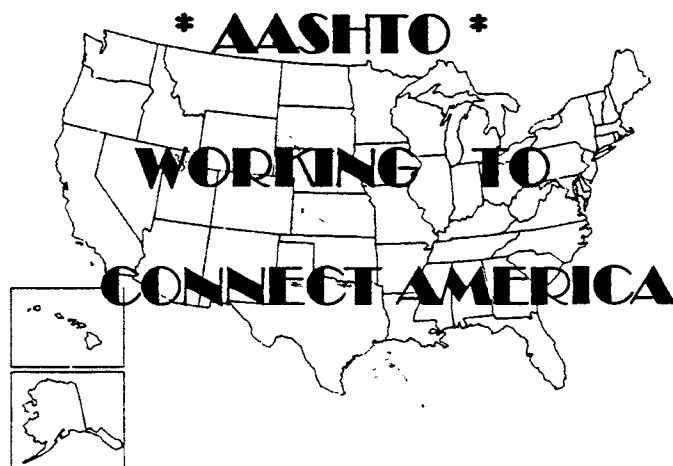
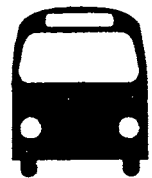
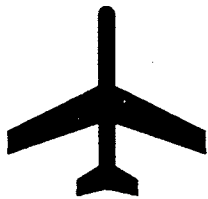


INNOVATIVE TRANSPORTATION FINANCING

APRIL 1995

**A Report on the Results of A National Survey by the
American Association of State Highway and
Transportation Officials**



AASHTO LIBRARY **Documents**
CATEGORY: ADMINISTRATION & ECONOMICS **AA** **Decision Making Hub**

PREFACE

AASHTO President Howard Yerusolim appointed a Task Force on Innovative Finance in 1994. The appointment of this Task Force was to address the fact that even with the significant increases in transportation funding and flexibility authorized by the Intermodal Surface Transportation Efficiency Act (ISTEA), the nation's highways, bridges, transit systems, airports, railways and other facilities continue to be severely underfunded. New and innovative financing solutions need to be found.

With today's budgetary constraints, we cannot expect traditional sources of Federal and State transportation funding will fully address these needs. We will have to find creative solutions and approaches to supplement these traditional sources.

We believe that the identification of solutions that will assist in financing transportation requirements will most likely be found from among the innovative financing activities already underway within member States.

Accordingly, one of the charges given to the AASHTO Task Force on Innovative Finance was to review pending legislation and activities in the states regarding innovative financing for transportation projects and programs.

To carry out this assignment, the Task Force developed a survey instrument for AASHTO member States and territories. The purpose of the survey was to identify the innovative transportation financing activities the states believed have been or will be most effective in helping them finance their transportation needs.

The results of the survey have been compiled in this report, which is being distributed to all members and to FHWA for use in meeting transportation needs, and to help in planning for the expected reauthorization of the 1991 ISTEA.

Francis B. Francois
Executive Director
April, 1995

TABLE OF CONTENTS

Document Overview	Page 1
Survey Questions on State Innovative Transportation Financing	Page 7
Overview of Survey Responses	Page 10
States' Responses To Survey on Innovative Transportation Financing	
Part 1. State Transportation Taxation and Revenue Structure	Page 14
Part 2. Toll and Revenue Producing Facilities	Page 17
Part 3. Privately Owned Transportation Facilities and Public/Private or State/Local Partnerships	Page 24
Part 4. State Revolving Loan Funds	Page 30
Part 5. Section 1012 Intermodal Surface Transportation Efficiency Act	Page 33
Part 6. General Provisions	Page 36
Appendices	
a. Overview of States' Legislation	
b. Legislation from Responding States	
c. States' Contact List with Addresses	
d. Copy of Survey	

DOCUMENT OVERVIEW

DOCUMENT OVERVIEW

The purpose of this document is to serve as a “reference guide to states’ current practices” on the subject of innovative financing. As such it can be a useful distributor of information to transportation professionals. It is not intended to be the “end all” of reference documents. It is however a good starting point to show states’ current views, approaches considered or used, degrees of project execution, and the person to contact in each state for greater detail.

Finding out what is happening in other states on particular subjects can be time consuming and difficult when trying to identify and chronicle useful program alternatives. The act of getting in touch with the “knowledgeable” transportation professionals, and obtaining concise responses to specific questions on a particular subject can be numbing if not unproductive. But it is important to document current and emerging practices since the old adage of not reinventing the wheel is still true even when it comes to innovative financing.

The Overview of Survey Responses beginning on page 10 is a quick reference, graphic representation of the states’ response to each question. A review of its contents will indicate which states have or are working in the subject areas that are dealt with by the questions. For example, if you want to know which states have or are dealing with a “Revolving Loan Fund,” look at the charts responses to questions 4A, 4B and 4C on page 11. It identifies the 19 states that gave substantive responses. With this information, it is much easier to locate specific state responses to questions that begin on page 14.

The States’ Responses to Survey on Innovative Transportation Financing is presented next. A thorough review of the responses suggests that some states have adopted and are seriously considering many creative and innovative transportation financing strategies:

- Twenty three states have taken actions to shore up state transportation revenue streams. These actions include increasing reliance on other revenue sources such as new vehicle impact fees, rental car surcharges, general sales taxes, alternate fuel vehicle fees, and weight-distance taxes. Some states have indexed their motor fuel taxes to inflation or instituted percentage taxes - with a ceiling and floor mechanism - instead of a fixed “pennies per gallon” rate.
- Over the last five years, 14 reporting states have opened to traffic or have under construction \$7.5 billion in toll roads and other revenue producing transportation facilities. Further, other projects, valued at over \$16 billion, are under consideration or on the drawing boards.
- Seventeen states have or are considering revolving loan funds for everything from toll roads to ports, airport land acquisition and van pool programs.

- Twenty two states report entering public/private or state/local partnerships and joint ventures for various transportation improvements. These range from mall developers paying for the costs of interchanges to major corporations and states sharing the costs of new expressways, to full blown private transportation projects.

Besides addressing state innovative financing issues, many states enthusiastically responded to questions concerning proposed changes to the Intermodal Surface Transportation Efficiency Act (ISTEA). Many states felt that matching provisions should be more flexible. Suggestions include:

- allowing toll facilities to be matched at the same rates as other funds,
- allowing in-kind match and match from sources other than state funds, and
- eliminating the "Maintenance of Effort Test" requirement for soft match funds.

Concern was expressed by some with the number of categories and sub-categories into which ISTEA funds are divided and a feeling expressed that "flexible funding" needs to be made "truly flexible." Examples of other suggestions include;

- a "national revolving loan fund" financed separately from state apportionments,
- full funding of ISTEA,
- allowing the use of federal funds to retire principal and interest expenses,
- conditional commitment of post-ISTEA apportionments,
- phased funding or cash flowing of projects,
- elimination of demonstration projects in favor of full funding of apportionments and
- the elimination or minimization of Title 23 requirements on smaller jobs.

More explicit examples of existing and proposed state innovations are summarized below and are organized according to the survey's sections.

Part 1.

State Transportation Taxation and Revenue Structure

Some states adopted or are considering tax or revenue strategies. These are to offset or lessen the effects of higher fuel efficiencies, alternate transportation modes, alternative fuel usage, or inflation on transportation revenues.

1. Indiana created an "Alternative Fuel Vehicle Fee". The fee ranges from \$100 to \$500 depending on the vehicle type. It functions as a "surrogate" for the gasoline/diesel tax. The General Assembly in Indiana placed a two (2) year moratorium on the fee to encourage the usage of alternate fuels.
2. Pennsylvania enacted a percentage tax on the wholesale price of fuel. This tax has a floor and a ceiling price established. The wholesale price of fuel has consistently been less than the floor price.

3. Florida has initiated two taxes to reduce dependency on motor fuel taxes:
1) A one-time "Initial Vehicle Registration Fee" of \$100 on motor vehicles registered to a new owner, and 2) a \$2.00 per day surcharge to rental cars and leased vehicles for the first thirty days of the rental or lease period.

Part 2.

Toll and Revenue Producing Facilities

Listed below are examples of innovative financing techniques that were applied or planned for revenue producing projects.

1. California is undertaking four privately financed demonstration toll road projects with a potential investment value of \$2.5 billion. These projects were authorized in 1989 and are being developed with privately generated capital and without the use of state or federal funds. They include SR-91 Express Lanes, Santa Ana Viaduct Express, San Diego Expressway and the Midstate Tollway.
2. Colorado currently has under development the E-470 Toll Road. This facility is managed through the use of bonds that are supported by fees collected in the region. In addition, state and local agencies have lent approximately \$40 million to the project to be repaid in the future.

Part 3.

Privately Owned Transportation Facilities and Public/Private or State/Local Partnerships.

- A. Transportation facilities in use or under consideration that are privately owned or are the result of a public/private partnership or joint venture.
 1. Alaska has an industrial development agency that finances business infrastructure including transportation systems. The Agency was first funded with state dollars but has developed a portfolio of revenue producing projects that now provide funding for other projects. A major transportation system in the portfolio, the Johnnie Mountain Road System, was developed as a joint venture with a mining company.
 2. Tennessee has set up partnerships with private developers at regional shopping centers to build new interchanges to handle traffic. The construction of the interchanges was 100% funded by private sources with ownership transferred to the state for future maintenance and operation.
- B. There are transportation facilities in use or under consideration that are the result of state/local governmental partnerships or joint ventures.
 1. Kentucky institutionalized a state/local cost sharing program for small bridge replacement. Under the program, the state designs and pays for the structure while local governments let the projects to construction and pay for approach work.

2. The City of O'Fallon in Missouri has organized a transportation corporation to issue bonds to finance the acceleration of a planned state highway project. The state will repay the costs of right-of-way and construction and the interest and costs of issuance of bonds will be paid from local transportation sales taxes.
3. Oregon, Washington and British Columbia are working to develop high speed rail service between Vancouver, BC and Eugene, Oregon. Each is providing funding and technical resources to develop high speed passenger rail service in the Pacific Northwest High-Speed Rail Corridor.

Part 4.

State Revolving Loan Funds

1. Utah has a no-interest fund for loans to companies or individuals who start-up or replace vans for van pools for commuter work trips. This is funded currently with Federal ISTEA Surface Transportation Program funds. (The program was set up administratively and is not established by law.)
2. Florida has been operating a Toll Facilities Revolving Trust Fund since 1986 for loans to local government entities such as counties and expressway authorities. Over \$95 million have or are being used for research and development activities and advanced right-of-way purchases on revenue producing transportation projects.

Part 5.

Section 1012 Intermodal Surface Transportation Efficiency Act

ISTEA funds are being used on a toll facility pursuant to the toll provisions of Section 1012.

New Jersey will be implementing an Intelligent Vehicle Highway System on its toll roads pursuant to the toll provisions of Section 1012 of ISTEA.

Part 6.

General Provisions

There are other existing laws or pending state legislation which agencies believe are "innovative financing ideas" and might be useful to other states.

1. In 1990, Florida initiated a \$600 million advance right of way acquisition bonding program to buy right of way for future corridor protection and to avoid the effects of sky rocketing land inflation. To date over \$200 million has been spent.
2. California authorized the San Diego Association of Governments (SANDAG) to charge tolls to single-occupant vehicles on an Interstate 15 High Occupancy Vehicle (HOV) lane. The toll revenues would support development of a light rail transit system in the I-15 corridor and additional HOV facilities. (This proposal requires federal approval.)

