047 | 21,252,000 | 16,576,540 | 4,675,460 | 1,004,617 |
| | **743,844,656** | **580,142,120** | **163,702,536** | **81,744,310** |

*Notes*

*(1) Public Finance case assumes A rated Tax-Exempt Financing rates as of December 9, 2011*
*$5/bond underwriter's discount and $320,000 in fixed Costs of Issuance included in financing*

*(2) TIFIA Costs of Issuance would be paid upfront and not included in financing*

*(3) TIFIA rate assumed to be 3.12% (available rate as of Friday December 9, 2011*

*(4) Both cases assume financing Debt Service Reserve Fund at maximum annual debt service*
*Public Finance case included in financing, TIFIA paid upfront*

*(5) TIFIA rate assumed to be 3.12% (available rate as of Friday December 9, 2011*

*(6) PV Savings assumes discount rate of 4.49%, representing the True Interest Cost of the*
*Public Finance scenario*

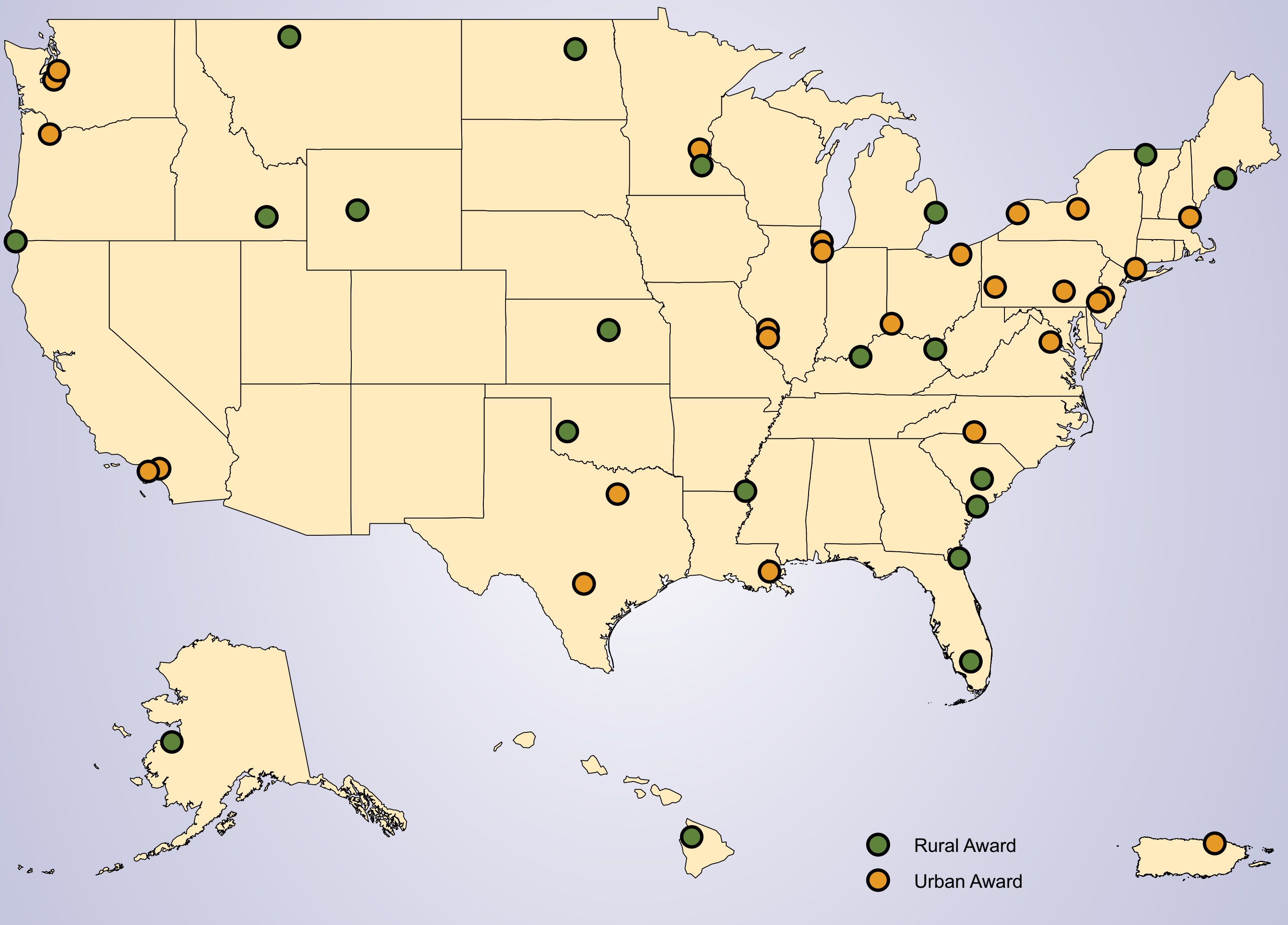
*(7) Both scenarios assume that the entire proceeds are spent immediately following issuance*
*of the debt*

# EOWB Finance Committee Packet

**AGENDA ITEM 3B**

# TIGER

## 2011 AWARDS

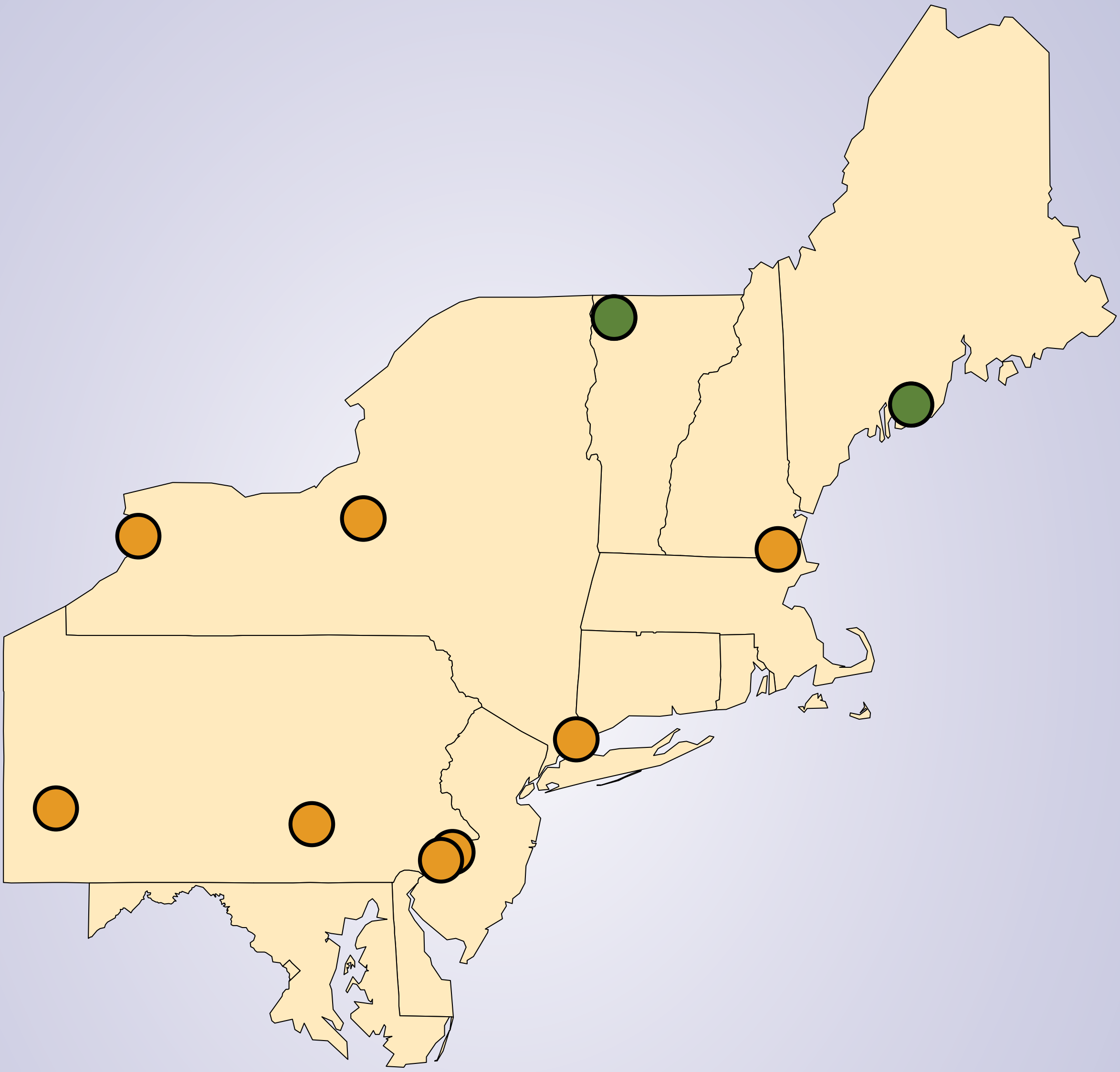



U.S. Department
of Transportation

| Project Name | State(s) | TIGER Grant |
|---|---|---|
| Chicago Blue Line Renewal & City Bike Share | IL | $20,000,000 |
| I-95 HOT Lanes | VA | $20,000,000 |
| St. Louis CityArchRiver Revitalization | MO | $20,000,000 |
| State Route 91 Corridor Improvements | CA | $20,000,000 |
| South Jersey Port Rail Improvements | NJ | $18,500,000 |
| LYNX Blue Line Capacity Expansion | NC | $18,000,000 |
| Sellwood Bridge Replacement | OR | $17,700,000 |
| Port of Long Beach Rail Realignment | CA | $17,000,000 |
| Port of New Orleans Rail Yard Improvements | LA | $16,738,246 |
| Buffalo Main Street Revitalization | NY | $15,000,000 |
| I-5 Lewis-McChord Area Congestion Management | WA | $15,000,000 |
| Rutherford Intermodal Facility Expansion | PA | $15,000,000 |
| Westside Multimodal Transit Center | TX | $15,000,000 |
| Alton Regional Multimodal Station | IL | $13,850,000 |
| Saddle Road Improvements | HI | $13,500,000 |
| Boundary Street Redevelopment | SC | $12,635,000 |
| Mayfield Transit Station | OH | $12,503,200 |
| I-95/US-301 Interchange Improvement | SC | $12,100,000 |
| Prichard Intermodal Facility | WV | $12,000,000 |
| Muldraugh Bridges Replacement | KY | $11,558,220 |
| Cincinnati Streetcar Riverfront Loop | OH | $10,920,000 |
| Kennebec Bridge Replacement | ME | $10,810,000 |
| Stamford Intermodal Access | CT | $10,500,000 |
| IL 83 (147th Street) Reconstruction | IL | $10,438,000 |
| Caparra Interchange | PR | $10,000,000 |
| Carrie Furnace Flyover Bridge | PA | $10,000,000 |
| Dames Point Intermodal Container Facility | FL | $10,000,000 |
| Devils Lake Rail Improvements | ND | $10,000,000 |
| IMPaCT Philadelphia | PA | $10,000,000 |
| Merrimack River Bridge Rehabilitation | MA | $10,000,000 |
| Minneapolis Transit Interchange Construction | MN | $10,000,000 |
| South Link: Sea-Tac Airport to South 200th Street | WA | $10,000,000 |
| Syracuse Connective Corridor | NY | $10,000,000 |
| Northern Montana Multimodal Hub | MT | $9,998,910 |
| Mississippi River Bridges ITS | MS/AR/LA | $9,814,700 |
| 17 Mile Road | WY | $8,233,700 |
| Oklahoma Freight Rail Upgrade | OK | $6,756,580 |
| Solomon Rural Rail Upgrade | KS | $6,568,095 |
| DART Orange Line Extension | TX | $5,000,000 |
| Snake Road Improvement | FL | $3,700,000 |
| Smiths Creek Road & Bridge Reconstruction | MI | $3,650,000 |
| US 101 Smith River Safety Corridor | CA | $2,500,000 |
| City of American Falls Complete Streets | ID | $2,300,000 |
| St. Albans Main Street Reconstruction | VT | $2,088,496 |
| Northfield Multimodal Integration | MN | $1,060,000 |
| St. Michael Community Streets | AK | $1,000,000 |

= Rural Project

TIGER



# EAST

U.S. Department of Transportation

TIGER

# SOUTH JERSEY PORT RAIL IMPROVEMENTS

**Applicant/Sponsor:** South Jersey Port Corporation

**Total Project Cost:** $157,550,000

**Grant Funding:** $18,500,000

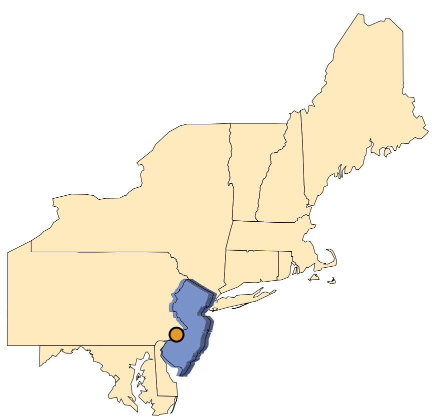
## Project Description

This project will repair DelAir Bridge, linking the rail networks of Pennsylvania and New Jersey. This major connection will be repaired to accommodate the transport of industry-standard 286,000 lb. rail cars and enhance freight movement throughout the northeast region. This project is part of a larger effort to repair the rail network from the DelAir Bridge to the Port of Salem, including the ports of Paulsboro and Camden, which must be significantly upgraded to accommodate the anticipated increased demand in rail and port traffic.

## Project Highlights

» Encourages safe expansion of rail traffic throughout central and southern New Jersey

» Supports economic competitiveness by accommodating existing shipments and encouraging new shipments over the bridge



EAST

## Project Benefits

The DelAir Bridge accommodates freight traffic from all over southern and central New Jersey. The repair of that bridge means that it will have the capacity to safely handle the growth in freight movements, which is anticipated to increase to over 152,000 car loads annually. The repairs will support expansion of development and growth in rail and freight traffic regionally and nationally. Shipments over the DelAir Bridge to the Ports of South Jersey are anticipated to support the burgeoning development of the off-shore wind energy industry. In addition, Conrail, which is a wholly owned subsidiary of CSX and Norfolk Southern, is contributing $12.5 million to the project. This accounts for more than 37% of the total project cost.

U.S. Department of Transportation

South Jersey Port Corporation SJPC

TIGER

# BUFFALO MAIN STREET REVITALIZATION

**APPLICANT/SPONSOR:** City of Buffalo, New York

**TOTAL PROJECT COST:** $40,000,000

**GRANT FUNDING:** $15,000,000

## PROJECT DESCRIPTION

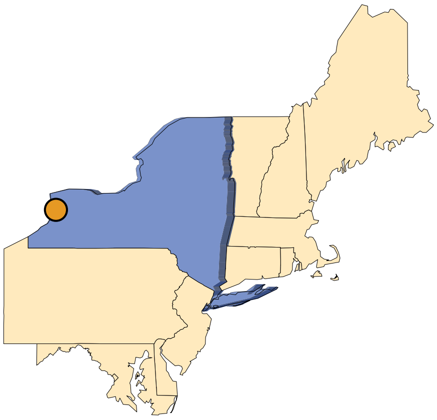
This complete streets project will help safely reintroduce vehicle traffic to Main Street in downtown Buffalo and improve transit stations along the corridor. It will also fund major streetscape improvements to revitalize and reorient economic growth downtown.

