



Transportation **Financing Options**

April 2, 2024
Alaska Infrastructure Development Symposium

Betz Mayer, PNWER RIA Assistant Director



About PNWER

The Pacific NorthWest Economic Region (PNWER) is a public-private partnership chartered by the states of Alaska, Idaho, Montana, Oregon, and Washington; the western Canadian provinces of Alberta, British Columbia, and Saskatchewan; and Yukon and Northwest Territories.

PNWER is recognized by the federal governments as the model for regional and bi-national cooperation because of its proven success. It is the leading forum where people in the policy world and business world come together to identify solutions to regional challenges.



PNWER RIA Program

The Regional Infrastructure Accelerator (RIA) is a US Department of Transportation-funded grant program to help accelerate infrastructure project delivery. The PNWER RIA is 1 of 24 Accelerators in the U.S., and the only multi-state Accelerator program.

RIA's receive 2 years of grant funding to assist various projects in evaluating whether innovative financing options would be a good fit. The PNWER RIA accelerates regionally significant infrastructure projects that - for various reasons - need extra assistance getting across the finish line.

We focus on projects that...

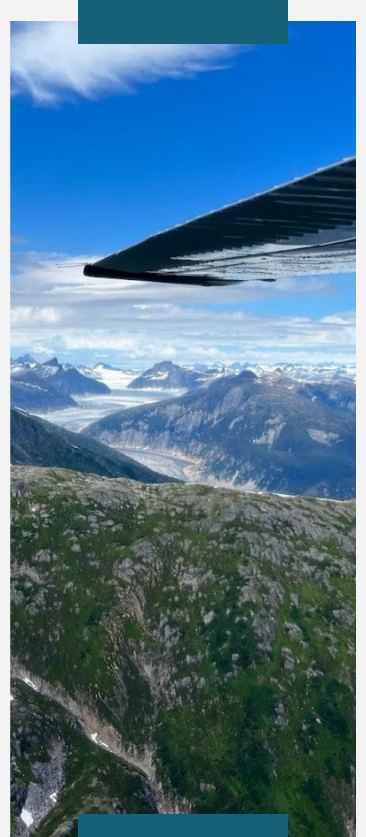
- **Ease Supply Chain Disruptions**
- **Reduce Transportation-Related Pollution**
- **Increase Community Safety, Economic & Environmental Justice**





Central Question:

**Besides grants, how
do you pay for an
infrastructure project?**



PNWER RIA's Role

- **Provide no-cost direct technical assistance to identified projects**
 - Goal: Move pre-identified projects forward by providing supplemental resources to fill gaps with a specific focus on innovative finance opportunities.
 - Goal: Offer targeted technical assistance to projects not initially identified in PNWER RIA application
- **Host webinars, workshops, and training events**
 - Goal: Increase regional knowledge and understanding of US DOT grants and financing options, including public-private partnerships (P3s)
- **Facilitate multi-jurisdictional collaboration on key infrastructure issues**
 - Goal: Host program area working groups with relevant multi-state stakeholders to plan, strategize, share best practices
 - For Example: The High Performance Rail working group will focus on coordinating passenger rail restoration efforts for the North Coast Hiawatha and Pioneer routes with continued improvements to the Amtrak Empire Builder.
- **Identify projects that would benefit from RIA assistance in the future**
 - Goal: Build a pipeline of future projects that could benefit from the RIA to ensure they get adequate resources for project evaluation and assistance.
- **Observe challenges with federal transportation finance programs & communicate them to the Bureau**
 - Goal: Provide consistent, concise reporting to US DOT and PNWER's 5-state Congressional delegation on the various challenges associated with applying for the TIFIA and RRIF financing programs, and identify solutions that would improve the programs' usability.



PNWER RIA Program Areas

PNWER's Regional Infrastructure Accelerator is a USDOT-funded program that connects multi-state transportation projects with innovative federal financing mechanisms, including TIFIA and RRIF loan programs and Public-Private Partnerships (P3s).



Build Northwest Center of Excellence

Serves as the overarching platform for all outreach activities, offering education on innovative federal financing tools.



Critical Connections

Improve connectivity of Tribal nations and rural communities by updating, replacing or improving connective infrastructure.



Zero-Emission Commercial Refueling

Supporting development of zero-emission refueling infrastructure for medium- and heavy-duty vehicles along freight corridors.



High Performance Rail

Improve performance and safety of existing passenger and freight rail systems by identifying and bundling rail improvement projects.