3. Oregon initiated a "Fund Exchange Program" with cities and counties. Under the program, cities and counties can exchange federal STP allocations for state funds and can accumulate exchange funds to finance projects whose costs exceed the annual fund allocations.

The appendices make up a significant portion of the document. Nineteen states' laws are included for quick reference as **"Legislation from Responding States"** in **Appendix b**. Four of the survey's sections asked the respondents to reference and provide copies of existing and proposed laws to support their answers. When possible copies are included to help identify the legal approaches and methods states' use to carry out the programs discussed in the responses to the survey. Preceding the legislation is an **"Overview of States' Legislation."** The overview is helpful in understanding the types of legislation presented and who are the providers.

If a state's response or the appended law raises additional questions, the **"States' Contact List with Addresses"** is included as **Appendix c**. The list specifies the individuals and state offices that obtained and coordinated the responses to the survey.

Survey Questions on State Innovative Transportation Financing

SURVEY QUESTIONS ON STATE INNOVATIVE TRANSPORTATION FINANCING

Part 1. State Transportation Taxation and Revenue Structure

Has your State adopted (in the past five years) or is it considering any tax or revenue strategies to offset or lessen the effects of these conditions on transportation revenues? If yes, please describe. (If available, please attached a copy of state law or legislative proposal).

Part 2. Toll and Revenue Producing Facilities

- A. List any toll or revenue producing facilities (roads, bridges, airports, rail, public transportation, port facilities) which have been opened to traffic, placed into service or approved for construction within the last five years in your state.**
- B. List any tolls or revenue producing facilities which are currently under development in your state.**
- C. Describe any innovative financing techniques that were applied or are planned to be applied to the projects identified in A and B above. Examples might include, revolving fund loans, public and private participation, credit enhancements, tax increment financing, covenants to complete, O&M subsidies. Please provide specific details which you believe might be useful to other states in considering similar applications.**
- D. Were federal funds used in any of the above listed projects? If yes, please provide details.**

Part 3. Privately Owned Transportation Facilities and Public/Private or State/Local Partnerships.

- A. Are there any transportation facilities in use or under consideration which are privately owned or are the result of a public/private partnership or joint venture? If yes, please list and describe the nature of the private and public transportation?**
- B. Are there any transportation facilities in use or under consideration which are the result of state/local governmental partnerships or joint ventures? If yes, please list and describe the nature of the joint participation in the project.**
- C. Does your state have a law authorizing the building, operation and/or management of privately-owned transportation facilities, or is such a law under consideration? If yes, please describe. Please attach a copy of the law if possible.**

Part 4. State Revolving Loan Funds

- A. Does your State have in place or is it considering establishing a transportation loan fund or "Revolving Loan Fund". If yes please describe and attach a copy of the law or proposed legislation establishing the fund.**
- B. Please provide the following information regarding the revolving fund loans.**
-Inception Date -# of Projects Receiving Loans -Total \$ Amount of Funds Loaned
-\$ Amount of Loan Repayments.
- C. Please list all facilities that are in use or are under construction that were assisted with revolving fund loans.**

Part 5. Section 1012 Intermodal Surface Transportation Efficiency Act

- A. Has your state used or is it planning to use ISTEA funds on a toll facility pursuant to the toll provisions of Section 1012?**
- B. Has your state used or does it plan to use other provisions of Section 1012, such as to continue the collection of tolls on a facility after bonds are repaid for Title 23 eligible projects or to toll an existing non-tolled facility? If yes, please provide details and the estimated annual revenues that will be generated by these actions.**
- C. What changes to Section 1012 do you believe will encourage its usage in your State?**

Part 6. General Provisions

- A. Please describe any other existing or pending State legislation in your state which you believe is an "innovative financing concept" and which might be useful to other states. Please attach a copy of the state law enacting such provision.**
- B. How has or will this innovative financing concept benefit the funding of transportation needs in your State? (in terms of funding new projects, accelerating project schedules, reducing costs, etc.). To what modes of transportation does it apply?**
- C. What changes to ISTEA and current FHWA guidance (such as FHWA bonding regulations, matching and "soft match" provisions, future pledges of Federal funds but excluding increased Federal funding levels and changes to apportionment funding requirements) do you believe would be of greatest financial benefit to your State? (in terms of funding new projects, accelerating project schedules, reducing costs, increasing financial flexibility etc.).**
- D. What, in your opinion, are the main impediments to privatization and public/private partnerships in your State?**

Overview of Survey Responses

OVERVIEW of SURVEY RESPONSES

Areas Surveyed	Question # 1	Question # 2A	Question # 2B	Question # 2C	Question # 2D	Question # 3A	Question # 3B	Question # 3C	Question # 4A	Question # 4B	Question # 4C
	Tax-Revs	Toll & Revenue Producing Facilities				Public/Private Transp. Facilities			Revolving Loan Funds		
1 Alabama	*		*	*	*		*				
2 Alaska		*		*	*	*	*		*	*	*
3 Arizona						*	*	*	*		
4 Arkansas	*					*					
5 California		*	*	*		*	*	*	*		
6 Colorado	*	*	*	*	*	*	*		*		
7 Connecticut						*	*		*	*	
8 Delaware											
9 District of Columbia		*									
10 Florida	*	*	*	*	*	*	*	*	*	*	*
11 Georgia											
12 Guam											
13 Hawaii	*	*	*	*			*				
14 Idaho											
15 Illinois	*	*	*	*	*	*	*	*	*	*	
16 Indiana	*					*	*		*	*	
17 Iowa								*			
18 Kansas	*					*	*		*		
19 Kentucky	*						*				
20 Louisiana		*					*				
21 Maine											
22 Maryland											
23 Massachusetts											
24 Michigan	*	*				*					
25 Minnesota	*					*	*	*			
26 Mississippi											
27 Missouri	*		*	*	*	*	*	*	*		
28 Montana											
29 Nebraska	*						*		*	*	*
30 Nevada						*	*		*	*	
31 New Hampshire		*	*	*		*		*			
32 New Jersey	*					*		*			
33 New Mexico								*			
34 New York							*		*		
35 North Carolina	*				*	*					
36 North Dakota											
37 Ohio	*					*	*	*	*		
38 Oklahoma		*	*					*			
39 Oregon	*			*		*	*	*	*		
40 Pennsylvania	*	*	*	*	*	*	*				
41 Puerto Rico											
42 Rhode Island											
43 South Carolina		*	*	*				*			
44 South Dakota											
45 Tennessee						*	*		*	*	
46 Texas	*	*	*	*	*		*	*			
47 Utah	*					*			*	*	
48 Vermont	*						*				
49 Virginia	*	*	*	*	*	*	*	*	*		
50 Virgin Islands											
51 Washington											
52 West Virginia											
53 Wisconsin	*										
54 Wyoming											

 Documents

OVERVIEW of SURVEY RESPONSES

Areas Surveyed	Question# 5A	Question# 5B	Question# 5C	Question# 6A	Question# 6B	Question# 6C	Question# 6D	Legislation Appended
	ISTEA - Section 1012			General Provisions Questions				
1 Alabama	*	*	*			*	*	*
2 Alaska	*		*				*	*
3 Arizona		*	*	*			*	*
4 Arkansas	*	*	*			*	*	*
5 California	*		*	*	*		*	*
6 Colorado	*					*	*	
7 Connecticut							*	*
8 Delaware								
9 District of Columbia				*			*	
10 Florida	*	*	*	*	*	*	*	*
11 Georgia								
12 Guam								
13 Hawaii						*	*	*
14 Idaho							*	
15 Illinois								*
16 Indiana			*			*	*	*
17 Iowa							*	
18 Kansas							*	
19 Kentucky							*	
20 Louisiana							*	
21 Maine			*	*	*	*	*	
22 Maryland								
23 Massachusetts								
24 Michigan	*	*	*			*	*	
25 Minnesota	*	*					*	*
26 Mississippi				*	*	*	*	*
27 Missouri			*		*		*	*
28 Montana								
29 Nebraska				*		*	*	
30 Nevada	*					*	*	
31 New Hampshire			*			*	*	
32 New Jersey	*		*			*	*	
33 New Mexico							*	*
34 New York			*	*	*		*	
35 North Carolina	*			*	*	*	*	*
36 North Dakota						*	*	
37 Ohio		*	*		*	*	*	*
38 Oklahoma			*				*	
39 Oregon				*	*	*	*	*
40 Pennsylvania		*		*		*	*	
41 Puerto Rico								
42 Rhode Island								
43 South Carolina					*	*		
44 South Dakota								
45 Tennessee						*	*	
46 Texas	*				*			
47 Utah			*	*	*	*	*	
48 Vermont								
49 Virginia	*		*		*	*	*	*
50 Virgin Islands								
51 Washington								
52 West Virginia								
53 Wisconsin			*	*	*			*
54 Wyoming							*	*



Documents

States' Responses To Survey on Innovative Transportation Financing

STATES' RESPONSES TO SURVEY ON INNOVATIVE TRANSPORTATION FINANCING

Part 1. State Transportation Taxation and Revenue Structure

Has your State adopted (in the past five years) or is it considering any tax or revenue strategies to offset or lessen the effects of these conditions on transportation revenues? If yes, please describe. (If available, please attached a copy of state law or legislative proposal).

State	Response
Alabama	5¢ per gallon gasoline and motor fuel tax effective 6/1/92.
Arkansas	In the 1993 Legislative Session of the Arkansas General Assembly, alternative fuels were taxed for the first time. CNG is currently the only alternative fuel being marketed in Arkansas.
Colorado	A 1989 fuel tax increase was phased in over three years with the last year being FY 1992. 1990: +2 cents on gas and -1.5 cents on diesel; 1991: +2 cents on gas only; 1992: +1.5 cents of diesel.
Florida	Florida's 1990 Legislature broaden the transportation tax base, and provided automatic revenue adjustments to help offset rising costs. Two of the state's motor fuel tax rates (fuel sales tax and "SCETS" tax) have been tied to the Consumer Price Index (all items) since 1990 and two separate vehicle-related taxes were enacted. One of these is called the Initial Registration Fee and the second is the Rental Car Surcharge.
Hawaii	More reliance on other than fuel taxes (i.e., increasing vehicle registration fees and vehicle weight tax) and initiation of other sources of revenues (rental motor vehicle and tour vehicle surcharge tax).
Illinois	MFT rate was raised 6¢/gallon in State FY'90.
Indiana	No, but we are cognizant of these issues. Seven years ago, in 1987, the General Assembly created an Alternative Fuel Vehicle Fee. This fee ranges from \$100/year to \$500/year depending on vehicle type. It functions as a surrogate for gasoline/diesel tax. In 1993, the General Assembly placed a two year moratorium on this fee (except for vehicles operated by alternative fuel suppliers) to encourage usage of alternative fuels. This moratorium expires January 1, 1996.
Kansas	The Kansas DOT receives a sizeable portion of its revenue from the sales tax. We receive a transfer from the sales tax deposited in the State General Fund and a 1/4% sales tax which goes directly to the State Highway Fund.
Kentucky	Eliminated state fuel tax exemption for gasohol.