## PROJECT HIGHLIGHTS

» Restores two-way traffic on Main Street by allowing vehicles to share lanes with the light rail trains

» Enhances existing light rail stations with real time audio and visual transit information displays

» Provides visibly distinct pedestrian crosswalks at all intersections, reconnects streets, and improves paving, landscaping, and street furnishings



EAST

## PROJECT BENEFITS

The project is part of a larger initiative to revitalize the historic downtown by improving transportation connectivity, reinvesting in streetscaping, and encouraging retail growth. The city has already seen retail growth occur as a result of rebuilding and opening other downtown one-way streets to two-way traffic. This project builds on those successes while strengthening connectivity for all modes of transportation.

U.S. Department of Transportation

TIGER

# RUTHERFORD INTERMODAL FACILITY EXPANSION

**Applicant/Sponsor:** Pennsylvania Department of Transportation

**Total Project Cost:** $60,500,000

**Grant Funding:** $15,000,000

## Project Description

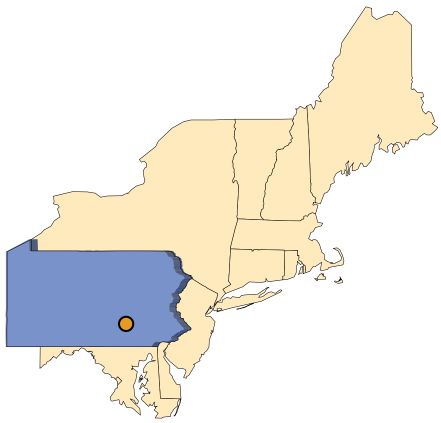
The project expands the Rutherford Intermodal Facility to accommodate an additional 125,000 lifts per year and enables the facility to keep pace with growing freight traffic demand in the Harrisburg area. The project includes track work, expansion of parking access, and the construction of cranes to increase capacity. This facility site on the Crescent Corridor is a central point for freight from cities in 12 states, including Chicago, Memphis, and Atlanta. The project will also reduce highway truck traffic along those corridors.

## Project Highlights

» Reduces Carbon emissions by 1.8 million tons

» Saves 162 million gallons of fuel over 30 years

» Increases the loaded trains expected to start or terminate in Harrisburg to 50 per day




## Project Benefits

Currently, one third of all the miles traveled on Pennsylvania's interstate system are traveled by large trucks. With freight demand projected to increase in the area, the congestion, roadway wear and tear, and safety risks will also increase. Expanding rail freight capacity reduces the amount of freight transported on these highly congested roadways. This rail capacity expansion will benefit freight shippers as well as all other highway users.

U.S. Department of Transportation

pennsylvania DEPARTMENT OF TRANSPORTATION

TIGER

# KENNEBEC BRIDGE REPLACEMENT

**Applicant/Sponsor:** Maine Department of Transportation

**Total Project Cost:** $24,900,000

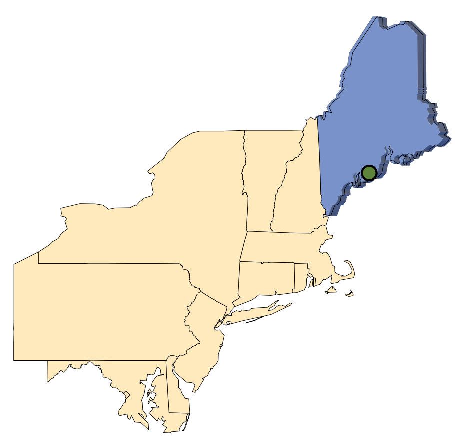
**Grant Funding:** $10,810,000

## Project Description

The Maine Department of Transportation will reconstruct the Kennebec Bridge, which carries State Route 197 over the Kennebec River between Richmond and Dresden. The project will bring the roadway corridor back to a state of good repair with the construction of a new long-lasting, high-level fixed span bridge to replace the current swing span bridge. The new design will accommodate car and truck traffic as well as bicycles and pedestrians.

## Project Highlights

- Provides reliable access and regional mobility for highway and marine traffic
- Enhances access for non-drivers and persons with disabilities and enhances safety for bicyclists and pedestrians
- Improves load capacity and design to reduce accidents and injuries



EAST

## Project Benefits

The project will replace the existing 80-year-old bridge, eliminating the need to address several deficiencies, including vertical clearance, structural fractures, and insufficient load capacity. The project will ensure that residents of Richmond and Dresden have continued accessibility and mobility, and the new bridge will allow for Americans with Disability Act (ADA) compliant travel lanes for pedestrian and bicycle use. Additionally, the project will ensure that the Kennebec River remains navigable for marine traffic, including U.S. Coast Guard icebreakers that maintain access during the winter.

U.S. Department of Transportation

MaineDOT

TIGER

# STAMFORD INTERMODAL ACCESS

**Applicant/Sponsor:** City of Stamford

**Total Project Cost:** $38,750,000

**Grant Funding:** $10,500,000

## Project Description

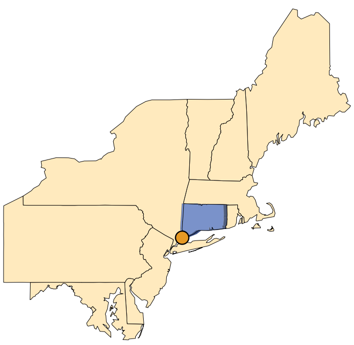
This project will construct two pedestrian bridges over the train tracks, pedestrian ramps, and train platform weather shelters at the Stamford Transit Center (STC). The project will also enclose an outdoor area on the north end of the station in order to increase the station's overall capacity. The station's passenger drop-off area and sidewalks will be widened, and new bike lanes will be constructed on approaching roads along with safety improvements.

## Project Highlights

» Improves capacity and reliability for an overburdened transit hub

» Supports economic development near the station

» Enhances safe, non-motorized access to the station



EAST

## Project Benefits

STC, a major hub between New York and New England serves 1,000 buses and 225 commuter trains daily. The station's original design was not intended to accommodate the 30,000 passengers that pass through it every weekday.

The project will make train platforms more accessible and less congested, expand station capacity, and improve safety on surrounding streets. By increasing the station's capacity and improving its accessibility, the project will improve its long-term performance, reliability, and cost-competitiveness. The enhancements will improve the overall user experience for current and future passengers; provide commuters with affordable, efficient transportation alternatives; and alleviate vehicle congestion by reducing regional vehicle miles traveled by a projected 19 million miles . Finally, the station improvements will complement the anticipated $3.5 billion in economic development planned near the STC.

U.S. Department of Transportation

TIGER

# MERRIMACK RIVER BRIDGE REHABILITATION

**Applicant/Sponsor:** Massachusetts Bay Transportation Authority

**Total Project Cost:** $43,000,000

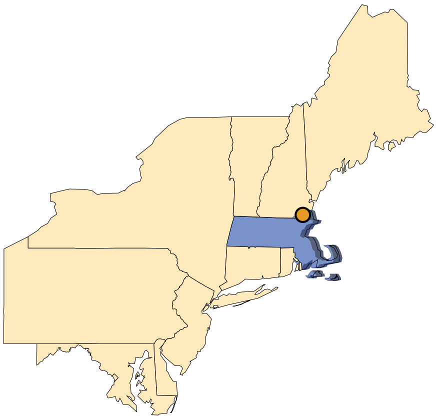
**Grant Funding:** $10,000,000

## Project Description

The Merrimack River Bridge Project will repair and reconstruct three bridges that provide an integral connection from Boston to Haverhill and other northern locations.. The bridges carry two railroad tracks over the Merrimack River in the city of Haverhill and serve as an important corridor for passenger service -- including the MBTA Commuter Rail - Haverhill Line and Amtrak's "Downeaster" train -- and Pan Am freight service.

## Project Highlights

- Improves speed and reliability for a commuter rail line serving over 10,000 riders per day
- Allows full 286,000 lb. rail cars to traverse the bridge, which is currently limited to only 263,000 lb. rail cars



EAST

## Project Benefits

Passenger train speeds will increase from 15 mph to 40-60 mph, and freight trains speeds will increase from 5 mph to 30 mph. This will improve overall travel time between Portland, Haverhill, and Boston. The improvements will help expand Downeaster service from five round trips per day to seven round trips per day. With fewer operational conflicts between the Downeaster, MBTA, and freight trains, reliability and on-time performance will also improve.

U.S. Department of Transportation

Massachusetts Bay Transportation Authority

TIGER

# SYRACUSE CONNECTIVE CORRIDOR

**Applicant/Sponsor:** City of Syracuse

**Total Project Cost:** $17,212,476

**Grant Funding:** $10,000,000

## Project Description

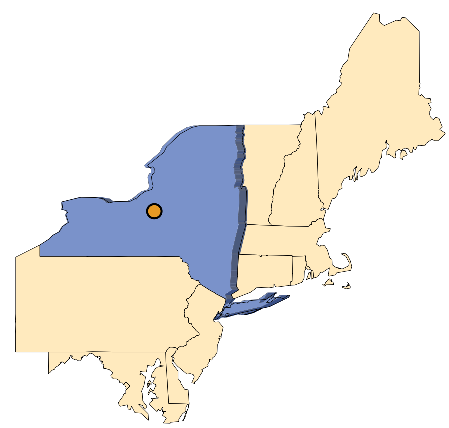
This project will help create a corridor of complete streets that connect the Downtown and University Hill areas and provide cost-effective, sustainable improvements that will re-invigorate downtown economic competitiveness. It will reconstruct 1.3 miles of the corridor, construct new multimodal facilities for bicycles, pedestrians, and transit services; enhance safety with traffic calming measures, improved signage systems, and enhanced intersection and street crossings; and introduce green infrastructure.

## Project Highlights

» Reflects broad community outreach and an innovative partnership

» Leverages considerable investments in urban renewal and cultural amenities, particularly housing, business revitalization, and public art

» Promotes the installation of green infrastructure as part of the Syracuse Save the Rain project to manage stormwater runoff, reduce combined sewer overflows (CSOs), and improve health



EAST

## Project Benefits

The success of an earlier phase of this project has demonstrated that businesses are willing to relocate to a revitalized downtown. The project will expand and improve access to affordable transportation options and enhance the traveler's experience with well-lit bus stops and easier access through better sidewalks. It builds on extensive partnership that includes the City of Syracuse, Syracuse University, Central New York Regional Transportation Authority, utility provider National Grid, Onondaga County, New York State, and over 80 businesses and cultural institutions. By establishing critical links to hotels, universities, and medical, retail, and cultural sites, the project will increase the city's economic competitiveness.

U.S. Department of Transportation

Syracuse New York

TIGER

# IMPACT PHILADELPHIA

**Applicant/Sponsor:** City of Philadelphia

**Total Project Cost:** $32,000,000

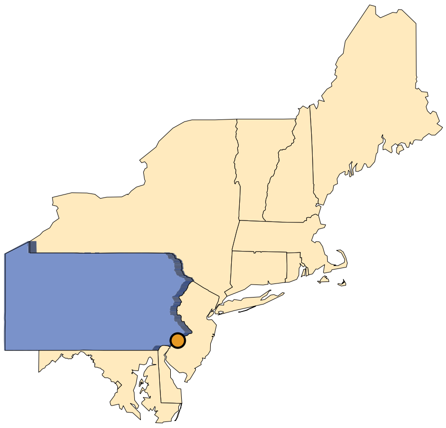
**Grant Funding:** $10,000,000

## Project Description

This traffic signal prioritization project will upgrade more than 100 existing traffic controllers along three transit corridors (Castor/Oxford Avenues, Bustleton Avenue, and Woodland Avenue), covering approximately 15.72 miles in Philadelphia. The project will connect the controllers to the city's existing traffic management system via fiber optic cable and link to transit vehicles serving these corridors, maximizing traffic flow and running speeds. The project also includes upgrades to Americans with Disability Act (ADA) compliant ramps, installs traffic monitoring cameras and fiber-optic cable, replaces electro-mechanical traffic controllers, installs signal priority receivers and optical emitters, and installs pedestrian countdown signals at intersections along the corridors.

## Project Highlights

- Smoothes traffic flow for transit vehicles on the corridors, improving connections to the SEPTA subway system
- Builds off of existing investments in traffic signal prioritization technology in Philadelphia, maximizing traffic flow and running speeds
- Upgrades pedestrian infrastructure, improving safety for all users



EAST

## Project Benefits

The project will upgrade technology at intersections which will improve traffic flow and make transit travel times more predictable. This effort also builds on existing traffic signal prioritization investments, improves an existing transit asset and will encourage greater transit use.

U.S. Department of Transportation

City of Philadelphia
LIFE • LIBERTY • AND YOU™

TIGER

# CARRIE FURNACE FLYOVER BRIDGE

**Applicant/Sponsor:** Redevelopment Authority of Allegheny County

**Total Project Cost:** $16,000,000

**Grant Funding:** $10,000,000

## Project Description

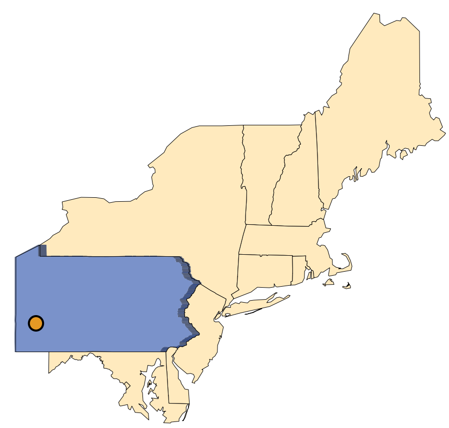
The project will help redevelop a historic blast furnace site, which is designated as an environmental Brownfield, and connect it to a residential community. It will improve three railroad crossings on streets approaching Carrie Furnace and constructs a ramp from the Rankin Street Bridge to provide direct access to the redevelopment site. These access improvements will enable redevelopment of the Brownfield as a sustainable industrial and office park with an adjacent riverfront residential development and park.

## Project Highlights

» Connects residents to an extensive network of biking and walking paths

» Eliminates an environmental Brownfield in an economically distressed community

» Bolsters the green economy with an "eco-industrial" park that will produce sustainable goods



EAST

## Project Benefits

This project will promote safety and quality of life in Allegheny County by addressing dangerous railroad crossings and revitalizing the area. This redevelopment plan will remediate the degraded environment, preserving the historical furnace buildings as a recreational park and restoring access to the Monongahela River. This project provides access to a new mixed-use industrial, commercial and residential area and connects this site to existing communities and economic opportunities.

U.S. Department of Transportation

Allegheny County Economic Development

Coordinating Success

TIGER

# ST. ALBANS MAIN STREET RECONSTRUCTION

**Applicant/Sponsor:** City of Saint Albans, Vermont

**Total Project Cost:** $2,705,496

**Grant Funding:** $2,088,496

## Project Description

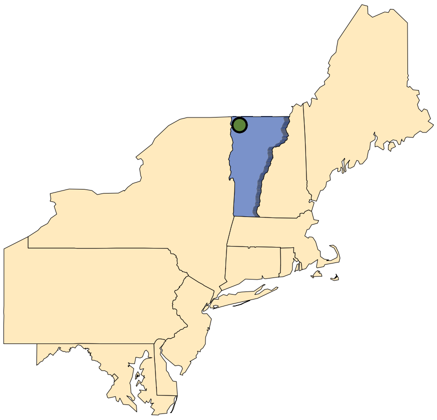
The City of Saint Albans will reconstruct 1,600 feet of North Main Street. The project will provide new sidewalks, pedestrian and street lighting, storm water management, street paving, new transit stops, new bicycle markings and amenities, and reconstruction of parking and pedestrian crosswalks in full compliance with accessibility and safety standards.

## Project Highlights

» Focuses on improving livability in the center of a small city by improving non-motorized transportation

» Links to Green Mountain Transit Authority service and Amtrak service at the St. Albans Rail Station

» Builds on substantial community planning efforts



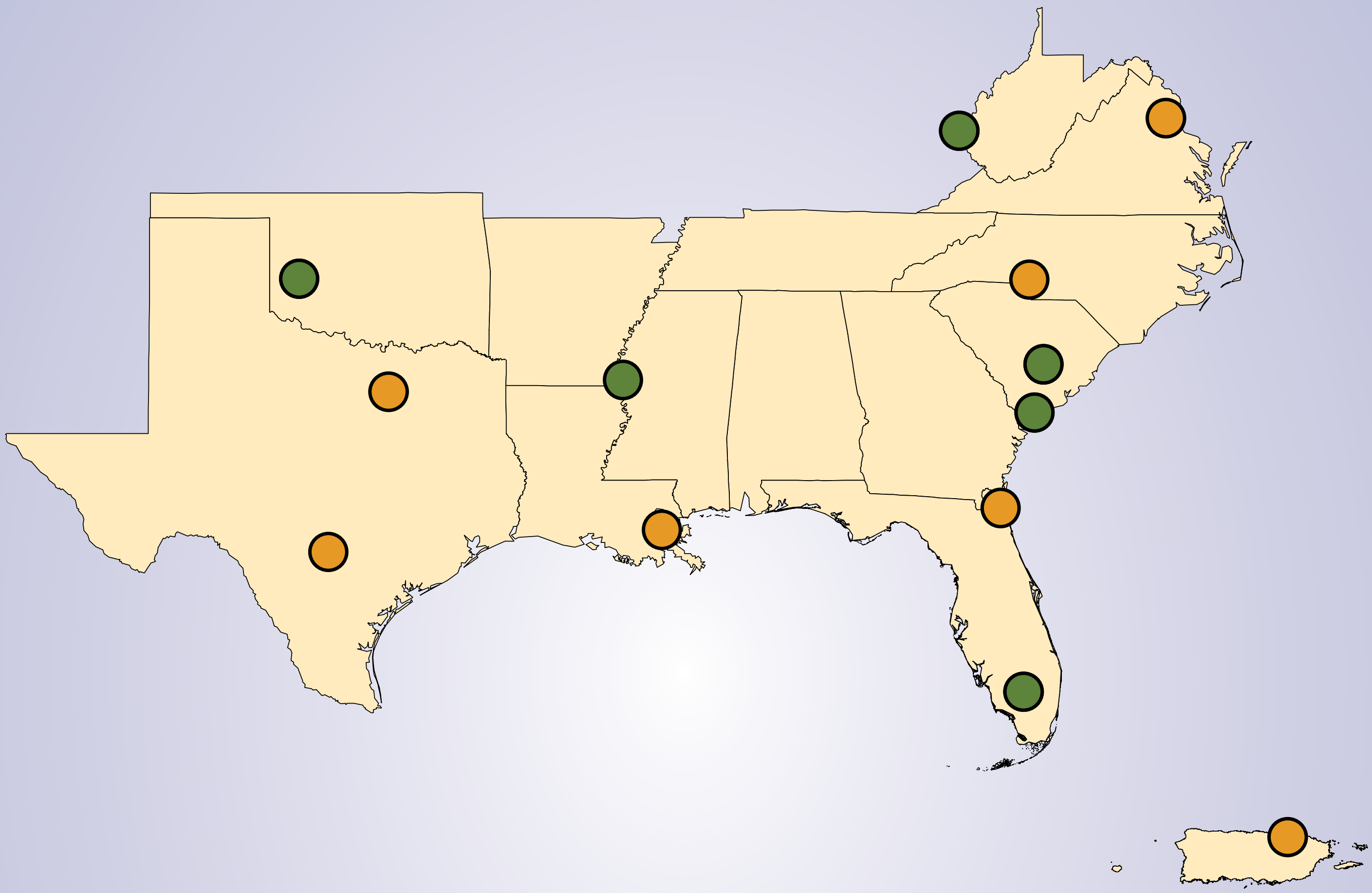
EAST

## Project Benefits

The project, which received a TIGER II Planning Grant, will implement the community's vision to improve mobility in this small rural town. These improvements will focus development in the downtown area, improve safety, and reduce emissions. The project will increase employment because it has necessary environmental approval and is ready to proceed quickly to construction. The project benefits motorized and non-motorized traffic and links to a 19 mile pedestrian network in Saint Albans and the 26 mile Missiquoi Valley Rail Trail, allowing bicyclists to access services in the city.

U.S. Department of Transportation

TIGER



# SOUTH

U.S. Department of Transportation

TIGER

# I-95 HOT LANES

**APPLICANT/SPONSOR:** Virginia Department of Transportation

**TOTAL PROJECT COST:** $940,700,000

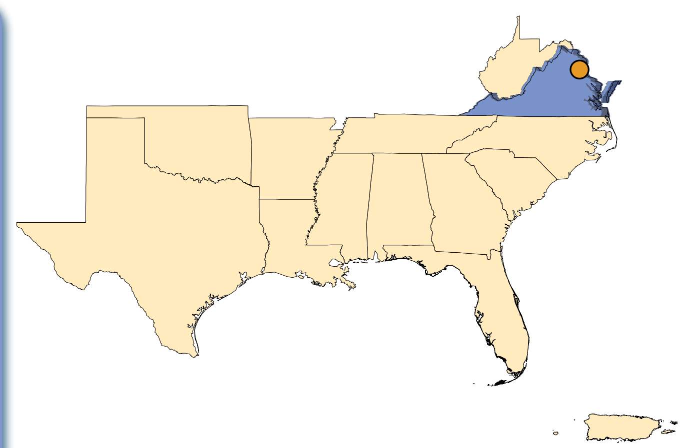
**GRANT FUNDING:** $20,000,000

## PROJECT DESCRIPTION

This TIGER TIFIA Payment will provide leverage for a much more robust TIFIA loan to help finance the construction of 29 miles of High-Occupancy Tolling (HOT) lanes in Northern Virginia, from Fairfax to Stafford Counties. The northern portion of the new HOT lanes will connect with the Capital Beltway HOT lanes that are currently under construction.

## PROJECT HIGHLIGHTS

- Incorporates variable pricing to assure a minimal service level for users
- Leverages a substantial public-private partnership featuring $550 million in private equity and $50 million in VDOT funding.
- Includes $2 billion from private partners to replace and refurbish roadway assets.



SOUTH

## PROJECT BENEFITS

This project will provide regional commuters with an option to bypass congestion on I-95 general-purpose lanes. The new HOT lanes will improve the reliability of car and vanpools and transit service along the corridor. Together, this will improve traffic conditions on the general-purpose lanes while reducing fuel consumption and associated emissions. Connectivity between the new I-95 HOT lanes and Capital Beltway HOT lanes will act as the building blocks for a regionally-managed lane system.

U.S. Department of Transportation

VDOT Virginia Department of Transportation

TIGER

# LYNX BLUE LINE CAPACITY EXPANSION

**Applicant/Sponsor:** City of Charlotte

**Total Project Cost:** $25,000,000

**Grant Funding:** $18,000,000

## Project Description

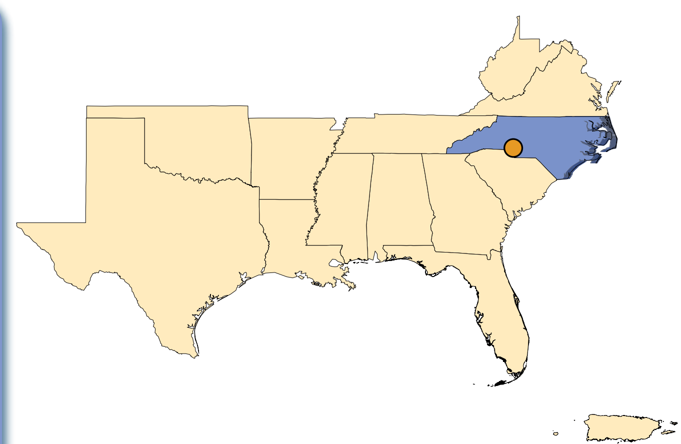
The project will expand capacity on the south corridor of the LYNX Blue Line Light Rail to improve service during peak hours and for special events. The grant allows the Charlotte Area Transit System to install additional power substations and extend platforms at three stations– I-485/South Blvd, Third Street, and and Seventh Street– to fully accommodate demand from both commuters and travelers to major destinations in downtown Charlotte.

## Project Highlights

» Increases ridership capacity on Blue Line by allowing more frequent operation of current two-car trains or operation of longer three-car trains.

» Expands platforms to accommodate three car trains at three key stations

» Facilitates the system-wide expansion of three-car train operations throughout the LYNX Blue Line corridor



SOUTH

## Project Benefits

Since opening in November 2007, the Blue Line has exceeded ridership projections and generated over $1.4 billion of new and planned economic development along the South Corridor. With continued ridership growth projected, these improvements will help meet the increasing demand for light rail public transit in the City of Charlotte. Additional power and expanded platforms will allow more passengers to use the public transit system in traveling to and from various special events in downtown Charlotte and at the Charlotte campus of the University of North Carolina. The LYNX Blue Line Capacity Expansion will be the first step in moving towards the system-wide operation of three-car trains in anticipation of continued transit-ridership growth in Charlotte.

U.S. Department of Transportation

CHARLOTTE

TIGER

# PORT OF NEW ORLEANS RAIL YARD IMPROVEMENTS

**Applicant/Sponsor:** Port of New Orleans

**Total Project Cost:** $26,132,191

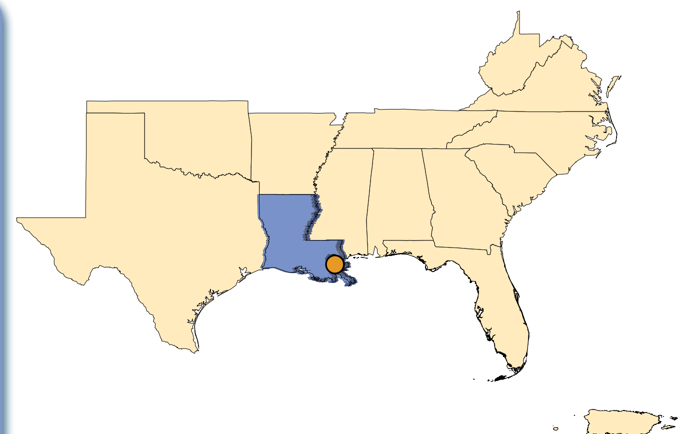
**Grant Funding:** $16,738,246

## Project Description

The Port of New Orleans will rebuild a specialized rail yard at the Louisiana Avenue terminal along the Mississippi River. The overall project has two components: construction of a new 12-acre freight rail intermodal terminal; and resurfacing and fortifying a 4-acre storage yard that is used for ultra-heavy project cargoes. The project's objective is to reduce congestion, facilitate the movement of marine and rail cargo, stimulate international commerce, and maintain an essential port asset in a state of good repair.

## Project Highlights

- » Increases annual traffic flow of the Louisiana Terminal more than four-fold, from 25,000 Twenty-pound Equivalent Units (TEUs) to an estimated 120,360 TEUs
- » Reconstructs 4,000 feet of rail track which facilitates safer, more efficient loading and unloading
- » Renovates a 4-acre storage yard to handle ultra-heavy and large project cargo safely and without contamination



SOUTH

## Project Benefits

The project makes critical renovations to a nationally significant and specialized port facility in the City of New Orleans, which is strategically located on the Mississippi River near six Class I rail lines and the Interstate Highway System. The project will support short-term and long-term maritime jobs in an economically distressed area of the country that depends on port activities and international commerce. The construction plans at the Louisiana Terminal will make optimal use of a constrained 16-acre space by realigning the tracks to provide for more efficient loading, unloading, and storage. These efficiency improvements will make the transport of goods – including ultra-heavy project cargoes – safer, cheaper, and more sustainable both to and from the Port of New Orleans.

U.S. Department of Transportation

Port of New Orleans

TIGER

# WESTSIDE MULTIMODAL TRANSIT CENTER

**Applicant/Sponsor:** VIA Metrolpolitan Transit Authority

**Total Project Cost:** $35,000,000

**Grant Funding:** $15,000,000

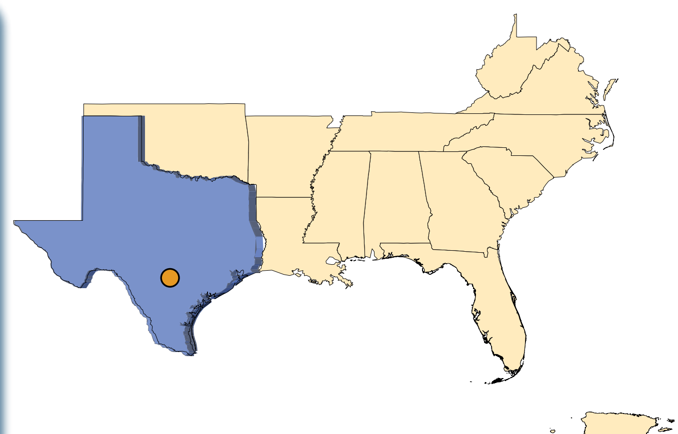
## Project Description

The project will construct a transit plaza connected to a rehabilitated historic train station to complete the Westside Multimodal Transit Center. The new facility will function as a convenient multimodal hub for San Antonio's current and planned bus routes, downtown streetcar, intercity bus, and bus rapid transit service. It will also serve the needs of bicycle commuters, and create a pedestrian-oriented environment.

## Project Highlights

» Improves transit accessibility for San Antonio as part of a $205 million redevelopment plan

» Features passenger amenities like real time bus information, and comfortable waiting areas. Anchors transit-oriented economic revitalization of the west side of San Antonio



SOUTH

## Project Benefits

More than 16,000 transit trips are made daily to San Antonio's central business district, but the city lacks a downtown location where riders can transfer to other transit services. This facility will reduce the number of pedestrians who must wait unsafely at crowded and narrow sidewalk bus stops. It will also enable buses to wait in the transit center on layovers, reducing bus operating expenses, cutting greenhouse gas emissions, and improving congestion downtown.