State	Response
Michigan	Presently considering toll facilities. No state laws or pending legislation that permits tolls.
Minnesota	Yes. (1) Enabling Toll Road - 1993 (2) Study of mileage based tax in place of gas tax, study of congestion pricing 1994. (3) Funding of Mega projects 1994.
Missouri	Missouri imposes an annual alternative fuel decal fee for motor vehicles powered by LP gas, natural gas or electricity. Consideration has been given to a sales tax on fuel in addition to the current gallon age tax. This would provide some protection against inflation.
Nebraska	Nebraska has a variable motor fuel tax that's been used for several years to provide stability & the capability to generate revenue required for our State Highway System & Transportation program. Also, we have a Motor Fuel Tax Task Force that is considering adjustments & refinements to fuel tax laws on compressed natural gas, propane, etc. Other alternative fuels are being evaluated for potential taxing in the future.
New Jersey	The State of New Jersey through the Department of Transportation is actively pursuing renewal of the State's Transportation Trust fund which provides a stable, institutionalized source of transportation funding.
North Carolina	Effort to crack down on fuel tax evasion; highway use tax on motor vehicle title transactions; portion of motor fuel tax based on wholesale price (changes twice per year).
Ohio	ODOT is currently working on legislation to ensure all users of the highway and transportation systems pay their fair share.
Oregon	In the last five years, Oregon has considered three funding packages to provide revenue for state transportation programs. Two of the three have been adopted by the Oregon Legislature. In 1989, the state legislature adopted a two cent increase in the state's gas tax rate with an equivalent truck weight-distance tax increase for two years. In 1991, the legislature adopted another two cent increase in the state's gas tax rate with an equivalent weight-distance tax increase for 1992 and 1993. The 1991 Legislature also adopted a \$10 dollar increase in the state's biennial vehicle registration fee and approved the expenditure of state lottery funds for transportation purposes.
Pennsylvania	Pennsylvania's Act 26 of 1991 established for the first time dedicated state funding for transit. The Act also raised the percentage tax on the wholesale price of fuel to raise additional revenues for highway and bridge improvements. This tax has a floor and a ceiling established. The wholesale price of fuel has consistently been less than the floor, therefore the advantage of a percentage tax has not been realized.
Texas	Texas Department of Transportation has reduced other budget expenditures to provide more available funds for construction.

State	Response
Utah	Unlike most states, Utah's strong economy has generated significant revenue in recent years. However, in 1990 a cap was placed on transfers from the transportation fund to other state agencies, such as, the Highway Patrol. The cap has provided highway funds equivalent to a 2-cents motor fuel tax increase. Also, additional funds are needed to improve the I-15 corridor in Salt Lake County. The Department is considering various methods of generating the \$1.0 billion needed.
Vermont	Increases in all taxes and fees will be considered. Possibility of dedicating increase in gas tax to transportation projects. Discussions in early stages. No written proposals yet.
Virginia	Yes, enacted Highway Corporation Act of 1988 and Qualifying Transportation Facilities Act of 1994 to promote privatization. Enacted several new economic and transportation programs with new source of general fund revenue and authority to issue state bonds. Examples are the U.S. Route 58 Program and Northern Virginia Transportation District Program. Also, provided certain localities a local income tax option and expanded to all localities special taxing district legislation.
Wisconsin	Discussions of alternative fuel taxation methodologies with Dept. of Revenue, for fuels currently taxable, but the usage is not yet enough to justify a major initiative.

Part 2. Toll and Revenue Producing Facilities

- A. List any toll or revenue producing facilities (roads, bridges, airports, rail, public transportation, port facilities) which have been opened to traffic, placed into service or approved for construction within the last five years in your state.

State	Response			
	Facility Description	Lead Agency	Total	Completion Date/Status
Alaska	Johnnie Mountain Road	AIDEA	\$180 M	1989 operating
	Unalaska Harbor	AIDEA	7 M	1990 operating
	Federal Express Airport .	AIDEA	28 M	1994 operating
	Skagway Ore Dock	AIDEA	25 M	1991 closed
California	SR-Express Lanes	Caltrans	\$126 M	Under construction - Complete 12/95
	Foothill Corridor	Foothill Trans.	\$746 M	Under construction (3 mile section opened to traffic on 10/6/93)
Colorado	E-470 Toll Rd. MAC Line Light Rail	E-470 Authority Reg. Trans. Dist.		1st 5 miles
Florida	South Florida Tri-Rail	FDOT	\$60 M	January, 1989
	Automated Skyway	Jacksonville	34.8 M	June, 1989
	SouthernSect./E.Beltway	OOCEA	73 M	July, 1990
	Western Extension -			
	East/ West Expressway	OOCEA	100 M	October, 1990
	Gratigny Parkway	Dade County	75 M	January, 1992
	AmTrack Extension	FDOT	6.5 M	May, 1993
	Mid-Bay Bridge	MBBA	48 M	June, 1993
	Southern Connector	OOCEA	275 M	June, 1993
	Seminole Expressway	FDOT	190 M	April, 1994
	Veterans Expressway	FDOT	325 M	October, 1994
	Osceola Parkway	Osceola County	130 M	May, 1995
	Fla. Tpk. 9 Interchange	FDOT	113 M	October, 1995
	Southern Connector Ext.	FDOT	160 M	October, 1997
	Polk County Parkway	FDOT	431 M	December, 1999

State	Response			
	Facility Description	Lead Agency	Total	Completion Date/Status
Hawaii	Pier/Yard, Barbers Pt.	DOT	\$30 M	May, 1990
	Overseas Peir, Kawaihae	DOT	9.5 M	August, 1992
	Container Yard, Kawaihae	DOT	4.6 M	December, 1992
	Pier 51A Container Yard	DOT	5.6 M	1993
	Pier 3, Nawiliwili	DOT	28 M	August, 1994
	Piers 39/40 Hon.	DOT	46 M	1996, Under Const.
	Pier 53 Extens, Hon.	DOT	7.8 M	1994, Under Const.
Illinois	Pier 51 Extens, Hon.	DOT	13 M	1995, Under Const.
	I-335	Ill. Toll	\$450 M	12/24/89
	Mid-America Airport	St. Clair Co.	307	Open 1997
	Mt. Sterling Muni. Arpt.	Mt. Sterling	2.1	Opened 1992
	Pontiac Muni. Arpt.	Pontiac	3.1	Opened 1993
	Southwest Rapid Transit	CTA (Chicago)	496	Opened 11/93
	Metro Link Light Rail	Bi-State St. Louis	348	Opened in 7/93
Louisiana	Wis. Central Comm. Rail	Metra Chicago	63	Open in 1996
	Port of New Orleans	Port New Orleans	\$10 M	2000
	New Orleans Int. Airport	NO Aviation Board	75 M	2001
	Port of South LA	Port of South LA	5 M	1998
	Port of St. Bernard	St. Bernard Port Harbor & Terminal District	14 M	2003
Michigan	2nd Span Bluewater Bridge	MDOT	\$50 M	1998
New Hampshire	Merrimack Ind. Bedford Rd.	NHDOT	\$21.6 M	October, 1990
	Hampton Mainline	NHDOT	6.8 M	November, 1990
	Exit 11. Merrimack	NHDOT	2.1 M	1990
	Southbound Ramp, Nashua	NHDOT	10.9 M	May, 1991
	Southbound Mainline	NHDOT	3.1 M	November, 1991
	Bedford Mainline	NHDOT	5.3 M	November, 1999
				November, 1999
Oklahoma				January, 1989
	Kilpatrick Turnpike	OK Tpk. Authority	\$104.0 M	Sept., 1991
	Creek Turnpike	OK Tpk. Authority	105.2 M	July, 1992
	Chickasaw Turnpike	OK Tpk. Authority	43.9 M	Sept., 1991
	Cherokee Turnpike	OK Tpk. Authority	115.0 M	Sept., 1991

State	Response			
	Facility Description	Lead Agency	Total	Completion Date/Status
Pennsylvania	Beaver Valley Exp. Greensburg Bypass Pitts. Int'l. Airport Mon/Fayette Exp. Fairchance to Chadville	PA Tpk. Comm. PA Tpk. Comm. Allegheny Co. PA Tpk. Comm. Penn DOT	\$155.5 M 203.0 M 800.0 M 55.0 M 26.3 M	June, 1991 November, 1993 October, 1992 October, 1990 November, 1992
South Carolina	Cross Island Connector	SC DOT	\$59 M	Approved for Const.
Texas	North Dallas Tollway	Texas Tpk. Auth.	\$100 M	Sept., 1994
Virginia	George Coleman Toll Bridge Dulles Greenway Dulles Toll Road (3rd lane) Dulles Toll Road (4th lane) Virginia Railway	VDOT TRCV (private) VDOT VDOT NVTDC	\$100 M 300 M 60 M 38 M 79 M	August, 1996 Early, 1996 August, 1992 July, 1998 October, 1991

Part 2. Toll and Revenue Producing Facilities

B. List any tolls or revenue producing facilities which are currently under development in your state.

State	Response			
	Facility Description	Lead Agency	Total Cost	Completion Date/Status
Alabama	U. 280 Toll Road	ALDOT	Unknown	Feasibility Study in Progress
California	Santa Ana Viaduct	Caltrans	\$700 M	Environmental Studies
	San Diego Expressway	Caltrans	\$400 M	Environmental Studies
	Midstate Tollway	Caltrans	\$600 M	Environmental Studies
	San Joaquin Hills Transportation Corridor	Caltrans	\$793 M	March, 1997
	Eastern Transportation Corridor	Caltrans	\$800 M	Open in 2000
Colorado	E-470 Toll Rd. MAC Line Light Rail	E-470 Agency Reg. Trans. Dist.		1st 5 miles

State	Response			
	Facility Description	Lead Agency	Total Cost	Completion Date/Status
Florida	Garcon Bdg. Santa Rosa	SRBBA	\$69 M	Undetermined
	SunCoast Parkway 1	FDOT	419 M	July, 2000
	SR 836 - Extension/	FDOT	190 M	Undetermined
	High Speed Rail	Public/Private	3.5 B	2002 +
	I-4 Crosstown Connect.	FDOT	412 M	2004 +
	Automated Skyway	Jacksonville	138.8 M	2004 +
	SunCoast Parkway II	FDOT	300 M	Undetermined
	Seminole Co. Exp. II	FDOT	184 M	Undetermined
	Bi-County Expressway	Pasco Exp.	117 M	Undetermined
	Mid-Point Bridge Corr.	Auth.	171 M	Undetermined
	South Dade Expressway	Lee County	153 M	Undetermined
	Florida Tpk. Extension	FDOT	285 M	Undetermined
	Western Beltway Part A	FDOT	193 M	Undetermined
	Western Beltway Part C	FDOT	211 M	Undetermined
	Fla. Tpk 10 Interchanges	FDOT	150 M	Undetermined
	Missing Links - Tampa	FDOT	535 M	Undetermined
	Apopka Bypass Orlando	FDOT	100 +	Undetermined
	Alico Expressway	FDOT Lee County	167 M	Undetermined
Hawaii	Kapalama	DBEDT	Undetermine	Pending
	Container Yd. Piers 35/36 Fresh Fish Center	DOT	Undetermine	Negotiations Pending/RFP Advertised
Illinois	I-355 to I-55 to I-80	Toll Hwy. Auth.	\$490 - 570	
	FAP 342	Toll Hwy. Auth.	700 - 800	
	Richmond/Waukegan	Toll Hwy. Auth.	350 - 400	
	S. Surban I-80 to I-57	Bi-State	330	
	Metro Link Ext. Cir. Light Rail	City of Chicago	775 - 2000	
Missouri	Lake of the Ozarks	Lake of the Ozarks	\$41.9 M	Feasibility study has been completed.
	Community Bridge	Community Bridge Corporation		
New Hampshire	Exit 1 & 2 Southbound	NHDOT	\$3.1 M	1999
	only Toll. Nashua Circumferential Hwy. (Toll Facilities only)		4.0 M	2012
Oklahoma	Kilpatrick Turnpike	OK Tpk.	\$160.0	1998
	Muskogee Turnpike	Authority	185.0	1998
	Creek Turnpike		62.0	1998

	Facility Description	Lead Agency	Total Cost	Completion Date/Status
Pennsylvania	Mon/Fayette Exp.	PA Tpk. Comm.	\$1.5 B	Preliminary Eng.
	Southern Beltway	PA Tpk. Comm.	\$800.0 M	Preliminary Eng.
South Carolina	Conway Bypass	SCDOT	Undetermine	RFP to be issued
Texas	Laredo Bridge	TX DOT	\$44M	1998
Virginia	Route 168	VDOT	\$120 million	1999-2000
	Port Norfolk Connector	VDOT	\$130 million	1999-2000
	Southeastern Expressway	VDOT	\$340 million	1999-2000

Part 2. Toll and Revenue Producing Facilities

- C. Describe any innovative financing techniques that were applied or are planned to be applied to the projects identified in A and B above. Examples might include, revolving fund loans, public and private participation, credit enhancements, tax increment financing, covenants to complete, O&M subsidies. Please provide specific details which you believe might be useful to other states in considering similar applications.