U.S. Department of Transportation

VIA

TIGER

# BOUNDARY STREET REDEVELOPMENT

**Applicant/Sponsor:** City of Beaufort, South Carolina

**Total Project Cost:** $30,393,700

**Grant Funding:** $12,635,000

## Project Description

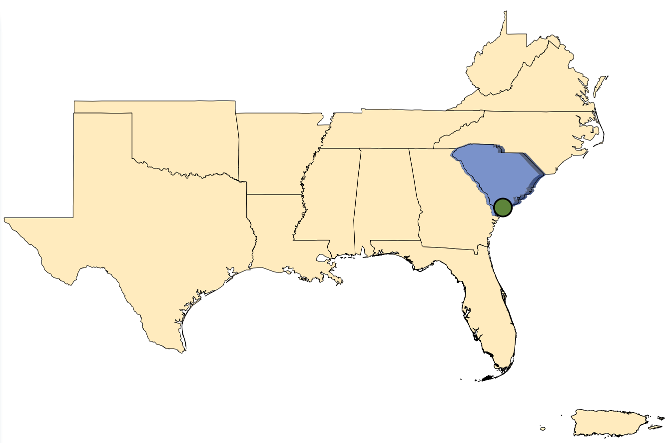
TIGER funds will contribute to Beaufort's effort to reconstruct Boundary Street and enhance the surrounding road network. Infrastructure improvements include a multi-way boulevard, secondary street connectivity, and a direct link to the Beaufort Rail Trail cycling and pedestrian greenway. Boundary Street, Beaufort's main thoroughfare, is currently a suburban-style commercial corridor which the City hopes to retrofit in order to increase multimodal connections, boost economic development through access to local businesses, and reduce vehicle trips while improving safety for all users.

## Project Highlights

» Constructs a boulevard through downtown encouraging redevelopment

» Connects the Beaufort Rail Trail and other regional trails

» Builds on a five-year planning process and several reforms at the local level



SOUTH

## Project Benefits

The planned improvements will enhance connectivity and handle large volumes of traffic while encouraging street front redevelopment and alternate modes of transportation. The project also features a 12-foot multiuse path parallel to Boundary Street, enhancing livability and safe, non-motorized transportation options. The project is the result of extensive local planning, including the passage of a new comprehensive land use plan, form-based codes to guide street design, and a 1 percent sales tax to pay for transportation improvements.

U.S. Department of Transportation

CITY OF BEAUFORT SOUTH CAROLINA

TIGER

# I-95/US-301 INTERCHANGE IMPROVEMENT

**Applicant/Sponsor:** Orangeburg County, SC

**Total Project Cost:** $33,400,000

**Grant Funding:** $12,100,000

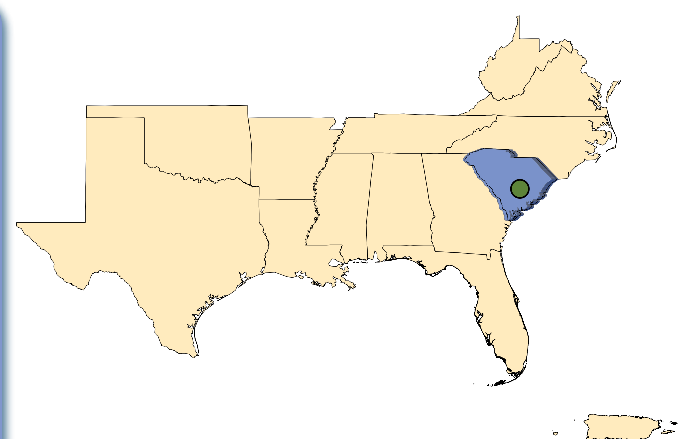
## Project Description

The project will construct an interchange for I-95 and US -301 to establish southbound access, correcting a flaw in the original design. Improving these connections is essential to further development of an inland multi-modal distribution center that serves southeastern seaports in Charleston and Savannah.

## Project Highlights

» Improves traffic flows and provides direct access to I-95 South

» Builds on a public-private collaboration between Orangeburg County and logistics firm Jafza International to attract companies and jobs to the area



SOUTH

## Project Benefits

Interchange improvements will establish a more direct route to southbound I-95 that will improve efficiency of truck and personal vehicles by reducing travel time and distance. Improving these connections is essential to the further development of an inland multi-modal distribution center serving southeastern seaports in Charleston and Savannah that will generate a substantial number of jobs in this economically distressed area. Jafza International is planning to build a $600 to $700 million intermodal logistics center near the interchange that would generate up to 9,000 permanent jobs by 2030 and serve as a catalyst for additional job growth.

U.S. Department of Transportation

COUNTY OF ORANGEBURG SOUTH CAROLINA CHARTERED MARCH 12, 1785

TIGER

# PRICHARD INTERMODAL FACILITY

**Applicant/Sponsor:** West Virginia Public Port Authority

**Total Project Cost:** $35,000,000

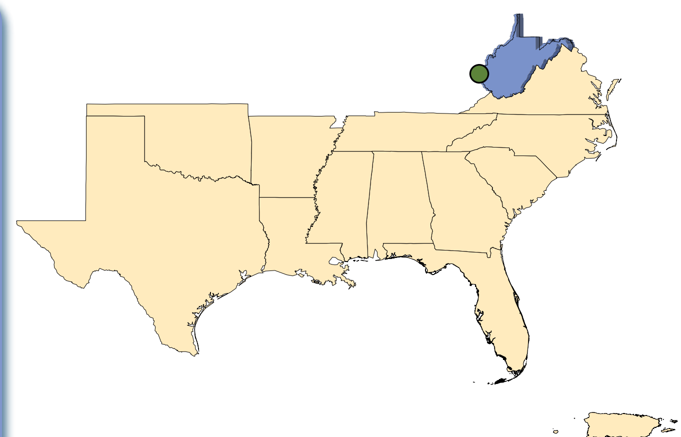
**Grant Funding:** $12,000,000

## Project Description

The West Virginia Ports Authority will construct a new intermodal terminal along Norfolk Southern's Heartland Corridor near Prichard, WV. The Heartland Corridor runs from the Port of Hampton Roads to Columbus, OH, and primarily carries container traffic to and from the port. The closest intermodal facility to the project site is currently over 120 miles away.

## Project Highlights

- Develops intermodal capacity in an economically distressed area
- Reduces long haul truck trips and congestion on interstates by diverting shipments to rail



SOUTH

## Project Benefits

The project will expand transportation options for shippers in central Appalachia, reducing costs for transporting goods in this rural community. Fewer long-haul truck trips may also result from completion of the new terminal, which improves environmental and safety conditions.

U.S. Department of Transportation

STATE OF WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

TIGER

# DAMES POINT INTERMODAL CONTAINER FACILITY

**Applicant/Sponsor:** Jacksonville Port Authority

**Total Project Cost:** $45,000,000

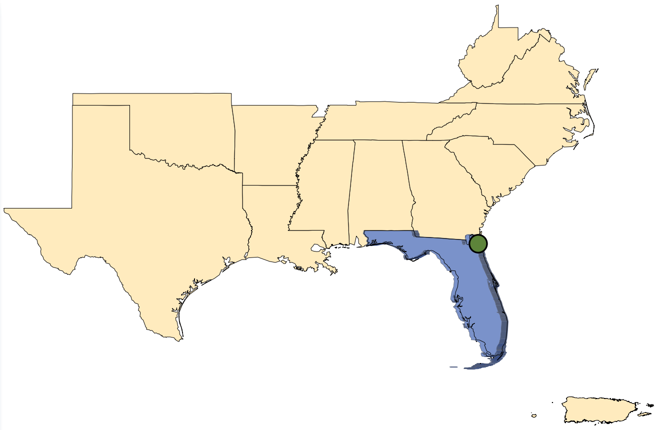
**Grant Funding:** $10,000,000

## Project Description

The project will help complete a new Intermodal Container Transfer Facility (ICTF) at the port of Jacksonville that will be used by CSX railroad. The ICTF will include a five-track rail yard, two wide-span electric cranes, and a paved area for stacking containers and several support uses, including a road and gate for truck movement of cargo, a parking area, and stormwater retention facilities. The facility will utilize zero-emission, wide-span electric cranes for all lift operations, which will operate over four, and 3,000-foot process tracks and provide 12,000 feet of working length.

## Project Highlights

- Completes an intermodal container facility that will increase the number of containers leaving the port by rail, improving energy efficiency and reducing our nation's dependence on oil
- Supports a $45 million public-private partnership to expand rail infrastructure capacity
- Reduces truck traffic on local and regional roads



SOUTH

## Project Benefits

With overwhelming support from numerous state and local officials, this public-private partnership consists of a $45 million investment in rail infrastructure and intermodal capacity. The ICTF will serve as an on-dock facility, providing existing and future port customers access to efficient rail transportation and enabling a large-scale reduction of long-haul truck trips from highways and local roads. The construction of the ICTF will allow the port to leverage existing investments and assist in handling future demand for freight movement from the existing TraPac Container Terminal and the future Hanjin Container Terminal.

U.S. Department of Transportation

JAXPORT
JACKSONVILLE PORT AUTHORITY

TIGER

# CAPARRA INTERCHANGE

**Applicant/Sponsor:** Municipality of Guaynabo

**Total Project Cost:** $19,000,000

**Grant Funding:** $10,000,000

## Project Description

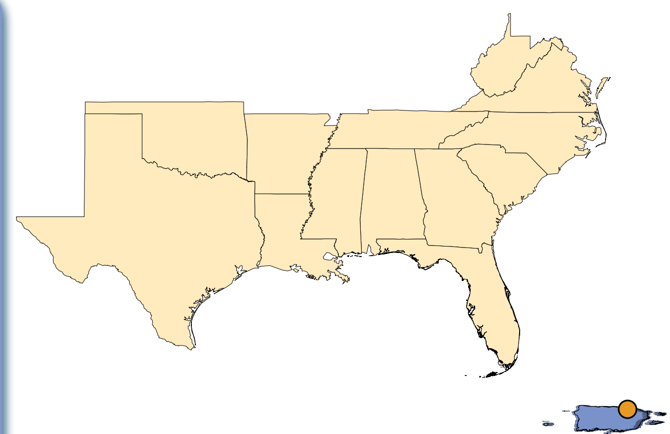
The project will rehabilitate the Caparra Interchange System (CIS) in and around the San Juan area by making significant improvements to integral portions of the road. The project will re-assign traffic flows, add ramps, create a roundabout, and make improvements to pedestrian facilities.

## Project Highlights

» Reduces congestion on one of the main access roads servicing more than 81,000 vehicles and 1.7 million commuters daily

» Increases the average speed of the interchange system at peak hours from 14 mph to 25 mph

» Improves infrastructure and increases efficiency within several economically distressed municipalities in order to create jobs and advance opportunities for increased private and local development



SOUTH

## Project Benefits

The project will improve one of the most utilized interchanges in Puerto Rico. The new system will enable better connectivity on the west side of the island by adding one lane on the highway in each direction, building six additional ramps, and converting an existing intersection to a roundabout. The project will improve pedestrian facilities and allow for increased bicycle usage. The substantial travel time savings will benefit commuters and more efficiently move freight from the Port of San Juan.

U.S. Department of Transportation

TIGER

# MISSISSIPPI RIVER BRIDGES ITS

**Applicant/Sponsor:** Mississippi Department of Transportation

**Total Project Cost:** $10,734,450

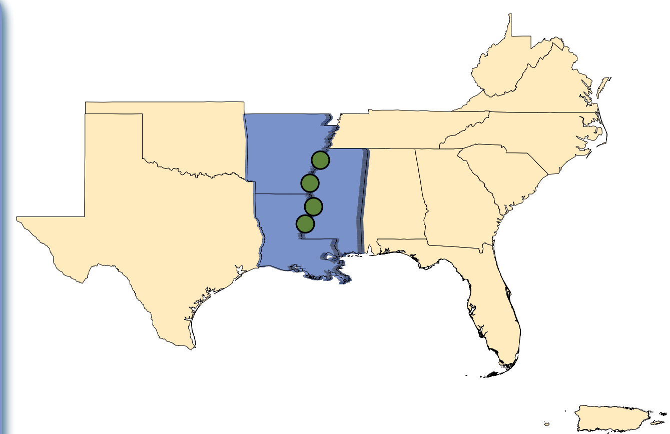
**Grant Funding:** $9,814,700

## Project Description

The project will deploy Intelligent Transportation Systems (ITS) improvements on and around four highway bridges that span the Mississippi River in Mississippi, Arkansas, and Louisiana. The bridges include the Helena Bridge (US-49, MS & AR); the Greenville Bridge (US-82, MS & AR); the Vicksburg Bridge (I-20, MS & LA); and the Natchez-Vidalia Bridge (US-84, MS & LA). The improvements include dynamic messaging signs, vehicle detection devices, closed-circuit television, highway advisory radio, and other fiber optic connections that will coordinate communication across the bridges. The project will also include real-time river monitoring systems that will provide information for barges traveling beneath the bridges.

## Project Highlights

- Improves safe operation of barges and reduces incidents of barges colliding with bridge piers
- Enables communication to drivers about detours or crossing closures, which, reduces travel delays and improves flow of on-road freight
- Builds on a unique partnership between three states and private industry



SOUTH

## Project Benefits

The project will enable agencies to better manage their transportation assets with real-time information and helps to prevent collisions by barge traffic into bridge piers. The project will improve efficiency, safety, and economic competitiveness for freight traffic that travels by river and highway, since barge accidents can shut road and river traffic down for hours or days. The project also features unique partnerships and cooperation between multiple states and private industry.

U.S. Department of Transportation

# OKLAHOMA FREIGHT RAIL UPGRADE

**Applicant/Sponsor:** Oklahoma Department of Transportation

**Total Project Cost:** $8,456,580

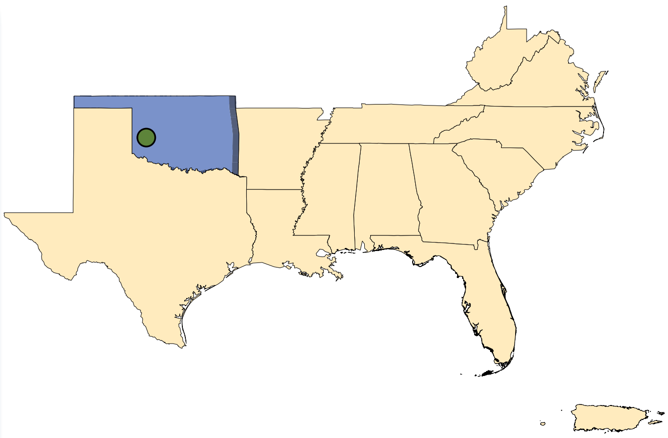
**Grant Funding:** $6,756,580

## Project Description

The project will upgrade 49 miles of state-owned rail line in the Anadarko Basin to more efficiently and safely transport crude oil and gas to the refinement stage. There are few viable options for transporting the oil and gas from this region, and the current rail line cannot meet the current demand. The project will rehabilitate the track to FRA Class 2 standards, which will allow for speeds up to 25 miles per hour, with fewer restrictions on the number of cars per train.

## Project Highlights

- Reduces transportation costs and speeds the process of bringing crude oil to market
- Includes financial participation from federal, state, local, and private sources, including Farmrail Regional Railroad
- Reduces the need to transport crude oil and other hazardous materials by truck



SOUTH

## Project Benefits

The project addresses national and regional needs by reducing the transportation costs of domestically-produced crude oil, and providing safe and efficient shipment to refineries. The project will also bring existing state infrastructure up to a state of good repair and reduce ongoing maintenance costs.

U.S. Department of Transportation

OKLAHOMA DEPARTMENT OF TRANSPORTATION

TIGER

# DART ORANGE LINE EXTENSION

**Applicant/Sponsor:** Dallas Area Rapid Transit

**Total Project Cost:** $429,500,000

**Grant Funding:** $5,000,000

## Project Description

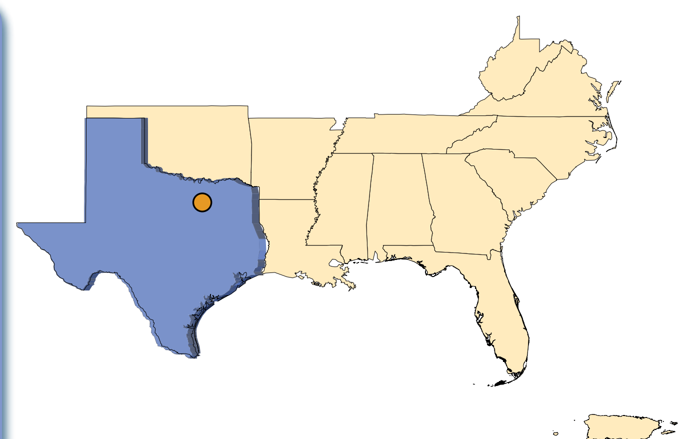
The project will complete the final segment of a 14.5-mile light rail link from Downtown Dallas to Dallas-Fort Worth International Airport (DFW), including a new station at DFW Terminal A. This TIGER Transportation Infrastructure Finance and Innovation Act (TIFIA) payment will provide support for a much more robust TIFIA loan to help finance the Orange Line Extension (I-3).

## Project Highlights

» Provides a public transit alternative

» Constructs DFW Terminal A Station, which includes the train platform, passenger walkways (including an underpass), and a bus transfer area

» Links passengers to TEX Rail, a 36-mile commuter rail service from southwest Fort Worth to DFW scheduled for completion in 2016



SOUTH

## Project Benefits

The project will not only serve as an additional transportation option for riders traveling to and from the airport, but will also provide employment links to DFW and serve as a transfer center for commuters – particularly upon completion of the TEX Rail commuter line. The completion of the I-3 segment will support transit-oriented development along the Orange Line corridor.

U.S. Department of Transportation

DART

TIGER

# SNAKE ROAD IMPROVEMENT

**Applicant/Sponsor:** Seminole Tribe of Florida

**Total Project Cost:** $4,623,000

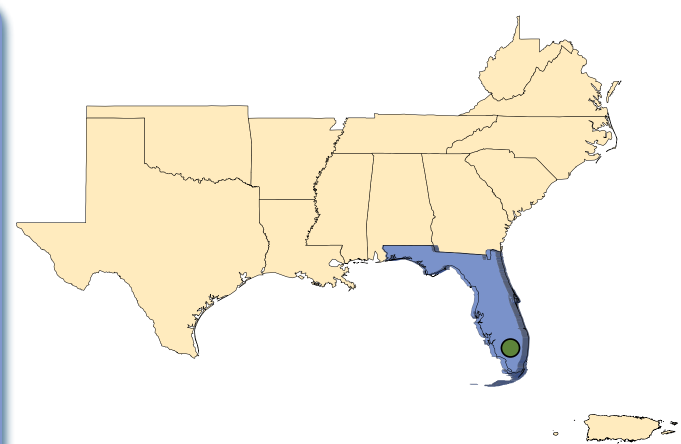
**Grant Funding:** $3,700,000

## Project Description

The project will improve 2.25 miles of road on the Big Cypress Reservation in Hendry County, Florida. The existing road has two 10-foot lanes, with worn, unpaved shoulders. The road has intermittent segments of sub-standard sidewalks. The project will complete two 14-foot travel lanes (one in each direction), a paved 16-foot median, a 5-foot sidewalk on the east side, and a 12-foot multi-use path on the west side.

## Project Highlights

- Enhances safety and accessibility for the Seminole Tribe of Florida
- Improves a designated emergency hurricane evacuation route
- Enhances access to commercial and tourist destinations on the Big Cypress Reservation



SOUTH

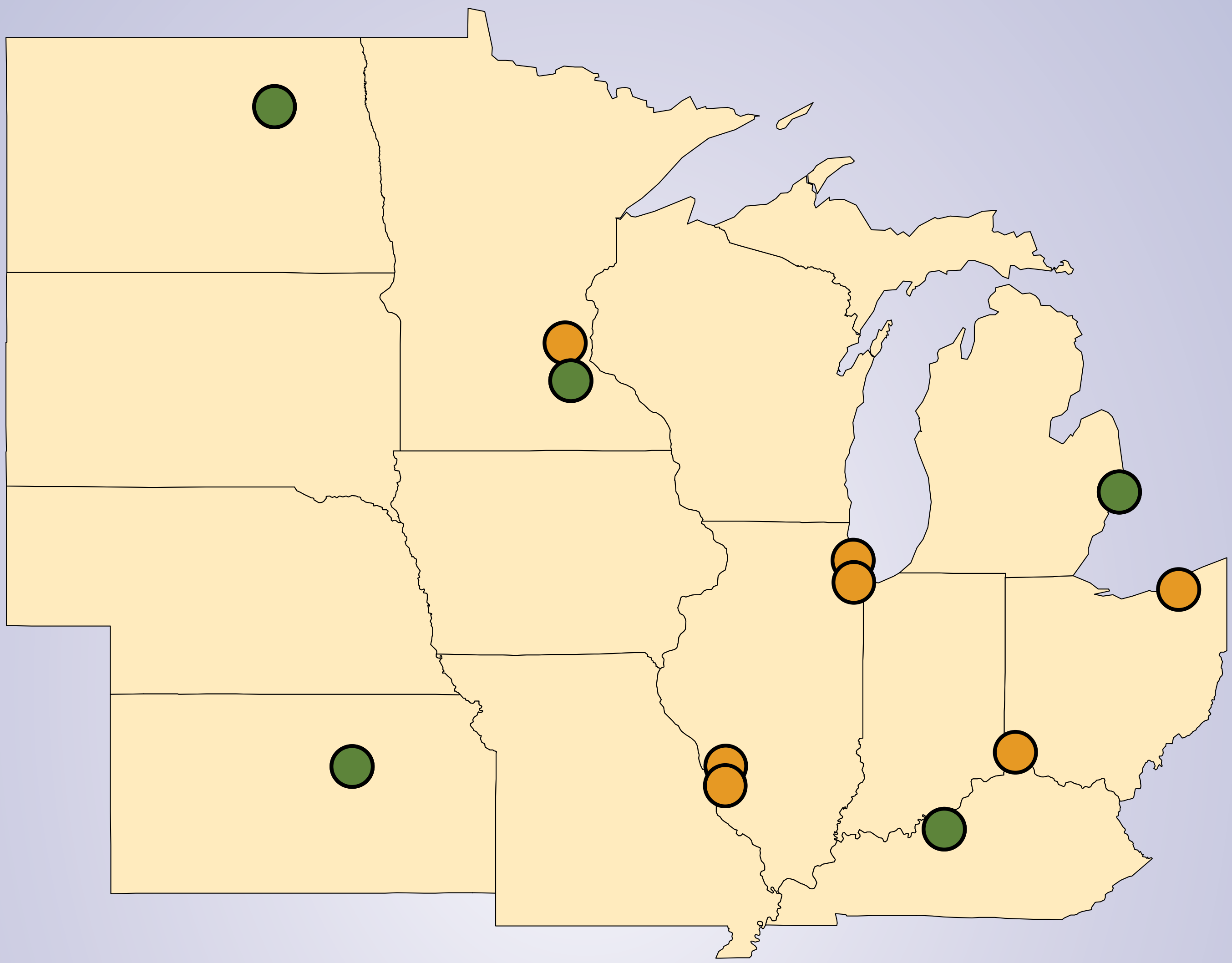
## Project Benefits

The project complements a larger 19.6-mile road improvement project from I-75 to the northern boundary of the Big Cypress Reservation. These improvements will reduce all-terrain vehicle, motor vehicle, and pedestrian crashes. Mobility will be expanded for all-terrain vehicle operators, pedestrians, bicyclists, and motorists. The project will significantly improve the roadway's state of good repair and help increase employment by enhancing access to commercial and tourist destinations.

U.S. Department of Transportation

SEMINOLE TRIBE OF FLORIDA · TRIBAL COUNCIL · IN GOD WE TRUST

TIGER



# CENTRAL

U.S. Department
of Transportation

TIGER

# CHICAGO BLUE LINE RENEWAL & CITY BIKE SHARE

**Applicant/Sponsor:** Chicago Transit Authority

**Total Project Cost:** $64,597,200

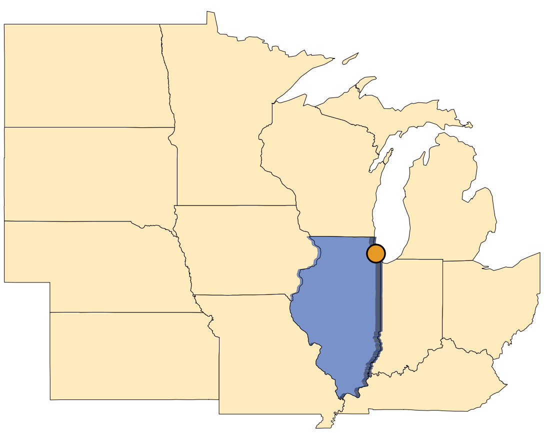
**Grant Funding:** $20,000,000

## Project Description

TIGER funds will help complete an overall project to repair 3.6 miles of track on Chicago Transit Authority's (CTA) Blue Line between Damen Avenue and Belmont Avenue, finishing all track improvements between Chicago's Downtown Loop and O'Hare International Airport. The project will also expand the City of Chicago's new bikeshare program by adding additional bikeshare stations and bikes.

## Project Highlights

- Returns the entire extent of the Blue line to a state of good repair
- Improves efficiency on a transit line serving millions passengers
- Provides a new option for point to point bicycle travel for the first and last mile after using transit



CENTRAL

## Project Benefits

The repairs to the O'Hare branch of the Blue line will address a critical need on a line that carries 78,000 riders per day. The entire Blue Line serves over 48 million trips per year -- more than 25% of all CTA trips. Current conditions necessitate slow orders on these portions of the line. This affects the efficiency and competitiveness of the rail line that runs parallel to the congested Kennedy Expressway, which carries 289,000 vehicles per day. Providing more efficient service on this important corridor effects the economic competitiveness of the region and supports the local community of nearly half a million residents with an energy efficient, high-capacity transit line connecting the O'Hare airport and downtown. The "point to point" bikeshare program will allow transit riders, locals, and visitors to take a bike from one location and return it to another at any of the other stations throughout the city, expanding the "first mile" and "last mile" of transit trips. In addition, the bikeshare program supports a sustainable, zero-energy transportation mode.

U.S. Department of Transportation

TIGER

# ST. LOUIS+CITY+ARCH RIVER REVITALIZATION

**Applicant/Sponsor:** Missouri Department of Transportation

**Total Project Cost:** $99,360,000

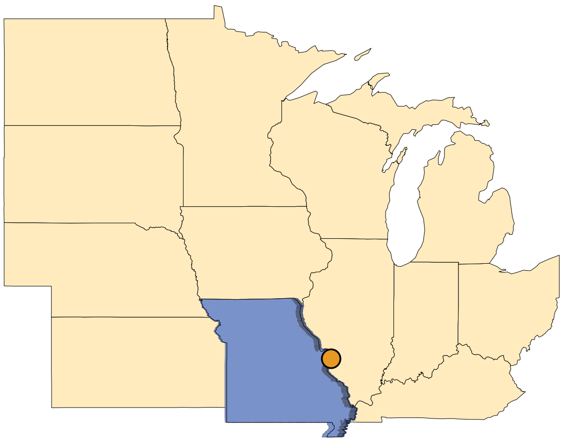
**Grant Funding:** $20,000,000

## Project Description

The project consists of roadway improvements along the I-70 corridor road system in St. Louis. The current roadway configuration presents a safety hazard to pedestrians and vehicles trying to access the Arch Grounds, and results in inefficient traffic flow, particularly between the Arch Grounds and the Downtown Core. The project will complement the completion of other projects in the area, including the new Mississippi River bridge.

## Project Highlights

- » Reconnects the Arch Grounds and the Mississippi River with the Downtown Core
- » Improves vehicular access to the Downtown Core
- » Eliminates pedestrian and vehicle conflicts to improve safety and livability



CENTRAL

## Project Benefits

The project will allow safer and more efficient travel for pedestrians and motorists, and enhances access to the Downtown core, entertainment districts, the Arch Grounds, and the Mississippi Riverfront. The roadway reconfigurations will also provide for more evenly distributed traffic flow, helping to reduce local congestion and vehicular/pedestrian accidents.

U.S. Department of Transportation

FRAMING A MODERN MASTERPIECE
THE CITY+THE ARCH+THE RIVER | 2015

MoDOT

TIGER

# ALTON REGIONAL MULTIMODAL STATION

**Applicant/Sponsor:** City of Alton IL

**Total Project Cost:** $21,980,000

**Grant Funding:** $13,850,000

## Project Description

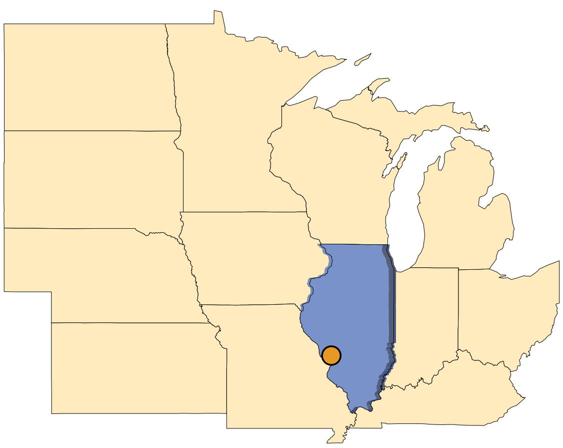
The Alton Regional Multimodal Transportation Center will be constructed adjacent to Alton's new Amtrak High Speed Rail Station in the new Robert Wadlow Town Center in Alton. The intermodal center will enable passengers to transfer seamlessly between Amtrak's Lincoln Route Service, regional transit lines, bicycle trails and pedestrian facilities. The Multimodal Transportation Center will also encourage transit-oriented development in the City of Alton.

## Project Highlights

» Provides sustainable public transit to more than 600,000 residents

» Accelerates implementation of High Speed Passenger Rail service in Illinois

» Uses new technology to expedite transit vehicles and control traffic flow



CENTRAL

## Project Benefits

This project will enable High Speed Rail travelers to disembark in the city of Alton and transfer easily to regional bus service serving nearby surburban destinations. The facility will support investments in the High Speed Rail station and increase Amtrak ridership by enabling more commuters to access rail without needing a car. Broadening the mobility options for regional travelers will not only enhance quality of life, but will also remove vehicles from the highly congested I-55 corridor.

U.S. Department of Transportation

CITY OF ALTON, ILLINOIS EXCELSIOR 1837

TIGER

# MAYFIELD TRANSIT STATION

**Applicant/Sponsor:** Greater Cleveland Regional Transit Authority

**Total Project Cost:** $15,206,014

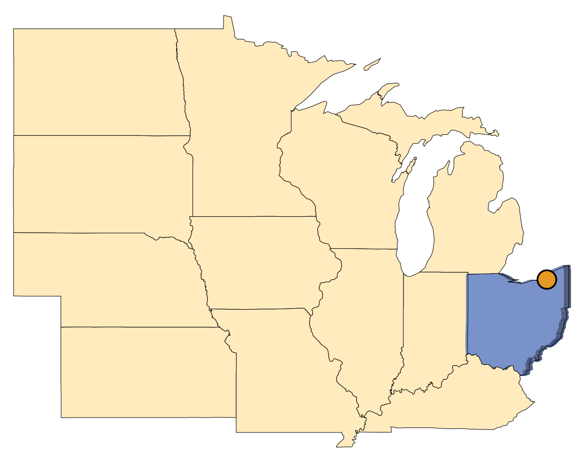
**Grant Funding:** $12,503,200

## Project Description

The Greater Cleveland Regional Transit Authority (RTA) will relocate rail tracks and reconstruct the Mayfield Road Transit station, which was built in 1929 but never utilized. The new station will replace the Euclid-E. 120th Street Station that has fallen into disrepair. The project will also rehabilitate two transit bridges serving the RTA Red Line Rapid Transit.