State	Response
Alabama	We may possibly have to pledge highway user taxes as a secondary pledge in order to issue bonds to finance this project.
California	The privately financed demonstration projects listed in Part 2 were authorized in 1989 by Assembly Bill 680. These projects are being developed with privately generated capital without the use of state or federal funds.
Colorado	<u>E-470 Toll Road</u> : Managed by a private authority and is financed through bonds which are supported by fees collected on a regional basis. In addition, state and local agencies have loaned approximately \$40 million to be paid back to the local agencies in the future.
Florida	<u>Mid-Bay Bridge & Garcon Bridge</u> : O&M costs to be assumed by Department until revenues are sufficient to meet debt service. <u>Southern Connector Extension</u> : Right-Of-Way and design costs assumed by Osceola County and the Transportation Development Group Trust. <u>Toll Facilities Revolving Trust Fund</u> : Interest free loans available to local governmental entities. <u>Turnpike's \$425 Million</u> : \$425 million in state transportation tax revenues transferred to Florida Turnpike (1991 and 1994).
Hawaii	<u>Piers 35/36 Fresh Fish Center</u> : A private developer will be selected based on proposals submitted in response to guidelines and requirements determined by the State - a Request for Proposals (RFP).
Illinois	Metro Link - private and public donation of land equal to non-federal match. Wis. Central - \$12 Million municipal contributions for stations, parking. Circulator light rail - voluntary local tax district for 1/3 project share.
Missouri	<u>Lake of the Ozarks Community Bridge Corporation</u> : A transportation corporation organized under Missouri Law.

State	Response
New Hampshire	New Hampshire has issued \$305 million in Revenue Bonds, supported only by the tolls collected on the system. 12-15% of the program is forecast to be funded by operating revenues in an effort to minimize debt load. In addition, we continually strive to find operating efficiencies, thereby freeing up additional revenues for capital costs. Two plazas now operate on an honor system between 9pm and 5am with upwards of 90% collections.
Oregon	Revolving fund loans, public/private partnership, tax increment financing, O&M subsidies have all been suggested as possible means of providing funds to develop the South/North transit project. To date such discussions have not been substantive.
Pennsylvania	The Pennsylvania Turnpike Commission worked with the Southwestern Pennsylvania Regional Planning Commission (SPRPC) to identify added strategies, such as public/private partnerships and joint ventures, to generate funding for the project listed in B. SPRPC's long range financial planning documents list these possibilities for additional funding from public/private partnerships.
South Carolina	An RFP for innovative private/public partnership for the Conway Bypass will be issued September 1, 1994.
Texas	Planned to create a revolving fund with city participation.
Virginia	<u>Dulles Greenway</u> : A private toll road in Northern Virginia built under the Highway Corporation Act of 1988. Highway improvements for Disney America in Northern Virginia, Public/private partnership and special taxing district for Route 28 improvements near Dulles Airport in Northern Virginia.

Part 2. Toll and Revenue Producing Facilities

D. Were federal funds used in any of the above listed projects? If yes, please provide details.

State	Response
Alabama	Yes. Feasibility Study.
Alaska	Studies are being conducted with federal dollars.
Colorado	Federal Transit Administration funds were utilized in the light rail project.
Florida	Yes, Interstate 4/Crosstown Connector Project.
Illinois	Interstate Transfer funds for Southwest Rapid Transit, Section 3 for other transit. AIP funds used for airports. None for toll roads. CMAQ funds used for Wis. Central Commuter Rail.
Missouri	Federal funds were used to pay 50% (\$175,000) of the cost of the feasibility study.
North Carolina	Yes, demonstration funds.

State	Response
Pennsylvania	Yes, ISTEA and various Transportation Appropriations bills earmarked \$24.1 million for the Mon/Fayette Expressway. In addition, it was identified as a "Pilot Toll Project" via a provision in the 1987 STURAA, and as such received 35% federal funding for construction of the section opened in October, 1990. The Midfield Terminal at Pittsburgh International Airport received \$80.6 million in federal funding support for FAA.
Texas	Federal funds will be used in revolving fund.
Virginia	Federal funds used in George P. Coleman Toll Bridge project. Federal funds are anticipated to be part of the total financing package for projects listed in Part 2B.

Part 3. Privately Owned Transportation Facilities and Public/Private or State/Local Partnerships.

- A. Are there any transportation facilities in use or under consideration which are privately owned or are the result of a public/private partnership or joint venture? If yes, please list and describe the nature of the private and public transportation?**

State	Response
Alaska	Alaska has an industrial development agency that finances business infrastructure including transportation systems. The agency was first funded with state dollars but has developed a portfolio of revenue bonds that now provide funding for other projects. It has one major transportation system in its portfolio (the Johnnie Mountain System) that is used to haul ore from the Red Dog Mine to tide water. It was developed as a joint venture with the mining company. The other major transportation system developed with a joint public/private partnership is the support road for the Trans-Alaskan Pipeline (TAP), the "Dalton Highway." The Dalton Highway was built by the oil companies when they constructed the TAP with government agencies providing engineering expertise, right-of-way acquisition assistance and funding for major bridges. After construction of TAPS, the road became a public facility. A third example in Alaska is the Klondike Highway. The Klondike Highway was an existing seasonal facility that needed to be upgraded so that it could be used to haul ore concentrate to tide water. The transport company wishing to do the hauling financed retrofitting bridges to accommodate heavy loads in exchange for a maintenance agreement that kept the road open year around.
Arizona	Several interchanges have been constructed under public/private joint funding. An interim roadway which will be converted to full freeway in the future (Estrella Freeway) has been constructed on ROW donated by land owners. This arrangement saved the state ROW costs and allowed acceleration of the interim roadway.
Arkansas	Yes, the Department is working with a developer to construct an interchange connection which is on the local area's long range transportation plan.
California	The AB 680 projects are all public/private partnerships which are being financed by the private sector without the use of federal or state funds.
Colorado	E-470 Toll Road is managed by a private authority and is financed through bonds which are supported by fees collected on a regional basis.
Connecticut	Most general aviation airports in Connecticut are privately owned and operated. At state-owned airports, all general aviation and cargo facilities are developed, operated and maintained with private funds. Privately developed facilities at state-owned airports ultimately become the property of the State.
Florida	<u>Southern Connector Extension:</u> Osceola County, the Transportation Development Group Trust and the Florida Department of Transportation participated in the project. <u>Private Transportation Facilities:</u> The Florida Department of Transportation currently is evaluating a private transportation facility proposal which, if approved, will result in a public/private partnership.
Illinois	45 privately owned public use airports.

State	Response
Indiana	There are road projects which have been undertaken in recent years to support economic development agreements entered into by the State. These public/private partnerships involve a private entity making a significant capital investment and the State investing in the necessary infrastructure improvements to enable the private capital to realize it's required rate of return.
Kansas	The Kansas Turnpike Authority is a quasi-public body.
Michigan	Detroit - Windsor Tunnel Toll Facility: Jointly owned by the city of Detroit and Windsor, Ontario; Ambassador Bridge - Privately owned toll facility connecting Windsor, Ontario and Detroit Michigan
Minnesota	Couple of very minor bridges to North Dakota and Canada.
Missouri	A not-for-profit transportation corporation was formed under the supervision of the Missouri Highway and Transportation Commission. The corporation will issue toll revenue bonds to pay for a project. When the bonds have been paid, the project will be transferred to the state.
Nevada	There have been a number of projects which are the result of public/private partnership. The nature of the partnerships have been financial participation. None of the projects are privately owned.
New Hampshire	It is hoped that Manchester Airport Access Road will involve some type of public/private venture, e.g. Developer could donate right-of-way and state build the road.
New Jersey	Various transportation facilities in New Jersey are controlled by Authorities, quasi-public entities which are permitted to seek private bond funding. The facilities are: the New Jersey Turnpike, the Garden State Parkway, and the New Jersey Expressway. In addition, most of the bridges connecting New Jersey Expressway with Pennsylvania, New Jersey with New York, and New Jersey with Delaware are operated by Authorities.
North Carolina	Yes, the following list of "private participation in highway projects" are required to be state-maintained upon completion. Biltmore Square Associates in Buncombe County, Copperfield, Inc. in Cabarus County, Interstate Combined Ventuares in Cabarrus County, NCNB National Bank of NC in Wake County, North Hills Properties\Silverton, Inc. in Wake County, Southern Parkway in Durham\Wake Counties, and Western Blvd. Extension in Jacksonville in Onslow
Ohio	ODOT has had some small projects that have included private dollars. These have been for interchanges associated with economic development.
Oregon	Portland International Airport but this is nothing new or innovative.
Pennsylvania	The proposed Airport Alternate Road (also known as the Pittsburgh Airport Multimodal Corridor) is envisioned as a 4-land expressway between the Montour Run Interchange of the Parkway West and the Ohio River Blvd. Extension in Pittsburgh (8 miles). It is a joint venture between Allegheny County and PennDOT. The County is providing the state match for a Marketing and Developmental Study focusing on potential revenues and land development opportunities. It is hoped that sufficient developmental opportunities can be identified to attract private developers/investors and foster the formation of public/private partnerships to generate added financing for the project and the corridor.

State	Response
Tennessee	We have partnered with private developers at regional shopping centers whereby new interchanges were built to handle the generated traffic. The construction of the new interchanges was funded 100% by private sources and the Interchange ownership was transferred to the State for future maintenance and operation. Example: Cool Springs Interchange, Williamson County, and Hickory Hollow Interchange, Davidson County.
Virginia	Public/Private partnership for Route 28 Transportation Improvement District located adjacent to Dulles Airport in Northern Virginia and the Dulles Greenway privatization project in Northern Virginia.

Part 3. Privately Owned Transportation Facilities and Public/Private or State/Local Partnerships.

- B. Are there any transportation facilities in use or under consideration which are the result of state/local governmental partnerships or joint ventures? If yes, please list and describe the nature of the joint participation in the project.**

State	Response
Alabama	Bridge Replacement and STP Funds are allocated to counties on an annual basis that require the county to provide local matching funds.
Alaska	State/local partnerships in Alaska generally follow the same pattern: the state builds the facility and the local government agrees to operate and maintain it after completion.
Arizona	The freeway system in the Phoenix area is financed by a county-wide sales tax. Freeways are constructed by the Department and are state highways. Several other projects have been developed under joint sponsorship.
California	The Transportation Corridor Agencies (TCA's) in Orange County have formed a governmental partnership with the state.
Colorado	Powers Blvd. is a 36 mile bypass around the east side of Colorado Springs, CO. The project includes Federal and State funds in addition to General Obligation bonds from the City Local Improvement District Bonds, and private funds include right-of-way dedication.
Connecticut	Each airport has only one legal sponsor. The State is responsible for pursuing federal grant money for capital improvements for its airports. Municipal airports have both federal and state grants available for their capital improvements.
Florida	<u>Southern Connector Extension:</u> Osceola County, the Transportation Development Group Trust and the Florida Department of Transportation participated in the project. The Department will construct and own the project while the other partners contribute land and funds worth \$87 million. <u>Seminole Expressway 1 and the Veterans Expressway:</u> These projects were initiated by the Seminole County and Tampa-Hillsborough County Expressway Authorities with Toll Facilities Revolving Trust Fund loans but became Florida Department of Transportation Turnpike projects. <u>I-4 Crosstown Connector:</u> Located in Tampa, the project is being developed by the Department and Tampa-Hillsborough County Expressway Authority. <u>Seminole Expressway II:</u> This project is under development by the Seminole County Expressway Authority utilizing advances from the Toll Facilities Revolving Trust Fund.
Hawaii	Intergovernmental agreement for transportation planning, preliminary engineering and final design for a primary roadway within a development area.

State	Response
Illinois	Illinois Valley Airport (Peru) 50% State; 50% Local Sponsor
Indiana	Yes, currently, the State is considering constructing a five mile road to provide access to a new steel plant under construction. The current terms of the agreement have the State paying for the initial construction of the roadway, then relinquishing it to the County for on-going maintenance.
Kansas	The State of Kansas operates a local assistance program. All projects have state and local funding and are generally small projects.
Kentucky	Have many state/local projects, especially small bridge replacements, where cost sharing is required. Small bridge program: state designs, state pays for structure, locals let to construction and pay for approach work. Other program where two local governments pay for 50% of highway/bridge project and state pays 50%.
Louisiana	No. Prohibited by law.
Minnesota	It happens on a regular basis. Minn DOT working with the local agencies and adjacent states to fund, build, and maintain various roads and bridges.
Missouri	The City of O'Fallon, Missouri, has also organized a transportation corporation to issue bonds to finance the acceleration of a planned state highway project. The Commission will later pay the cost of construction and right-of-way to the corporation. The interest and costs of issuance of the bonds will be paid from a local transportation sales tax.
Nebraska	A private Trails West Museum has been proposed that would require an Interstate highway interchange. The promoters of the museum will pay for any required construction.
Nevada	There have been a number of projects which are the result of public/private partnership. The nature of the partnerships have been financial participation but none of the projects are privately owned.
New York	Three transportation development districts (TDD) in towns of Greenburgh, Ulster and Smithtown built. Three other TDD's are planned in the towns of Batavia, Henrietta and Southeast that will provide the local share for State Highway improvements.
Ohio	See Transportation Improvement District and Panhandle Rail Project.
Oregon	The development of Portland's Westside light rail transit system is a joint effort of the State. Portland's metropolitan planning organization (Metro), and Portland's transit district (Tri-Met). Partners are providing funding and technical resources to complete the project. The development of the South/North transit project is envisioned to be a joint venture between the States of Oregon and Washington, impacted local communities and transit districts. Oregon and Washington are working with the province of British Columbia to develop high speed rail service between Vancouver, BC and Eugene, OR. Each is providing funding and technical resources to develop high speed passenger rail service in the Pacific Northwest High-Speed Rail Corridor.



State	Response
Pennsylvania	Pennsylvania has entered into formal and informal partnerships with local and private sources to stretch available dollars. Some examples are (1) <u>PA 60, Moon Twp., Thorn Run Rd. Interchange</u> , Allegheny Co., \$8.6 million, completed 10/91. Joint participation with Department of Defense and Moon Transportation Authority. (2) <u>Park Road Extension</u> (4-lane expressway from Warren Street to the Outer Bypass), Berks Co., the county along with several local governments and businesses have committed to providing \$11.4 million of the \$82.6 million needed to complete the project. (3) <u>Warren St. Bypass Extension</u> (4-lane expressway from US422 to Grings Hill Road, Spring Township) and the Lancaster Pike reconstruction (reconstruction to 4-lanes from Grings Hill Road to the Lancaster County Line). Berks County, along with several local governments and businesses, have committed to providing \$4.8 million of the \$133.7 million needed to complete these two projects. (4) <u>Robinson Town Center Interchange</u> , Fayette County, \$19.4 million. Joint participation with the North Fayette Transportation and Business Improvement Authority and Metro Developers.
Tennessee	The State has two programs available for state/local government partnerships. One is the Local Interstate Connector Program and the other is State Industrial Access Road Program. Under the LIC Program, state and local governments share the cost on a 50/50 basis for local roads providing access to the Interstate System. Under the SJA Program, the State constructs the road to new industries and the local government provides the right-of-way. Under both programs, the local government is responsible for maintaining the roads.
Texas	Joint venture with City of Laredo. Many TxDOT projects in cities are participating in right-of-way and curb and gutter.
Utah	Yes, Joint venture between Utah and Arizona for a completed "super" Port of Entry. Also, a joint venture between UDOT, Salt lake City and Salt Lake County for a region traffic management system in the Salt Lake County Area including, update and revitalization of traffic signals and transportation management center.
Vermont	Only projects that routinely have state/local funding requirements.
Virginia	There are a number under discussion. The Oak Grove Connector is a current example. VDOT works with a number of cities and counties on joint funded projects.

Part 3. Privately Owned Transportation Facilities and Public/Private or State/Local Partnerships.

- C. Does your state have a law authorizing the building, operation and/or management of privately-owned transportation facilities, or is such a law under consideration? If yes, please describe. Please attach a copy of the law if possible.

State	Response
Arizona	Chapter 26, Arizona Statutes, (Transportation Project Privatization) allows for four demonstration projects.
California	Privately financed demonstration projects listed in Part 2 were authorized in 1989 by Assembly Bill 680.
Florida	Private Transportation Facilities, S. 334.30, Florida Statutes, and Chapter 14-107, FAC.
Illinois	Consideration will be given as part of Chicago - St. Louis high speed rail project.
Iowa	No specific authorizing law, but also no law which specifically prohibits

State	Response
Minnesota	Chapter 160, Minnesota Statutes, was passed in 1993.
Missouri	S. 238.300, Missouri Statutes, (Missouri Transportation Corporation Act).
New Hampshire	No. The issue is being discussed but no firm proposal.
New Mexico	In 1993, the United States and Mexican governments opened a new port-of-entry (POE) At Santa Teres, New Mexico, about six miles west of El Paso, Texas. The proposed Santa Teres Intermodal Facility (STIF) would be located adjacent to the Santa Teres POE. STIF would be situated near two US interstate highways and four major railroads, and it would be about six miles from the Dona Ana County International Airport (in New Mexico); thus, intermodal transfers of freight would be facilitated. STIF would al alleviate congestion and strain on the transportation infrastructure in the El Paso/Juarez region, and its location outside the metropolitan area would reduce vehicular air pollution. Successful development of STIF Would involve participation by two national governments and their agencies, several state agencies and levels of local government, and firms in the private sector. The overall development effort is being coordinated by the New Mexico State Highway and Transportation Department, working with a number of other governmental and private sector groups. Among those groups is the Joint Economic Development Initiative Team (JEDI). STIF is still in the planning stage at this time (September, 1994). Preliminary studies have been completed and their indications were promising. Further studies are currently under contract; they include and environmental impact study, a detailed financial feasibility study, and an in-indepth, marketing study.
New Jersey	No. However, the language establishing each of the Transportation Authorities together with their bond covenants, respectively, address the latitude each Authority is allowed in the building, operation, and/or management of transportation facilities.
Ohio	Yes, see TID language.
Oklahoma	Annually, our legislature considers privatization but takes no specific action. ODOT Director Jack Crowley hopes to privatize rest areas in Oklahoma as they are reconstructed.
Oregon	Oregon has laws relating to private toll bridges and rail road facilities including high speed rail.
South Carolina	The SCDOT may expend such funds as it deems necessary to enter into partnership agreements with political subdivision such as authorized transportation authority and private entities to finance by tolls and other financing methods or the cost of acquiring, construction highways.
Texas	Texas has a law that will allow formation of a private toll road authority, with approval of Texas Transportation Commission.
Virginia	Highway Corporation Act of 1988 and Qualifying Transportation Facilities Act of 1994

Part 4. State Revolving Loan Funds

- A. Does your State have in place or is it considering establishing a transportation loan fund or "Revolving Loan Fund". If yes please describe and attach a copy of the law or proposed legislation establishing the fund.

State	Response
Alaska	Yes, AIDEA AS 44.88.
Arizona	This is under consideration. We are not to the point of proposing legislation.
California	We do not have a state revolving fund in place. We have, however, drafted legislation to create a revolving loan fund.
Colorado	Colorado currently does not have a transportation loan fund, nor are currently considering such a fund. However, the Transportation Commission has the ability to loan funds as illustrated in the E-470 project.
Connecticut	Local Bridge Revolving Fund
Florida	Toll Facilities Revolving Trust Fund, S. 338.251, Florida Statute, and Chapter 14-88, FAC.
Illinois	Rail Freight Program - state law authorizes loans and use of repayments plus interest for additional loans. Two separate funds exists, one for repaid federal support loans and one for State funded loan repayments (law attached).
Indiana	Indiana has two transportation revolving loan funds. The Distressed Road Fund and the Industrial Rail Service Fund. The Distressed Road Fund was capitalized with \$10 million from the state general fund. It's uses are restricted geographically. The loans are interest free. The Industrial Rail Service Fund is capitalized by 0.76% of state sales tax revenues (approximately \$ million/year). This fund can be used for low interest loans or grants to short line rail companies. The loans and grants are restricted to capital improvements.
Kansas	No, but have had some very early discussion of the concept and there is some interest within the Department of exploring the concept further.
Missouri	As part of a Total Transportation Plan for the state, consideration has been given to the creation of a revolving loan fund to be used for the improvement of railroad, aviation, waterways (ports) and transit. Legislation is being written.
Nebraska	Federal Rail Assistance & Local Rail Freight Assistance funds that have been granted to Nebraska are retained in a revolving loan fund.
Nevada	Nevada does not have a project revolving fund.
New York	Yes, legislation is only in conceptual stages. The details of the legislation has not yet been considered.
Ohio	Not in place at this time, but being considered.

State	Response
Oregon	Oregon does not have a transportation "revolving loan fund" at this time. We do have a revolving fund for Ports. There have been preliminary discussions between local and state officials regarding the possible establishment of a transportation loan fund. To date, no definitive proposal has been endorsed.
Tennessee	Utility Relocation Loan Fund.
Utah	UDOT has a no-interest fund for loans to companies or individuals who start-up/replace vans for van pools for commuter work trips. This is funded currently by STP funds although in the beginning with FAU funds. Not established by law or legislation.
Virginia	Yes, under consideration with amendments to the Qualifying Transportation Facilities Act of 1994.
Wisconsin	Three programs: Airport Advance Land Acquisition Loan Program, Freight Rail Infrastructure Improvement Loans, Transportation Facilities Program.