## Project Highlights

- Replaces an obsolete station with a new, energy efficient building
- Provides better connections to the University, Triangle and Little Italy districts, which are destinations for housing and employment
- Focuses on reusing existing community resources



CENTRAL

## Project Benefits

The new Mayfield Station replaces another station that is underutilized and in disrepair. The track realignment and two new bridges will better connect Red Line riders to University Hospitals and research centers which employ 50,000 people, as well as a variety of new housing, employment and shopping developments in the Triangle District and the historic Little Italy area. The new station will make high-efficiency transit safer and more convenient, and will usehigh performance lighting, low energy usage Heating, Ventilation and Air Conditioning systems, and native landscaping.

U.S. Department of Transportation

RTA

TIGER

# MULDRAUGH BRIDGES REPLACEMENT

**Applicant/Sponsor:** Kentucky Transportation Cabinet

**Total Project Cost:** $23,958,194

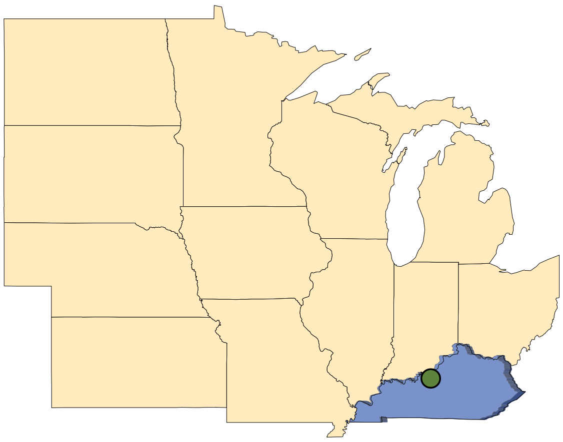
**Grant Funding:** $11,558,220

## Project Description

The project will replace two deteriorating freight rail bridges that have reached the end of their useful lives. The bridges, known as the Muldraugh Bridges, were built in the 1880s. These bridges are sequentially located along a heavily-utilized freight rail line extending between Paducah, KY, and Louisville, KY, and serve Fort Knox, Kentucky.

## Project Highlights

- Preserves service for over 114 customers of the rail line
- Replaces two bridges critical to military shipments for nearby Fort Knox



CENTRAL

## Project Benefits

The project improves critical infrastructure for a rail line that is used by numerous customers including Louisville Gas & Electric, which depends upon coal delivered over the bridges for power generation for the citizens of Louisville and Eastern Kentucky. The project supports the Paducah and Louisville Railroad (PAL), which transports numerous commodities including coal, chemicals, lumber, aggregates, clay, iron, steel, brick and grain. Replacing these bridges ensures that goods continue to move inexpensively and efficiently.

U.S. Department of Transportation

KENTUCKY TRANSPORTATION CABINET

TIGER

# CINCINNATI STREETCAR RIVERFRONT LOOP

**Applicant/Sponsor:** City of Cincinnati

**Total Project Cost:** $156,290,000

**Grant Funding:** $10,920,000

## Project Description

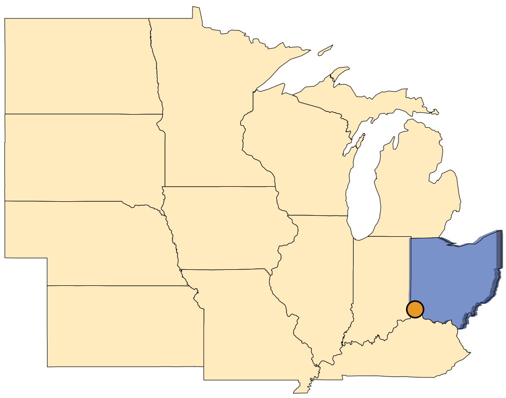
This project will design and construct the Riverfront Loop, supplementing the Downtown Circulator route of the Cincinnati Streetcar. The extension will directly connect the Downtown circulator route already in design with the Cincinnati riverfront to the south.

## Project Highlights

» Restores connection to the Riverfront loop

» Connects downtown with the $600 million Banks Mixed-Use development and 45-acre Central Riverfront Park

» Supports the Downtown project linking employment centers with disadvantaged neighborhoods



CENTRAL

## Project Benefits

This modern streetcar system has the potential to revitalize Cincinnati's urban core—a city served by six Fortune 500 companies, academic, medical and research institutions, with a widely dispersed employment base of over 70,000 people. By providing a public transit alternative, the city will use the investment to re-orient its development patterns into a more walkable, livable, and affordable community with a mix of land uses, housing units, and income groups. Much of the surrounding land use is underutilized vacant lots used as parking, which the city is working to redevelop using Tax Increment Finance Districts.

U.S. Department of Transportation

city of CINCINNATI

TIGER

# IL 83 (147TH STREET) RECONSTRUCTION

**Applicant/Sponsor:** Illinois Department of Transportation

**Total Project Cost:** $24,657,000

**Grant Funding:** $10,438,000

## Project Description

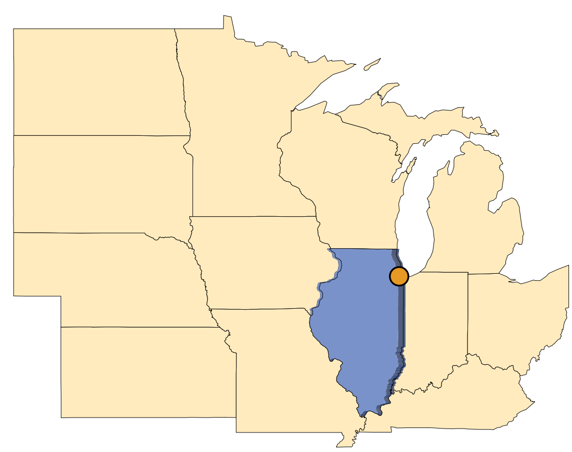
The project will reconstruct two miles of Illinois Route 83 (147th Street) between Kedzie Avenue and Western Avenue/Dixie Highway with two travel lanes in each direction separated by a median to accommodate left turn lanes. The project will also reconstruct intersections, on-street bicycle facilities, new sidewalks, and bus shelters.

## Project Highlights

» Enhances the connectivity of multiple modes of transportation within the area and improves mobility along IL 83

» Improves safety throughout the corridor for automobiles, pedestrians and bicyclists

» Upgrades bus pads, signage, and stops to make transit more accessible



CENTRAL

## Project Benefits

This project improves conditions on a narrow road with no median and improves turning movements with a dedicated lane. The project will improve safety by adding left-hand turn lanes and constructing barrier medians where appropriate. The project will improve access to public transportation with improved facilities for four bus routes with 90 weekday runs, and replace or relocate pedestrian/bicycle facilities. The project will also bring the road to a state of good repair and reduce long term maintenance costs.

U.S. Department of Transportation

Illinois Department of Transportation

TIGER

# MINNEAPOLIS TRANSIT INTERCHANGE CONSTRUCTION

**Applicant/Sponsor:** Hennepin County Regional Railroad Authority

**Total Project Cost:** $81,200,000

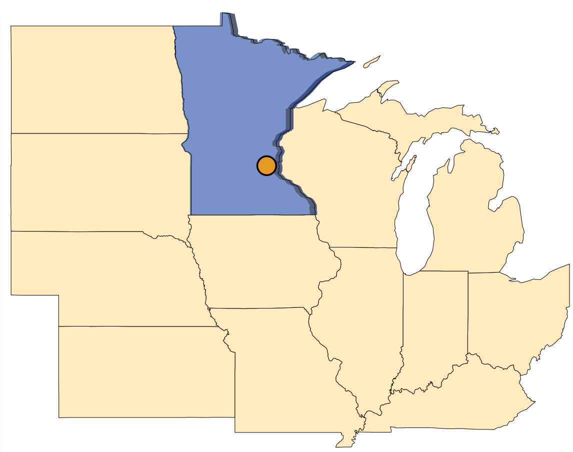
**Grant Funding:** $10,000,000

## Project Description

TIGER funds will help construct a new passenger platform, storage and staging tracks, and a new plaza at the Target Field Light Rail Transit (LRT) station in Downtown Minneapolis in order to accommodate the expected growth in LRT ridership when the Central Corridor light rail line opens in 2014.

## Project Highlights

- Enhances connections between LRT, bus, commuter rail, bicyclists and pedestrians at the Target Field LRT station
- Addresses an anticipated bottleneck as the region expands LRT service
- Supports transit oriented development at the nearby Warehouse Historic District



CENTRAL

## Project Benefits

This project supports the regional multimodal transportation system and provides increased capacity to eliminate a potential chokepoint in the system. The Target Field LRT station capacity improvements will eliminate significant operational delays to the LRT system (passenger loading and train staging and storage) when the Central Corridor light rail line opens in 2014. Service delays can result in ridership loses, increased operational costs, and potential safety issues, such as platform crowding. The project will also encourage transit-oriented development near the station at the Warehouse Historic District.

U.S. Department of Transportation

Hennepin

TIGER

# DEVILS LAKE RAIL IMPROVEMENTS

**Applicant/Sponsor:** North Dakota Department of Transportation

**Total Project Cost:** $99,936,000

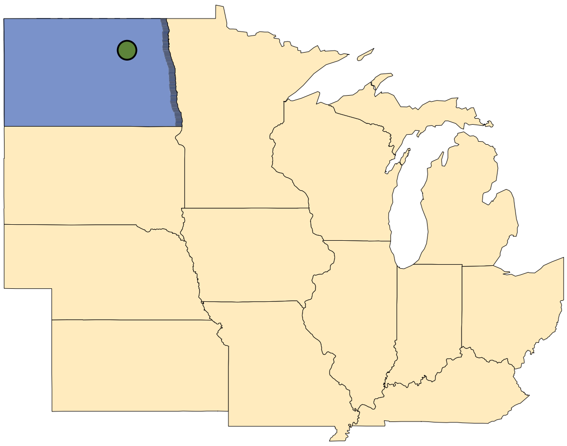
**Grant Funding:** $10,000,000

## Project Description

The North Dakota Department of Transportation (NDDOT) and its partners will raise a 15.4-mile section of the BNSF mainline track between Devils Lake and Churchs Ferry, North Dakota, to prevent flooding by the continually rising water level of Devils Lake.

## Project Highlights

- Ensures the Amtrak Empire Builder service can continue on the route
- Raises two bridges extending across Channel A and Mauvais Coulee
- Improves long-term reliability and lowers maintenance costs with high-efficiency materials



CENTRAL

## Project Benefits

The project will ensure the long-term viability of Amtrak operations and freight movements on the route. The train connects rural communities in North Dakota, Montana, and eastern Washington to larger urban centers with essential services in an area where extreme weather conditions frequently close roads and airports. If no action is taken, the Empire Builder, which runs between Chicago and Seattle and is one of Amtrak's most popular long-distance services, will soon no longer be able to operate on the Devils Lake route.

U.S. Department of Transportation

NDDOT North Dakota Department of Transportation

TIGER

# SOLOMON RURAL RAIL UPGRADE

**Applicant/Sponsor:** Kansas Department of Transportation

**Total Project Cost:** $20,108,883

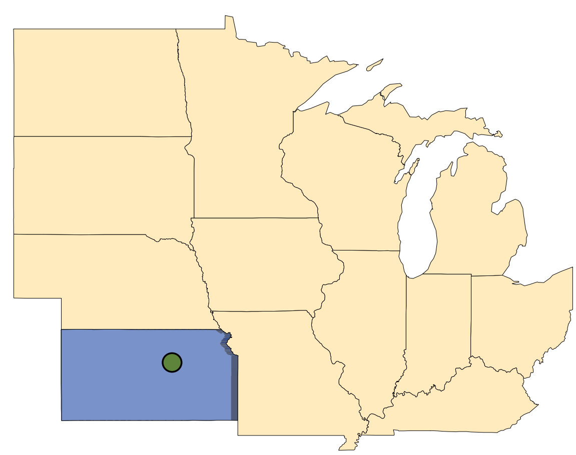
**Grant Funding:** $6,568,095

## Project Description

The project will upgrade freight railroad track in north central Kansas to avoid rail abandonment and avert a dramatic spike in heavy, rural truck traffic as the agricultural economy evolves. The project will refurbish 84 miles of rail currently restricted by weight and speed limits allowing the KYLE railroad, which operates on the line, to load full 286,000 lb cars. The project will also provide new signage and other safety improvements at 24 highway crossings.

## Project Highlights

- Supports shipment of agricultural goods by the most efficient means possible
- Prevents over $5 million in highway pavement damage by improving rail efficiency
- Reduces the risk of collision at 24 rail crossings



CENTRAL

## Project Benefits

Recently, agricultural production shifts in the North Kansas region from wheat to corn and soybeans has increased the demand for rail transportation by nearly 19%. Maintenance of the rail line enables shippers along the line to utilize rail for their heavy shipments rather than switching to trucks or an alternate route at prohibitive expenses. Rehabilitating these lines improves the economic competitiveness of these important commodities and allows them to reach domestic and international markets, contributing to the President's national export initiative.

U.S. Department of Transportation

Kansas Department of Transportation

TIGER

# SMITHS CREEK ROAD & BRIDGE RECONSTRUCTION

**Applicant/Sponsor:** St Clair County Road Commission

**Total Project Cost:** $3,850,000

**Grant Funding:** $3,650,000

## Project Description

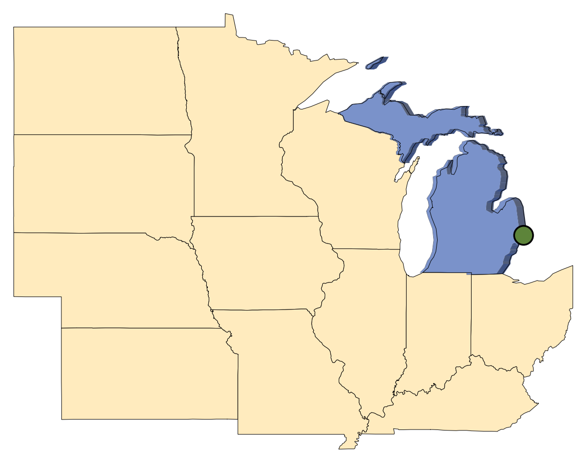
The Saint Clair County Road Commission will reconstruct 2.6 miles of Smiths Creek Road from the Smiths Creek Landfill entrance to Wadhams Road and replace the Smiths Creek Road Bridge over the Pine River. The project will resurface Smiths Creek Road and replace a large culvert located east of the bridge. Additionally, the project will replace the structure of Smiths Creek Road Bridge by removing existing beams, repairing abutments, and installing new beams and a new driving surface.