Part 4. State Revolving Loan Funds

B. Please provide the following information regarding the revolving fund loans.

State	Response			
	Inception Date	# of Projects Receiving Loans	Total \$ Amount of Funds Loaned	Total \$ Amount of Loans Repaid
Alaska	1967 (capitalized in 1982)	330 Commercial 5 Infrastructure	\$340 M	Unknown
Connecticut	1984	99	\$21.2 M	\$10.7 M
Florida	1986	16	\$95.3 M	\$30.6 M
Illinois	8/15/79	57	\$29,957,770	\$38,128,800
Indiana	1984 1982	21 17	\$13.5 M \$6.7 M	Repayment history on loaned funds have been very good.
Nebraska	December 12, 1986	3	\$1.2 M	\$1.1 M (additional repayments are pending)
Tennessee	July 1, 1989	10	\$3.7 M	\$.4 M
Utah	1983	120	\$2.1 M	\$1.9 M

Part 4. State Revolving Loan Funds

C. Please list all facilities that are in use or are under construction that were assisted with revolving fund loans.

State	Response			
	Facility Description	Lead Agency	Total Cost	Completion Date/Status
Alaska	Johnnie Mountain Rd.	AIDEA	\$180 M	1989 operating
	Unalaska Harbor Fac.	AIDEA	7 M	1990 operating
	Federal Express	AIDEA	28 M	1994 operating
	Airport	AIDEA	25 M	1991 closed
	Skagway Ore Dock	AIDEA	100 M	1998 under construction
	Healy Clean Coal Elect. Generation Plant.			
Florida	Western Extension Orange Co.	OOCEA	\$100 M	October, 1990
	Mid-Bay Bridge	Mid-Bay Bdg. Auth.	\$48 M	June, 1993
	Seminole Expressway I	FDOT	\$190 M	April, 1994
	Veterans Expressway	FDOT	\$325 M	October, 1994
Nebraska	Rail Line Construction	Railway Council	\$755 K	July 22, 1988
	Rail Line Construction	Railway Council	\$550 K	July 22, 1988
	Rail Line Construction	Railway Council	\$280 K	Oct. 4, 1993

Part 5. Section 1012 Intermodal Surface Transportation Efficiency Act

A. Has your state used or is it planning to use ISTEA funds on a toll facility pursuant to the toll provisions of Section 1012?

State	Response
Alabama	We have not used Section 1012 Funds on a toll facility (except for feasibility), but we may partially fund a project in the future.
Alaska	It is possible but the project is still in the EIS stage.
Arkansas	Such a proposal has been reviewed. No decision has been made.
California	California has no state legislation which allows us to use Section 1012, ISTEA funds on a toll facility. If draft legislation becomes law, California will be able to utilize the provisions of Section 1012.
Colorado	No federal funds are planned to be used on a toll facility at this time. In the case of E-470, Colorado statutes prohibit the use of federal funds on this facility.
Florida	Yes. Preliminary engineering costs of the Tampa Interstate 4/Crosstown Connector project. \$5.85 million in federal aid participation under Section 1012 (soft matched) has been requested in conjunction with \$1.1 million in state funds and \$2.7 million from the state Toll Facilities Revolving Trust Fund program.
Michigan	Currently exploring potential projects for consideration under 1012(b).
Minnesota	Yes.
Nevada	Nevada has not used ISTEA funds on a toll road, nor is it planning to do so.
New Jersey	Yes, the Intelligent Vehicle Highway System (IVHS) will be implemented on New Jersey's toll roads pursuant to the toll provision of Section 1012 of ISTEA.
North Carolina	Perhaps on Mid-Currituck Bridge
Texas	TXDOT is using National Highway System funds on a Harris County Toll Road.
Virginia	Not at this time, amendments under study to the Qualifying Transportation Facilities Act of 1994 would permit this type of leveraging of federal funds.

Part 5. Section 1012 Intermodal Surface Transportation Efficiency Act

B. Has your state used or does it plan to use other provisions of Section 1012, such as to continue the collection of tolls on a facility after bonds are repaid for Title 23 eligible projects or to toll an existing non-tolled facility? If yes, please provide details and the estimated annual revenues that will be generated by these actions.

State	Response
Alabama	It is possible, but we do not have any definite plans at this time.

State	Response
Arizona	If a toll facility is constructed, we most likely would continue the collection of tolls after bond repayment for Title 23 eligible projects.
Arkansas	This option has been discussed but no decision has been made.
Florida	Yes, modifications have been submitted to FHWA to permit tolls to continue to be collected on the following facilities: (1) Sunshine Skyway Bridge - Tampa Bay Area; (2) Everglades Parkway (Alligator Alley) - a part of I-75 crossing South Florida.
Michigan	Currently exploring possible projects. None selected to date.
Minnesota	Yes, we are planning to request proposals for toll roads in 1995. At that we will explore all the possibilities available to us under the section 1012.
Ohio	The Ohio Turnpike Authority has continued to collect tolls after the initial bonds were paid. Estimated Revenues are \$96 M, they are currently using funds to construct new interchanges.
Pennsylvania	A study is currently underway to evaluate the feasibility of converting some existing non-tolled facilities to tolled facilities. The study is ongoing, and the results are not yet available.

Part 5. Section 1012 Intermodal Surface Transportation Efficiency Act

C. What changes to Section 1012 do you believe will encourage its usage in your State?

State	Response
Alabama	Have Section 1012 Funding come from other than our regular apportionment and obligation authority.
Alaska	Lower match requirements.
Arizona	Establish a set-aside discretionary loan fund under the jurisdiction of the secretary, US DOT. This could allow the loans to come from US DOT and not from a state's limited apportionments.
Arkansas	Higher federal participation rate. Applied to initial and/or reconstruction on all federal-aid routes.
California	(1) Incentives to states to use authority (e.g., conditional matching, etc.) and (2) Support National Infrastructure Corporation legislation.
Florida	Strengthen ISTEA Section 1012 Toll Facility Provisions: (a) Establish a nationally funded Section 1012 "Discretionary Revolving Fund"; (b) Authorize Federal participation on a wide array of initial project development costs; (c) Allow Federal funds to be pledged as credit enhancements on tax-exempt bonds; (d) Exempt private transportation facility bonds from the State private activity bond caps; (e) Allow highway funds to be covenanted to pay for Operation and Maintenance costs on a revenue-producing facility.

State	Response
Indiana	Three clearly obvious changes to ISTEA Section 1012 which would encourage it's usage are: (1) increase the federal participation allowed on toll projects above 50%; (2) remove the Interstate System restriction; and (3) allow lending of federal-aid funds for non-toll projects (i.e., the State Revolving Loan Concept). One less obvious addition to the Section 1012 language which might facilitate it's uses would be to enable private entities to issue tax-free debt for infrastructure projects.
Maine	Federal participation up to 80% for all eligible activities.
Michigan	Permit tolling of Interstates. Expand 1012 (b) to allow for more demonstration projects.
Missouri	Section 1012(a)(7) should be revised to permit the toll loan interest rates to be set at a rate mutually agreeable to the state DOT and the toll entity.
New Hampshire	Full funding of ISTEA apportionments.
New Jersey	Increasing the funded-project eligibility scope under Section 1012 would encourage the usage of Section 1012 in New Jersey.
New York	The ability to set interest rates at a more realistic level.
Ohio	Do not require facility to be tolled to qualify for loans.
Oklahoma	States should have ability to toll any existing highway of their choosing.
Utah	Use of toll fees in the improvement of an existing facility, such as, the I-15 corridor.
Virginia	(1) Determine a set aside or new source of federal funds to implement this section. (2) Take out the ambiguity and clearly establish the revolving fund in federal law. (3) Provide a waiver for state matching requirement
Wisconsin	Broaden it to permit tolling existing interstate routes while requiring all revenues to be used for system reconstruction upkeep.

Part 6. General Provisions

- A. Please describe any other existing or pending State legislation in your state which you believe is an "innovative financing concept" and which might be useful to other states. Please attach a copy of the state law enacting such provision.

State	Response
Arizona	We are taking another look at our existing toll road legislation. In particular, adding new provisions for public participation and strengthening the default provisions.
California	AB 713, 1993 authorizes the San Diego Association of Governments (SANDAG) to charge tolls to single-occupant vehicles on an I-15 High Occupancy Vehicle (HOV) lane. Toll revenues would support development of a light rail transit system in the I-15 corridor and additional HOV facilities. Needs federal approval.
Dist of Columbia	A parking tax is proposed for employee parking spaces which are currently not being taxed. It is proposed that the fees collected will be used to help offset the District's transit operating subsidy.
Florida	<u>(1) State Covenants to Complete and Pledges of Operating and Maintenance Costs-</u> statutory authorization is Chapter 248, F. S. ; <u>(2) Advanced Acquisition of Right-of-Way Program-</u> statutory authorization is S. 337.276, F.S.; <u>(3) Transfers of State Transportation Tax Revenues to the Florida Turnpike System-</u> State tax revenues totalling \$425 million were transferred to the Florid Turnpike System between 1991 and 1994 and seven other Florida DOT district offices contributed millions in state funding.
Maine	Although we have no pending legislation at this time, we envision utilizing some innovative financing for the Carlton Bridge on US Route 1 in Bath. One of the funding scenarios under consideration would require legislation to authorize bond sales, increase the State fuel tax, and transfer some revenues from the Maine Turnpike Authority for this project.
Mississippi	Tax on gaming in impacted counties - \$300 million bond program.
Nebraska	Nebraska has relied heavily on the variable motor fuel tax for many years. While not innovative, we have highway construction bonding authority up to \$50 million that is available if needed. We will be evaluating other financing alternatives in the future.
New York	Bills for statewide enabling of: (1) transportation development districts; (2) impact fees.
North Carolina	1989 Highway Trust Fund Law's cash flow financing provisions; enabling legislation on private participating in highway projects.
Oregon	The Department has a Fund Exchange Program with cities and counties. Under the program, cities and counties can exchange federal fund allocations and apportionments for state gas funds. Exchanging federal funds for state funds enables cities and counties to avoid federal-aid program requirements. Under terms of a Surface Transportation Program (STP) working agreement cities and counties are allocated a proportional share of State STP funds. Oregon cities are permitted to fund the costs of a project out of other city funds not associated with the STP funding program and reimburse the project cost in subsequent periods with exchange fund moneys. With prior approval of the Department, cities may accumulate exchange funds to finance projects whose costs exceed annually available funds. In cooperation with the Oregon Economic Development Department, the Department established an Immediate Opportunity Fund Program in 1989. The program provides funds to solve transportation problems where a business location decisions hinges on the immediate commitment of road construction resources. Funds are only made available when other funding sources do not exist.

State	Response
Pennsylvania	Some bills/resolutions have been introduced during the past several years. They have proposed such things as authorizing private construction and operation of toll facilities, but none have been acted on by the General Assembly.
Utah	The 1994 legislature passed SB-212. This bill provides the Department 1/8% of the general sales tax provided certain conditions are met. The allocation is for a limited number of years, refer to the attached copy of the bill. Perhaps this is not considered innovative financing in the general sense, but in Utah, a conservative state, it is considered unusual.
Wisconsin	Indexing of motor vehicle fuel taxes to consumption and inflation.

Part 6. General Provisions

B. How has or will this innovative financing concept benefit the funding of transportation needs in your State? (in terms of funding new projects, accelerating project schedules, reducing costs, etc.). To what modes of transportation does it apply?

State	Response
California	This innovative financing concept will, with federal approval, generate revenues from an existing HOV lane to be used to fund additional transportation infrastructure.
Florida	<u>(1) State Covenants to Complete and Pledges of Operating and Maintenance Cost:</u> Pledge of O&M costs will greatly enhance the bonding capacity of a proposed revenue-producing facility and covenants to complete provide assurances to bond holders that the facility will be completed and placed into service. <u>(2) Advance Acquisition of Right-Of-Way Program:</u> Right-Of-way costs have historically increased at a faster pace than other transportation related costs and the general rate of inflation. The Florida DOT estimates that the advance right-of-way acquisition program will yield about \$60 million in inflation cost savings, after deducting the cost of bond financing. <u>(3) Transfers of State Transportation Tax Revenues to the Florida Turnpike System:</u> Allows (a) more projects to be constructed than could otherwise be built if each revenue source were applied to separate project, (b) a greatly accelerated building schedule, and (c) project to be built as a toll facility which would otherwise not be eligible due to insufficient ability to generate adequate toll revenues as a stand-alone facility.
Maine	If the scenario outlined in 6A is used successfully, other major transportation projects may follow suit. This would allow the Department the flexibility to minimize the effect of major projects on the remainder of our program, construct major project sooner, and leverage more private investment in transportation.
Mississippi	Will fund new projects and accelerate highway projects presently in the schedule.
Missouri	Both the Missouri Transportation Development District Act and the Missouri Transportation Corporation Act may be used for highway, light rail, mass transit, aviation, railroad or waterway transportation projects. The use of these concepts can provide new sources of revenues for additional transportation projects or the acceleration of planned projects.
New York	Add local share for highway capacity projects.
North Carolina	Accelerate highway projects.

State	Response
Oregon	The Fund Exchange Program has allowed cities and counties increased freedom and flexibility in solving transportation problems. It has also enabled cities and counties to avoid administrative and construction requirements associated with federal-aid programs. The Immediate Opportunity Fund has enabled communities to fund transportation projects related to the location of new or retention of existing business when no other funding sources are available.
Ohio	Allow the use of Federal Funds as a guarantee for loans or sale of bonds. More block grants would also allow more flexibility.
South Carolina	Expect to accelerate schedules, reduce public investment and reduce cost.
Texas	When used the fund would accelerate project schedules.
Utah	Senate Bill - 212, will provide an average of \$30 million annually over a seven year period if conditions outlined in the bill are met. These funds will help accelerate state projects. In particular, those projects involving capacity improvement.
Virginia	Virginia's various innovative, public/private and privatization financing techniques have expanded and leverage existing and provide new sources of revenue to construct transportation facilities that could not be completed under standard formula funding. The improvements have been mainly for highways, but are applicable to all modes.
Wisconsin	Maintains buying power of 65% of state funding for all transportation programs.

Part 6. General Provisions

- C. What changes to ISTEA and current FHWA guidance (such as FHWA bonding regulations, matching and "soft match" provisions, future pledges of Federal funds but excluding increased Federal funding levels and changes to apportionment funding requirements) do you believe would be of greatest financial benefit to your State? (in terms of funding new projects, accelerating project schedules, reducing costs, increasing financial flexibility etc.).

State	Response
Alabama	Making discretionary funds available to states that can use them without a reduction in funding in the succeeding year.
Arkansas	Change Section 122 of Title 23 to allow Federal-aid funds to be used to retire principal and interest of bonds used for projects on the NHS. Ensure that any funds to a State for these project are not counted against a state's annual obligation limitation.
Colorado	Flexibility of the funds to accomplish what is outlined in long range plans versus special set-aside programs which tie the hands of the States.

State	Response
Florida	Simplify and Add Flexibility to the Federal Funding Process: (a) Reduce the number of transportation funding categories; (b) transfer project oversight to State DOTs for all non-National Highway System projects; (c) Reduce the number of Federal requirements on how funds must be spent; (d) Restructure the Federal/state/local partnership to allow non-National Highway system funds to be block granted; (e) Allow States the ability to substitute their own planning processes; (f) Provide multi-year flexibility in meeting federal requirements on how funds must be spent; (g) Permit funds to be sub-granted directly to local government; (h) Standardize federal-aid matching requirements for all categories of transportation federal aid; and, (i) permit phased and extended advance construction.
Hawaii	Funding should be provided to carry out federal mandates (e.g., conversion to metric)
Indiana	Two changes come immediately to mind: (1) allowing the use of private contributions (other than land) to be used as match on federal-aid projects; and (2) eliminating the "maintenance of effort" requirements for toll funding soft match.
Maine	Notwithstanding recent FHWA policy guidance for Innovative Financing, we believe that the following components are key to success: (1) ability to dedicate future apportionments for debt service, including interest; (2) conditional commitment of post-ISTEA apportionments; and (3) phased funding, or "cash-flowing" projects.
Michigan	Allowing toll revenues for general operating support permitting tolling of Interstate.
Mississippi	(1) full funding of ISTEA; (2) need fewer categories; (3) no restrictions on states on distribution of MA funds.
Nebraska	We believe that demonstration project funding for the future should be eliminated and all funds associated with demonstration funding be made available to the states thru the defined apportionment factors and formulas.
Nevada	Without increasing the spending authority or the apportionments, there are few changes to ISTEA that will accelerate projects. However, increased flexibility would facilitate project management and possibly accelerate projects. ISTEA's "flexible category" would be truly flexible if the number of subcategories were eliminated or reduced.
New Hampshire	Increase transfer percentages and categories.
New Jersey	The "Soft Match" provision of ISTEA is essential for New Jersey to implement a comprehensive transportation program.
North Carolina	Increased flexibility, less suballocation of STP and other funds, allowing federal aid match to come from other sources than state and local governments. The ability to obligate future year federal funds (i.e. cash flow) for major (e.g. greater than \$30 million) projects.
North Dakota	We have not researched this item and therefore cannot adequately respond.
Ohio	Allow the use of federal funds as a guarantee for loans or sale of bonds. More block grants would also allow more flexibility.
Oregon	Revising "soft match" requirements would be of tremendous value particularly to local transportation programs. In our State's current financial environment, local areas are finding it increasingly more difficult to come up with hard match. Permitting the use of alternative in lieu of funds for federal match would enable Oregon to undertake project currently foregone or postponed for lack of hard match.

State	Response
Pennsylvania	Partial conversion of advance construction projects (spread conversions over several FFY's in accordance with cash flow needs). Greater flexibility in the transferability of funds among categories - allow more to be transferred to areas of greatest need.
South Carolina	All of the above plus loan guaranties, "bridge" loans for tolling projects.
Tennessee	Fully fund ISTEA at authorized levels and permit states to obligate the total amount appropriated.
Utah	Less constrictions with bonding, and using federal-aid as the pay-back. Also, less constrictions concerning bonding and tax exempt interest.
Vermont	Eliminate the limitation on obligations of existing apportionments.
Virginia	Allow soft match to be used for four years once the determination is authorized by FHWA. Having to re-certify each year does not alter the fact of a soft match credit, it just delays use of this means of financing.
Wyoming	Eliminating or minimizing federal mandates (i.e. some Title 23 requirements on smaller jobs, soft match provision would be beneficial in some cases).

Part 6. General Provisions

D. What, in your opinion, are the main impediments to privatization and public/private partnerships in your State?

State	Response
Alabama	Problems associated with right-of-way condemnation for private business (Title Right-of-way, etc.)
Alaska	Low population counts and low traffic counts make the revenue difficult to show a profit margin.
Arizona	Acceptance by the general public and local agencies.
Arkansas	Existing state taxation laws.
California	Some members of the Legislature who are philosophical opposed to tolls and many Californians in the general public who are conditioned to freeways and are reluctant to accept a toll or user fee on highways in California.
Colorado	There are limitations written in the Colorado state statutes. There is also a need to foster interest from private groups wanting to get into these types of relationships.
Connecticut	Provision of services, cost of services, unions.
Dist. of Columbia	There are limited public funds that are available for leveraging public/private partnerships.

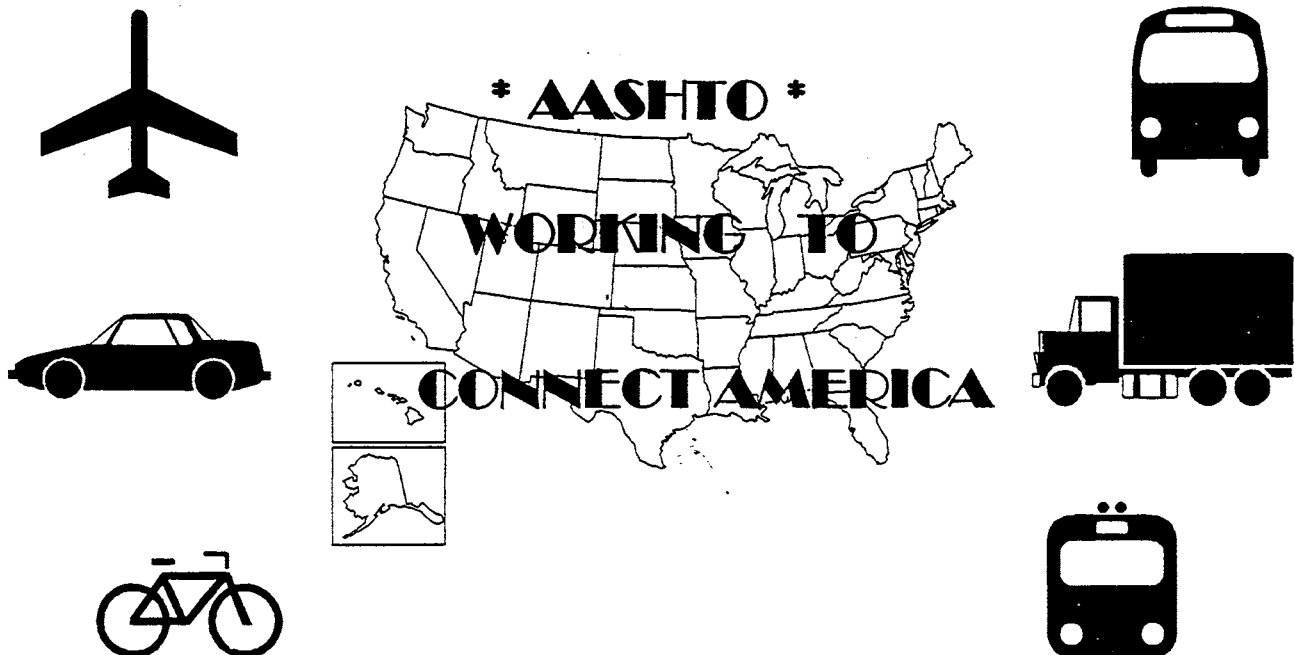
State	Response
Florida	Florida is open to Privatization and Public/Private Partnership. This is evidenced by the Private Transportation Facilities Act (1991) and by successful public/private partnerships, such as the Southern Connector Extension project near Orlando, Florida. Impediments to privatization are: (1) Privatization proposals are prohibited by Federal law from issuing tax-exempt debt, and (2) Florida has a number of established State and local agencies and organizations which operate existing toll road and bridge systems.
Hawaii	The geography of our "islands" state.
Idaho	Lack of state legislative incentives.
Indiana	Limited intrinsic demand for business development in Indiana. We generally have to entice businesses to locate here. This make it very difficult to shift the burden of direct infrastructure investment over to the private sector.
Iowa	While there are no specific impediments, there has not been a "groundswell" of support for considering these approaches to financing transportation or infrastructure projects in the state.
Kansas	We are a rarely low traffic volume state. Consequently, there is little potential for private interests to make the necessary return on investment.
Kentucky	Tradition that state can meet all the transportation needs with own resources. Mistrust and misunderstanding.
Louisiana	Existing law.
Maine	Legal and institutional barriers, inertia, and the paucity of reliable and definitive feasibility studies.
Michigan	Michigan has a tradition of non-toll highways. Changing attitudes of leadership and general public to support toll roads will be difficult. Potential opposition from unions and highway construction interests who may oppose any privatization efforts or who fear competition from non-Michigan construction firms.
Minnesota	Change is always difficult to implement, sense that toll's are double taxation.
Mississippi	Inadequate traffic volumes to support such ventures.
Missouri	Tolls are not popular. The idea of a private organization operating a highway facility for profit would also be unpopular.
Nebraska	In the past, state constitutional prohibition against extending credit of the state and prohibition against expending state funds for private purposes have been used to block privatization of certain state services. Assuming these objections can be overcome, we know of no other impediments to privatization of services. Recent court decisions have raised questions whether these constitutional limitations are in fact impediments to privatization.
Nevada	Low population density in most of Nevada does not facilitate privatization and public/private partnerships.
New Hampshire	Politics, unions, public acceptance.