## Project Highlights

» Increases capacity and ensures the safety of 2,300 users per day

» Enables all-season access to the Smiths Creek Landfill, supporting the continued use of green technology to create energy at the County's innovative septage bioreactor

» Allows waste haulers to transport heavier loads, reducing fuel usage and greenhouse gas emissions



CENTRAL

## Project Benefits

The project addresses critical needs for the Smiths Creek Road Bridge, which provides essential access to the County's only landfill facility. The project will provide all-weather access to the landfill, which houses the first septage bioreactor in the United States. The septage reactor uses innovative technology to break down residential septic waste and municipal solid waste to create enough methane gas capable of generating up to 3.2 megawatts of electricity, enough energy to power 1,900 homes. The improvements to the road and bridge will ensure the continued flow of waste to the landfill facility, allowing for continued energy production though the septage bioreactor.

U.S. Department of Transportation

ST CLAIR COUNTY ROAD COMMISSION Since 1913

TIGER

# NORTHFIELD MULTIMODAL INTEGRATION

**Applicant/Sponsor:** City of Northfield, Minnesota

**Total Project Cost:** $1,560,000

**Grant Funding:** $1,060,000

## Project Description

This project will construct new facilities to allow pedestrians to cross State Highway 3, a major road bisecting the town of Northfield, as well as rail lines owned by Progressive Rail.

## Project Highlights

» Addresses a safety need with a grade-separated off-street crossing

» Connects a pedestrian underpass to a surrounding street and sidewalk network

» Improves access between residential and college areas and downtown

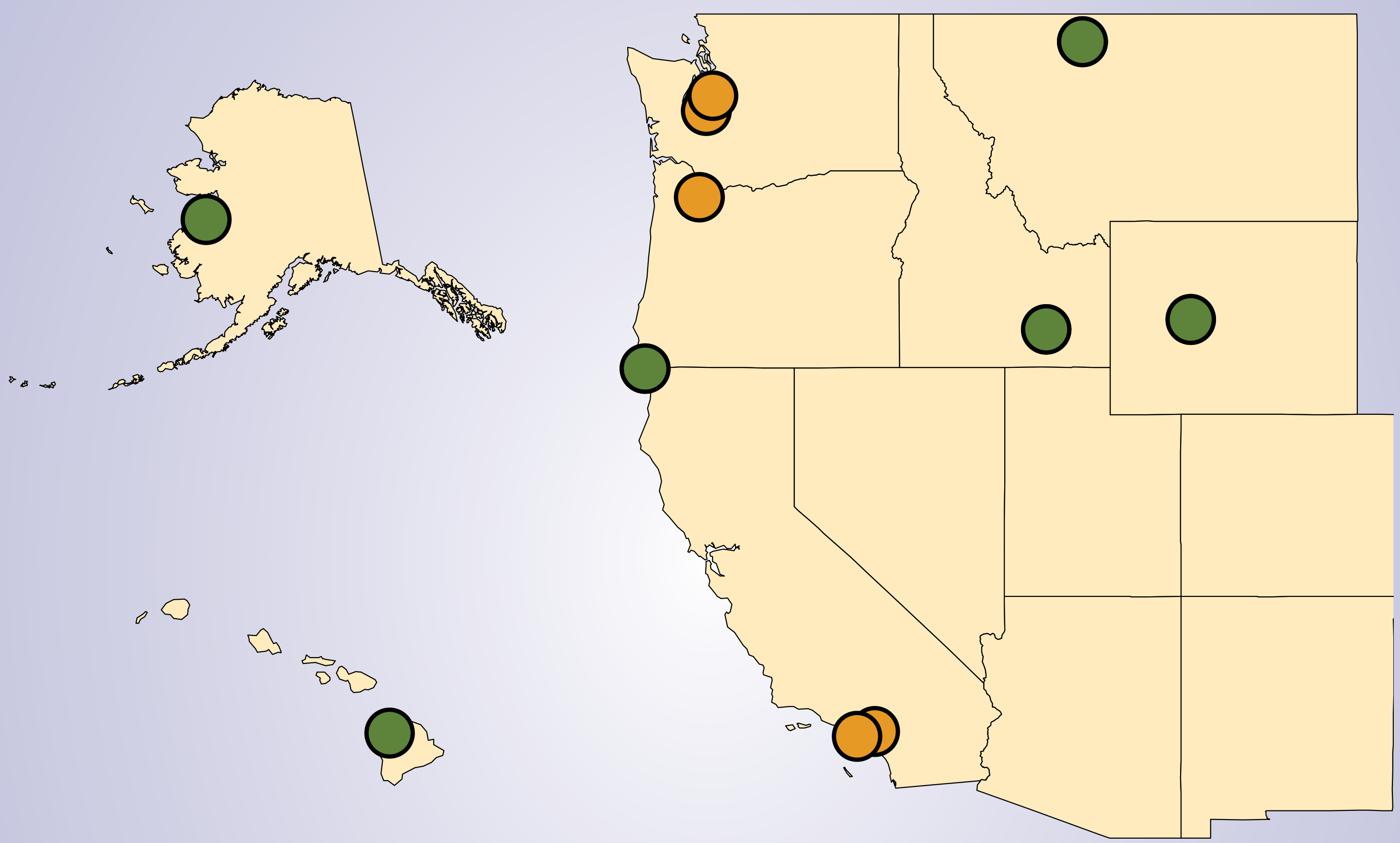

## Project Benefits

The project will improve pedestrian and bicycle access between residential and college areas in the western portions of Northfield and the downtown area, improve safety conditions for motorized and non-motorized travelers, and will provide a grade-separated mixed-use off-street crossing of Trunk Highway 3 in Northfield, MN. The project represents a widespread community effort to improve safety in an area where 23 percent of all commutes made by residents are nonmotorized. The project is supported by the Minnesota Department of Transportation (Mn/DOT), Progressive Rail, Union Pacific Rail, the two colleges, and other organizations.

U.S. Department of Transportation

City Of Northfield

TIGER



# WEST

U.S. Department
of Transportation

TIGER

# STATE ROUTE 91 CORRIDOR IMPROVEMENTS

**Applicant/Sponsor:** Riverside County Transportation Commission

**Total Project Cost:** $1,347,316,000

**Grant Funding:** $20,000,000

## Project Description

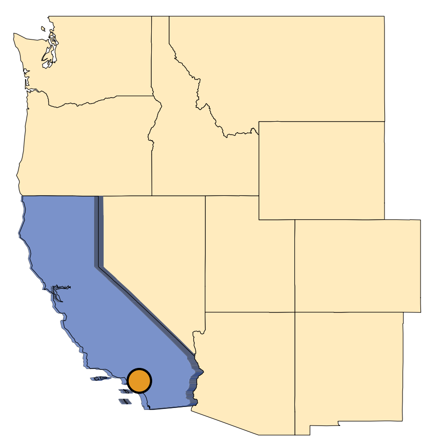
This $20 million TIGER TIFIA Payment will support a TIFIA loan that will finance up to one-third of the costs of the $1.3 billion, 8-mile extension of the SR-91 Express Lanes. The project will extend SR-91 Express Lanes from the current eastern terminus at the border of Orange and Riverside Counties eastward to I-15. Additionally, one general-purpose lane will be added to the facility in each direction along the project route. The SR-91 corridor provides a vital link between employment and residential centers in Los Angeles, Orange, and Riverside Counties, and facilitates goods movement between I-15, I-10, and the Ports of Los Angeles and Long Beach.

## Project Highlights

» Provides improved travel for drivers between the new and existing sections of the Express Lanes.

» Enables the Riverside County Transportation Commission (RCTC) and the Riverside Transit Agency (RTA) to implement enhanced Express Bus service along the corridor

» Uses TIFIA financing to leverage over $900 million in up-front local and state funding and accelerate project delivery by a decade



WEST

## Project Benefits

The new SR-91 Express Lanes will save users on average 30 minutes when traveling the 8-mile segment and improve traffic flow for commuters and trucks on the adjacent general-purpose lanes. Based on previous experience with the existing Express Lanes, RCTC expects to see an increase in transit ridership and car/vanpooling. The project would enable RCTC and RTA (the local transit provider) to offer enhanced Express Bus service along the corridor – doubling current express bus trips, adding five new routes, and providing 15-20 minute headways during peak hours.

U.S. Department of Transportation

rctc Riverside County Transportation Commission

TIGER

# SELLWOOD BRIDGE REPLACEMENT

**Applicant/Sponsor:** Multnomah County

**Total Project Cost:** $268,800,000

**Grant Funding:** $17,700,000

## Project Description

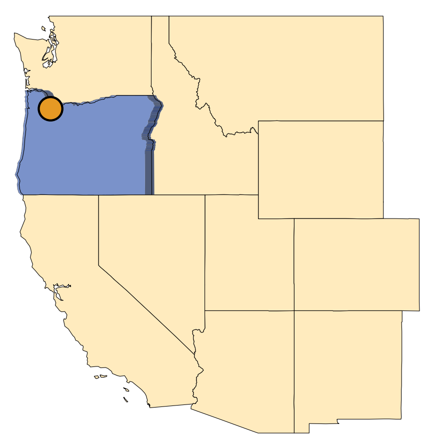
This TIGER award will provide the final piece of funding for the complete replacement of the Sellwood Bridge in Portland, OR. The Sellwood Bridge, which was constructed in 1925, is the only crossing over the Willamette River within 12 miles, and is structurally deficient and functionally obsolete. A new two-lane steel arch bridge is being constructed to replace the existing bridge. This TIGER grant will ensure that the project includes the reconstruction of the critical west-end interchange which will provide efficient and safe multimodal access to and from the new bridge.

## Project Highlights

» Constructs a bridge that meets current seismic standards that will protect it from hillside shifting that has already placed pressure on the existing bridge

» Reduces conflicts between bicyclists/pedestrians and vehicles with grade-separated bike/pedestrian paths

» Leverages over $230 million in state and local funding.



WEST

## Project Benefits

When completed, the project will improve safety for area residents by replacing the existing Sellwood Bridge which is structurally deficient. The new bridge will accommodate larger vehicles, improve freight and transit traffic flow, and travel times for drivers. The reconstruction of the west-end interchange will improve traffic flow on and off the new bridge, and reduce peak-hour congestion on OR State Hwy 43. The project will also provide a connection to the future Portland Streetcar line and complete a missing link on the Springwater Corridor bike/pedestrian trail.

U.S. Department of Transportation

MULTNOMAH COUNTY

TIGER

# PORT OF LONG BEACH RAIL REALIGNMENT

**Applicant/Sponsor:** Port of Long Beach

**Total Project Cost:** $64,496,013

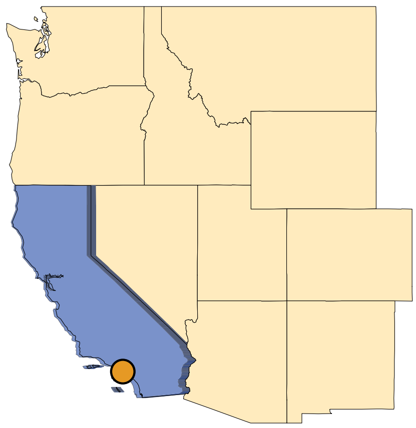
**Grant Funding:** $17,000,000

## Project Description

The Port of Long Beach will improve the lead tracks to two rail yards and relieve a chokepoint at the Ocean Boulevard overcrossing, where a large portion of the cargo transits enters or exits the port property. The project will improve efficiency and reduce the environmental impact of freight movements, and create jobs, enabling the port to move 35% of goods via on-dock rail by 2035.

## Project Highlights

- Adds a third mainline track on port property, extends rail staging areas for faster loading and unloading of long trains, and improves rail utilities
- Boosts rail capacity of the port by 50 percent through more safe, efficient, and environmentally sustainable rail operations, including on-dock rail.
- Eliminates as much as 2.3 million truck trips from local roadways and reduces greenhouse gas emissions
- Brings the port's rail infrastructure, some of which dates from the 1960s, into a good state of repair



WEST

## Project Benefits

The project will improve the efficiency and sustainability of operations at the Port of Long Beach through a major rail realignment at the Ocean Boulevard overcrossing. Freight operations at the Port of Long Beach have far-reaching impacts on the U.S. economy. The port, together with the adjacent Port of Los Angeles, move approximately 40% of the nation's containerized goods. The project will move those goods more efficiently and cost effectively, reducing the amount of trucks on the road, associated road maintenance costs, and greenhouse gas emissions in the Los Angeles area and throughout the western and central United States.

U.S. Department of Transportation

The Port of LONG BEACH

TIGER

# I-5 LEWIS-MCCHORD AREA CONGESTION MANAGEMENT

**Applicant/Sponsor:** Washington State Department of Transportation

**Total Project Cost:** $34,000,000

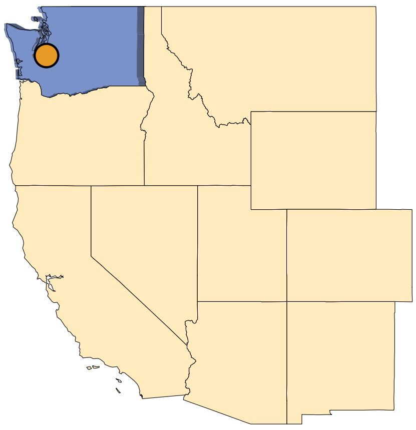
**Grant Funding:** $15,000,000

## Project Description

The project will add capacity to Interstate 5 by managing demand, and providing real time information to drivers on this heavily congested, 15-mile-long corridor that borders Joint Base Lewis-McChord between Olympia, WA and Tacoma, WA. Approximately fifteen percent of the traffic in the corridor is freight traffic. The project will deploy innovative traffic management strategies along Interstate-5 and into the Base, and expand traveler information. The project will also add HOV/express bypass lanes at 12 ramp meters.

## Project Highlights

- Improves the flow of traffic for commuters and freight movers along a corridor that experiences congestion approximately ten hours a day
- Provides incentives for carpooling, vanpooling, transit-use, and ride sharing through the HOV/express bypass lanes at the ramp meters
- Uses technology to solve a transportation challenge rather than adding lanes



WEST

## Project Benefits

The project supports ITS enhancements and other efficiency improvements being made by Washington DOT that will improve travel times and reduce congestion. The ramp metering included in the project can significantly reduce accidents. The project uses innovative technological solutions in conjunction with the existing road to solve a transportation challenge facing the community.

U.S. Department of Transportation

Washington State Department of Transportation

TIGER

# SADDLE ROAD IMPROVEMENTS

**Applicant/Sponsor:** State of Hawaii Department of Transportation

**Total Project Cost:** $94,900,000

**Grant Funding:** $13,500,000

## Project Description

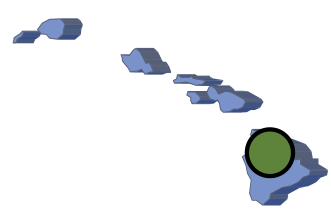
The project will improve Saddle Road, the most direct cross-island route (east-west) on the "Big Island" of Hawaii and the only paved access road to the U.S. Army's Pohakuloa Training Area (PTA), Kaumana City, Hawaiian Homelands, Hakalau Forest National Wildlife Refuge, Mauna Kea State Park, and the Mauna Kea & Mauna Loa astronomical observatories. Currently, drivers do not fully utilize this route for cross-island travel because it is considered one of the state's most hazardous highways. Roadway improvements will include horizontal and vertical realignments, add uphill passing lanes, and construct truck escape ramps. The project will build on roadway investments made by the U.S. Army which has already reconstructed 31 of the original 48 miles reconstructed to date.

## Project Highlights

» Improves roadway to meet rural arterial design standards

» Accommodates military convoys and cross-island truck traffic with new passing lanes.

» Shortens Saddle Road by 2 miles after realignment.



WEST

## Project Benefits

Investments in Saddle Road will boost commuter and freight travel and also reduce cross-island journey time while improving island mobility, connectivity, and accessibility. Auto rental companies that currently do not allow renters to drive on Saddle Road will lift that limitation as a result of funded safety improvements. The improvements are also expected to decrease annual road maintenance costs by 50%.

U.S. Department of Transportation

DEPARTMENT OF TRANSPORTATION · STATE OF HAWAII

TIGER

# SOUTH LINK: SEA-TAC AIRPORT TO SOUTH 200TH STREET

**Applicant/Sponsor:** Sound Transit

**Total Project Cost:** $238,402,000

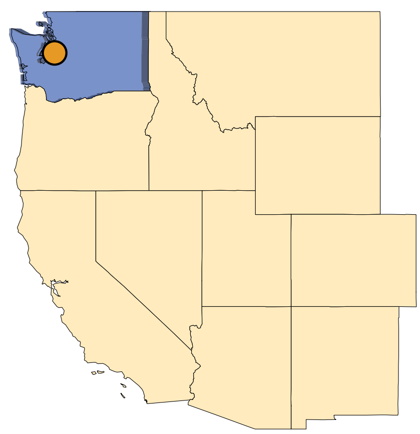
**Grant Funding:** $10,000,000

## Project Description

The project completes the extension of Seattle's regional light rail system which will run from the SeaTac Airport to the South King neighborhood. The project will construct 1.6-miles of double track and a new light rail station at South 200th Street.

### Project Highlights

- » Improves access and mobility to major employment centers (400,000 jobs) within the Seattle region
- » Encourages 3.5 to 5 million square feet of transit-oriented development near the new station
- » Connects extended line to other transportation systems, including the SeaTac Airport, BRT service, express and local bus service, and bike/pedestrian paths



WEST

## Project Benefits

The project will reduce transit time from the new South 200th Street Station to downtown Seattle by 19 minutes and to the University of Washington by 27 minutes. The new station is expected to accommodate 5,400 boardings per day and will provide a high-efficiency transportation option for commuters. The overall project is expected to reduce regional miles traveled by approximately 26 million, saving 1.3 million gallons of gasoline annually.

U.S. Department of Transportation

SOUNDTRANSIT

TIGER

# NORTHERN MONTANA MULTIMODAL HUB

**Applicant/Sponsor:** Port of Northern Montana

**Total Project Cost:** $17,345,468

**Grant Funding:** $9,998,910

## Project Description

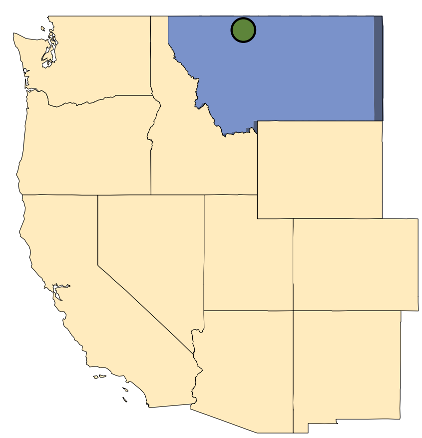
Construction of the Port of Northern Montana Multimodal Hub will enable Montana shippers to ship and receive containerized international cargo. This project relocates a small BNSF rail facility from a residential and commercial area to an industrial park, expanding the facility to allow the shipment of intermodal unit trains.

## Project Highlights

» Supports wind energy development at 11 major wind farm projects

» Expands export capacity of Montana agricultural producers

» Builds on $254.5 million in private investments pledged to be built in the facility's vicinity



WEST

## Project Benefits

Relocating freight traffic from the downtown area will improve safety for non-freight traffic and will boost economic development in the area. This inland port facility will strengthen long-term growth in the region and support efforts to increase exports. Using containers will reduce the transportation costs and inefficiencies both at the Shelby site and at Pacific coast port sites. The use of rail instead of trucks will reduce roadway maintenance costs and reduces greenhouse gas emissions.

# 17 MILE ROAD RECONSTRUCTION

**Applicant/Sponsor:** Eastern Shoshone/Northern Arapaho Tribes Business Council

**Total Project Cost:** $13,233,700

**Grant Funding:** $8,233,700

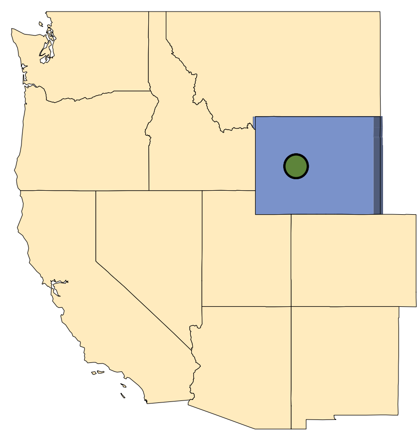
## Project Description

The Eastern Shoshone and Northern Arapaho Tribes will reconstruct an 8.3 mile segment of 17-mile Road. The project will include: horizontal curve realignment; grading; drainage and culvert structures; irrigation facilities relocation; roadway resurfacing; water and sanitary sewer lines; guardrail installation; and gravel and asphalt overlay.

## Project Highlights

» Addresses critical design concerns on the major east-west highway corridor serving the Wind River Indian Reservation

» Enhances safety along a corridor with the highest driver/pedestrian fatality rates in the state



WEST

## Project Benefits

The existing roadway, a paved wagon trail, lacks critical safety features which contribute to crashes and fatalities along the corridor. The roadway has experienced a number of automobile accidents, roadway run-offs, and rollover crashes, resulting in 5 fatalities and 42 injuries within the last 10 years. The traffic congestion also inhibits emergency vehicle response time. The planned improvements will bring needed safety improvements to the roadway by creating 12-foot lanes with 8-foot wide paved shoulders and edge line rumble strips.

U.S. Department of Transportation

TIGER

# US 101 SMITH RIVER SAFETY CORRIDOR

**Applicant/Sponsor:** Tribe of Smith River Rancheria

**Total Project Cost:** $3,124,800

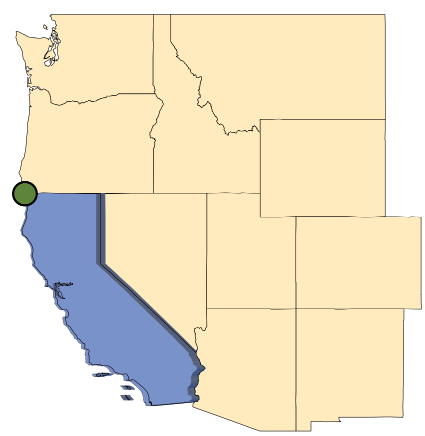
**Grant Funding:** $2,500,000

## Project Description

Smith River Rancheria, a federally recognized tribe in Northwest California, will make roadway improvements to address safety concerns on the portion of U.S. 101 that runs through tribal lands. TIGER funds will make traffic and pedestrian access improvements, including new signage and innovative highway shoulder treatments on the existing road. Investments will also include lighting and related small-scale improvements to assist pedestrians at intersections.

## Project Highlights

- Addresses safety concerns on a high-accident corridor
- Creates a pedestrian-safe environment on a highway that also functions as the main street that bisects the lands of the Smith River Rancheria Tribe
- Capitalizes on a first-of-its-kind partnership between a tribe, a state DOT, and USDOT to identify solutions using a Road Safety Audit



WEST

## Project Benefits

The project, pursued by the tribe, Caltrans, Del Norte County and Federal Highway Administration will fund needed safety improvements on a critical roadway that bisects tribal lands. Between 2005 and 2010 117 collisions that resulted in 9 fatalities occurred in the project area. New pedestrian features will slow traffic and provide safe access for pedestrians and bicyclists to vital community services, including the Indian Health Services clinic, the Howonquet Hall Community Center, Head Start facilities, and senior apartment housing.

U.S. Department of Transportation

TIGER

# CITY OF AMERICAN FALLS COMPLETE STREETS

**Applicant/Sponsor:** City of American Falls

**Total Project Cost:** $2,850,000

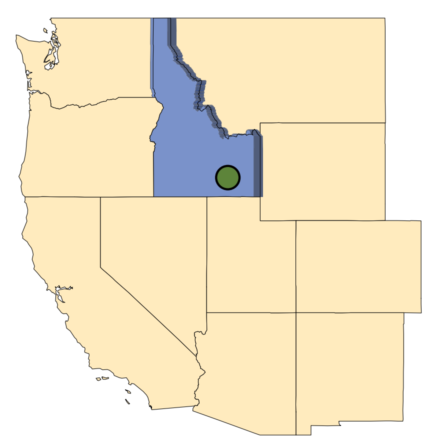
**Grant Funding:** $2,300,000

## Project Description

This rural project in American Falls, Idaho, will transform five blocks of the downtown area to complete streets that will safely accommodate pedestrians, bicyclists, motorists, and public transportation. The project will narrow travel lanes, widen sidewalks, create bike lanes, and add streetscaping. Sidewalks will be made ADA-compliant.

## Project Highlights

- Addresses severe cracking, rutting, and cold weather frost heaves that resulted from poor drainage on the road network
- Features substantial partnership from the county, local schools, Chamber of Commerce, and residents who donated 1,000 hours of service as part of an annual clean-up of the downtown area
- Supports construction of the $2 billion Southeast Idaho Advanced Energy Center development



WEST

## Project Benefits

Roadway improvements will reduce the accident rate up to 40 percent. The improved road network will support the new Southeast Idaho Advanced Energy Center, a $2 billion coal gasification fertilizer plant that is expected to create 750 to 1,350 jobs during construction, hire approximately 200 permanent employees, and contribute an estimated $6 million per year to the local economy. Livability investments in the downtown area will support local businesses and reduce mobility costs by encouraging residents to consider local retail and entertainment opportunities instead of driving 50 miles round-trip to Pocatello, Idaho for their shopping needs.

U.S. Department of Transportation

CITY OF AMERICAN FALLS

TIGER

# ST. MICHAEL COMMUNITY STREETS

**Applicant/Sponsor:** St. Michael IRA

**Total Project Cost:** $8,568,230

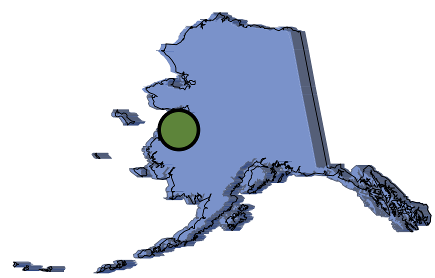
**Grant Funding:** $1,000,000

## Project Description

The Native Village of St. Michael, a Federally Recognized Tribe, will re-contour and resurface existing roads and construct new road extensions. The project will also construct and rebuild boardwalks, which provide footpaths over existing village wetlands. The complete project will make improvements to approximately 4.39 miles of road.

### Project Highlights

- » Revitalizes the native community's transportation network
- » Enhances pedestrian accessibility throughout St. Michael



WEST

## Project Benefits

The project will improve safety, access, and mobility to the Community of St. Michael's transportation network. New road construction will help provide better access to schools. Additionally, the project will add new culverts and utilities to improve the drainage issues that arise from seasonal flooding. The rehabilitation and creation of the boardwalks will also help revitalize the community and improve livability, especially for seniors and children.

U.S. Department of Transportation

# EOWB Finance Committee Packet

**AGENDA ITEM 3C**

**Elgin O'Hare - West Bypass**

**Table 1: Local Contribution Options**

| A | B | C | D | E | F |
|---|---|---|---|---|---|
| **Contribution Category** | **Subcategory** | **ICP Budget Estimate[1]** | **In-kind Opportunities** | **Outside Funding: Grants, Fed/State, Corporate** | **% Probability of Achieving Values in Columns D or E[2]** |
| Right of Way[3] | Municipal Land | $ 415,000,000 | $ 30,000,000 [4] | | $ 15,000,000 (50%) |
| | Other Public ROW | | $ 40,000,000 [4] | | $ 32,000,000 (80%) |
| | Private Land | | $ 10,000,000 [4] | | $ 6,000,000 (60%) |
| | | | | | |
| Aesthetics | Landscaping | | | | |
| | Structural Treatments | | | | |
| | | | | | |
| Environmental | Detention Improvements | $ 80,875,000 | | | |
| | Environmental Remediation | $ 43,500,000 | $ 10,000,000 [5] | | $ 4,000,000 (40%) |
| | Water Quality BMP's | | | | |
| | Floodplain Mitigation | | | | |
| | Wetland Mitigation | $ 14,300,000 | $ 5,000,000 [6] | | $ 2,500,000 (50%) |
| | Noise Walls | $ 14,000,000 | | | |
| | | | | | |
| Roadway | Interchange Improvements | $ 137,000,000 | | | |
| | Frontage Roads | $ 14,000,000 | | | |
| | Arterial/Local Road Improvements | $ 45,700,000 | | | |
| | | | | | |
| Utilities | Relocation Costs | $ 53,000,000 | $ 5,000,000 [7] | | $ 2,500,000 (50%) |
| | | | | | |
| Transit | Accommodations for Transit Service | | | $ 5,000,000 [8] | $ 2,000,000 (40%) |
| | | | | | |
| Miscellaneous | TIGER Grants | | | $ 20,000,000 [9] | $ 3,000,000 (15%) |
| | Other Federal Funding | | | $ 100,000,000 | $ 20,000,000 (20%) |
| | Other State Funding | | | $ 15,000,000 | $ 3,000,000 (20%) |
| | Corporate Donations | | | $ 1,000,000 | $ 800,000 (80%) |
| | Sponsorship/Naming/Branding | | | $ 1,000,000 | $ 800,000 (80%) |
| | Office Material and Equipment | | $ 500,000 | | $ 500,000 (100%) |
| | Construction Material Donation | | $ 500,000 | | $ 500,000 (100%) |
| | Equipment Donation | | $ 1,000,000 | | $ 1,000,000 (80%) |
| | | | | | |
| | **Estimated Total** | **$ 817,375,000** | **$ 102,000,000** | **$ 142,000,000** | **$ 93,600,000** |

[1]Cost estimates for line items in ICP budget.

[2]An estimate of the percent chance that funding levels would be achieved.

[3]Estimated ROW requirements based on preliminary construction limits include: a) 238 acres of public non-highway use land (including 196 acres from O'Hare Airport); b) 926 acres of public highway use land within proposed Tollway jurisdiction (including 81 acres of Thorndale Avenue ROW from DuPage County and 610 acres of existing ROW from IDOT); and 373 acres of privately owned land. Estimated cost of Initial Construction Phase plan includes all privately held ROW plus publicly held ROW not currently in highway use.

[4]Value of small parcels in municipal ownership, DuPage County ROW, and discounted value of private lands related to environmental concerns.

[5]Private owner participation in special waste clean up.

[6]Represents public donation of mitigation land.

[7]Represents opportunities to coordinate local utility relocation initiatives with the needs of the EOWB.

[8]Transit participation in the cost of the "reservation."

[9]Represents realistic expectation for grant amount in 2012.