State	Response
New Jersey	+ Generally, the objection to privatization and public/private partnerships in New Jersey as largely unfounded, and many cooperative project are, indeed, being constructed. Often, the private sector is disgruntled with the Bureaucratic red tape, funding problems and consequent delay associated with the public sector.
New Mexico	Outside of the Albuquerque MSA, the markets are very small.
New York	In NYS, authorities have all the tolling opportunities. Home builders interest groups block state enabling bills for impact fees and TDD's.
North Carolina	Public/private no impediments. Privatization: issue has not been pursued with legislature; unsure of reaction.
North Dakota	Low population base discourages private investment.
Ohio	Risks associated with transportation projects.
Oklahoma	Lack of local financing for large capital improvement programs.
Oregon	The primary impediment to privatization and public/private partnerships in Oregon is psychological, Oregonians do not like tolls. There is a strong sentiment among citizens and the legislature that it is the responsibility of ODOT to build and maintain Oregon's surface transportation systems.
Pennsylvania	Privatization in transportation must be shown to be viable from a private investment perspective. When there are success stories, it is possible that the necessary legislation could be passed, and investors would be involved. Pennsylvania is already very active in forming and using public/private partnerships.
Tennessee	Insufficient funding available from private sources.
Utah	The private sector's attitude is that Federal & State taxes should provide the funding, and these funds should not be supplemented by additional contributions from the private sector.
Vermont	Concepts in early stages of discussions.
Virginia	(1) Identifying cost effective projects; (2) Cost of financing public vs. private; (3) Need to streamline state legislation.
Wyoming	Difficulty in making transportation investments profitable in a sparsely populated state.

INNOVATIVE TRANSPORTATION FINANCING

EXECUTIVE SUMMARY

**of the
Results of A National Survey by the
American Association of State Highway and Transportation
Officials**



APRIL 1995



EXECUTIVE SUMMARY

AASHTO President Howard Yerusolim appointed a Task Force on Innovative Finance in 1994. The Task Force 's mission was to address the fact that even with significant increases in transportation funding and flexibility authorized by the ISTEA, the nation's highways, bridges, transit systems, airports, railways and other facilities continue to be severely under funded. Innovative financing solutions need to be identified and implemented where appropriate. One of the charges given to the AASHTO Task Force was to review pending legislation and activities in the states regarding innovative financing for transportation projects and programs.

The Task Force developed a survey instrument for AASHTO member states and territories. Its purpose was to identify the innovative transportation financing activities the states believe have been or will be most effective in helping to finance their transportation needs. The results of the survey were compiled in a report entitled **INNOVATIVE TRANSPORTATION FINANCING**. It was distributed to all members and to the FHWA for use in planning the reauthorization of ISTEA.

The report serves as a reference guide to states' current practices on the subject of innovative financing. While not intended to be the end all of reference documents, it is a good starting point to show states' current views, approaches considered or used, degrees of project execution, and the person to contact in each state for greater detail.

After presentation of a **Preface** written by Mr. Frank Francois, Executive Director of AASHTO and a **Table of Contents**, a **Document Overview** is presented. This provides a general analysis of what a reader will find in the report and some suggestions on how to use the document. A thorough review of the findings in the report is included as well. To promote a clear understanding of the findings, the **Survey Questions on State Innovative Transportation Financing** and an **Overview of Survey Responses** are presented next.

OVERVIEW of SURVEY RESPONSES											
Areas Surveyed	Question # 1	Question # 2A	Question # 2B	Question # 2C	Question # 2D	Question # 3A	Question # 3B	Question # 3C	Question # 4A	Question # 4B	Question # 4C
	Tax-Rev.	Toll & Revenue Producing Facilities				Public/Private Transp. Facilities			Revolving Loan Funds		
1 Alabama	*		*	*	*		*				
2 Alaska		*			*	*	*		*	*	*
3 Arizona						*	*	*	*		
4 Arkansas	*					*					
5 California		*	*	*		*	*	*	*		
6 Colorado	*	*	*	*	*	*	*		*		
7 Connecticut						*	*		*	*	
8 Delaware											
9 District of Columbia		*									
10 Florida	*	*	*	*	*	*	*	*	*	*	*
11 Georgia											
12 Guam											
13 Hawaii	*	*	*	*			*				
14 Idaho											
15 Illinois	*	*	*	*	*	*	*	*	*	*	
16 Indiana	*					*	*		*	*	
17 Iowa								*			
18 Kansas	*					*	*		*		
19 Kentucky	*						*				
20 Louisiana		*					*				
21 Maine											
22 Maryland											
23 Massachusetts											
24 Michigan	*	*				*	*	*			
25 Minnesota	*					*	*	*			
26 Mississippi											
27 Missouri	*		*	*	*	*	*	*	*		
28 Montana											
29 Nebraska	*						*		*	*	*
30 Nevada						*	*		*	*	
31 New Hampshire		*	*	*		*		*			
32 New Jersey	*					*		*			
33 New Mexico								*			
34 New York							*		*		
35 North Carolina	*				*	*					
36 North Dakota											
37 Ohio	*					*	*	*	*		
38 Oklahoma		*	*					*			
39 Oregon	*			*		*	*	*	*		
40 Pennsylvania	*	*	*	*	*	*	*				
41 Puerto Rico											
42 Rhode Island											
43 South Carolina		*	*	*				*			
44 South Dakota											
45 Tennessee						*	*		*	*	
46 Texas	*	*	*	*	*		*	*			
47 Utah	*					*			*	*	
48 Vermont	*						*				
49 Virginia	*	*	*	*	*	*	*	*	*		
50 Virgin Islands											
51 Washington											
52 West Virginia											
53 Wisconsin	*								*		
54 Wyoming											

The Overview of Survey Responses is a two page, quick reference, graphic representation of the states' response to each question. A review of its contents indicates which states have or are working in the subject areas that are dealt with by the questions. For example, if you want to know which states have or are dealing with a Revolving Loan Fund, review the charts responses to questions 4A, 4B and 4C.

It identifies the 19 states that gave substantive answers. With this information, it is much easier to pinpoint specific state responses to questions in the next section of the report.

OVERVIEW of SURVEY RESPONSES								
Areas Surveyed	Question #	Question #	Question #	Question #	Question #	Question #	Question #	Legislation Approved
	6A	6B	6C	6A	6B	6C	6D	
ISTEA - Section 1012			General Provisions Questions					
1 Alabama	*	*	*			*	*	*
2 Alaska	*		*				*	*
3 Arizona		*	*	*			*	*
4 Arkansas	*	*	*			*	*	*
5 California	*		*	*	*		*	*
6 Colorado	*					*	*	*
7 Connecticut							*	*
8 Delaware								
9 District of Columbia				*			*	
10 Florida	*	*	*	*	*	*	*	*
11 Georgia								
12 Guam								
13 Hawaii						*	*	*
14 Idaho							*	
15 Illinois								*
16 Indiana			*			*	*	*
17 Iowa							*	
18 Kansas							*	
19 Kentucky							*	
20 Louisiana							*	
21 Maine			*	*	*	*	*	
22 Maryland								
23 Massachusetts								
24 Michigan	*	*	*			*	*	
25 Minnesota	*	*					*	*
26 Mississippi				*	*	*	*	*
27 Missouri			*		*		*	*
28 Montana								
29 Nebraska				*		*	*	
30 Nevada	*					*	*	
31 New Hampshire			*			*	*	
32 New Jersey	*		*			*	*	
33 New Mexico							*	*
34 New York			*	*	*		*	
35 North Carolina	*			*	*	*	*	*
36 North Dakota						*	*	
37 Ohio		*	*		*	*	*	*
38 Oklahoma			*				*	
39 Oregon				*	*	*	*	*
40 Pennsylvania		*		*		*	*	
41 Puerto Rico								
42 Rhode Island								
43 South Carolina					*	*		
44 South Dakota								
45 Tennessee						*	*	
46 Texas	*				*			
47 Utah			*	*	*	*	*	
48 Vermont								
49 Virginia	*		*		*	*	*	*
50 Virgin Islands								
51 Washington								
52 West Virginia								
53 Wisconsin			*	*	*			*
54 Wyoming						*	*	

States' Responses to Survey on Innovative Transportation Financing presents a thorough review of the states substantive responses to the survey questionnaire and is the core of the document. The answers presented suggest that several states have adopted or are seriously considering many creative and innovative transportation financing strategies.

- Fifteen states have taken actions to shore up state transportation revenue streams. These actions include increasing reliance on other revenue sources such as new vehicle impact fees, rental car surcharges, general sales taxes, alternate fuel vehicle fees, and weight-distance taxes. Some states have indexed their motor fuel taxes to inflation or instituted percentage taxes - with a ceiling and floor mechanism - instead of a fixed "pennies per gallon" rate.
- Over the last five years, 37 reporting states have opened to traffic or have under construction over \$6 billion in toll roads and other revenue producing transportation facilities. Further, other projects, valued at over \$10 billion, are under consideration or on the drawing boards.
- Ten states have or are considering revolving loan funds for everything from toll roads to ports, airport land acquisition and van pool programs.
- Eighteen states report entering public/private or state/local partnerships and joint ventures for various transportation improvements. These range from mall developers paying for the costs of interchanges to major corporations and states sharing the costs of new expressways, to full blown private transportation projects.

Besides addressing state innovative financing issues, many states enthusiastically responded to questions concerning proposed changes to the Intermodal Surface Transportation Efficiency Act (ISTEA). Many states felt that matching provisions should be more flexible. Suggestions include:

- allowing toll facilities to be matched at the same rates as other funds,
- allowing in-kind match and match from sources other than state funds,
- and
- eliminating the "Maintenance of Effort Test" requirement for soft match funds.