RIA Projects | 2024 - 2026

Alaska

1 Jakolof Bay Dock Replacement
City of Seldovia, Alaska
Partner: Alaska Municipal League

2 Yakutat Transportation Infrastructure
City of Yakutat, Alaska

★ Build Northwest Center of Excellence



Washington

3 Hood River / White Salmon Bridge Replacement Project
Hood River, OR / White Salmon, WA

4 Amtrak Empire Builder
Everett, WA to Glacier National Park, MT

5 Amtrak Cascades Corridor Service Improvement Strategy
Vancouver, WA to Eugene, OR

Oregon

3 Hood River / White Salmon Bridge Replacement Project
Hood River, OR / White Salmon, WA

5 Amtrak Cascades Corridor Service Improvement Strategy
Vancouver, WA to Eugene, OR

6 Umpqua Indian Development Corporation ZEV Commercial Refueling Facilities
Canyonville, OR
Partner: Cow Creek Band of Umpqua Tribe of Indians' Umpqua Indian Development Corp.

Idaho

4 Amtrak Empire Builder
Everett, WA to Glacier National Park, MT

7 Accelerating Rapid Bus Transit Service
Treasure Valley, ID
Partner: Valley Regional Transit

8 Treasure Valley Regional Express Rail & Transload Facility
Treasure Valley, ID
Partner: Valley Regional Transit

Montana

4 Amtrak Empire Builder
Everett, WA to Glacier National Park, MT

9 Proposed Amtrak North Coast Hiawatha Route Corridor Improvement Strategy
Sandpoint, ID to Wibaux, MT
Partner: Big Sky Passenger Rail Authority

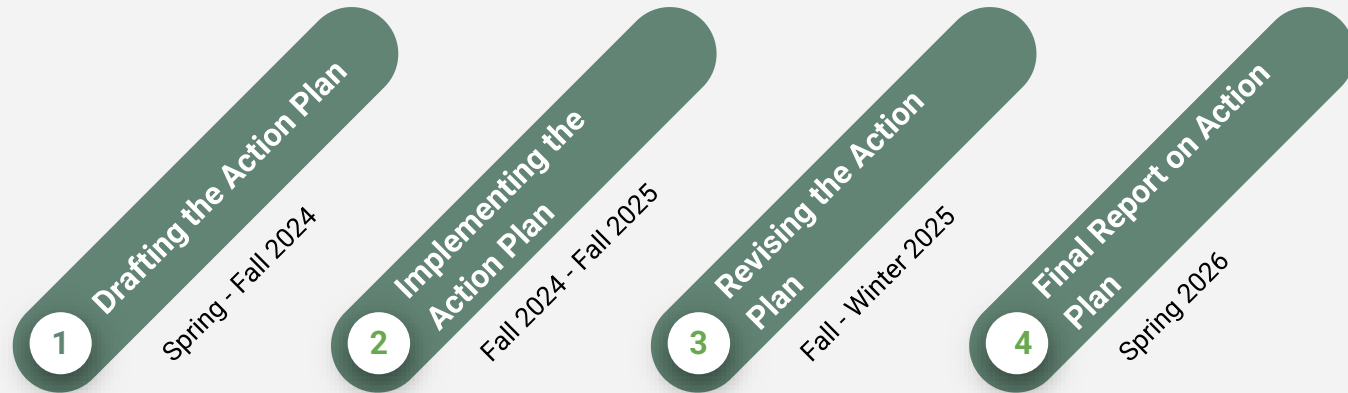
10 St. Regis Zero Emission Refueling & EV Fast Charge Facility
St. Regis, MT



Building a TIFIA / RRIF Action Plan for Alaska

- **Overall Goal of Action Plan:**

- Improve Alaskan local governments' understanding of Build America Bureau finance programs
- Identify challenges to using TIFIA and RRIF in Alaska
- Communicate those challenges and troubleshoot solutions with Build America Bureau



Feedback So Far...

General Takeaways

- Helpful to know that the financing programs exist
- Good to know about other possible funding options to pursue
- Importance of strategizing funding plans for projects
- Need for faster / better grants for Alaskan communities
- Acronyms are confusing, don't give much information

Opportunities for TIFIA / RRIF

- Ability to make debt service payments with redirected revenues
- Not having high interest rates
- Low cost financing
- Potential for public-private partnerships
- Underused program

Challenges for TIFIA / RRIF

- Gathering enough information to make a good decision about whether this is a good fit
- Coordinating with state DOT
- Identifying who on staff 'owns' it
- Difficulty understanding if this program works for port and harbor projects
- Difficulty understanding what portions of a project could be paid for with TIFIA / RRIF

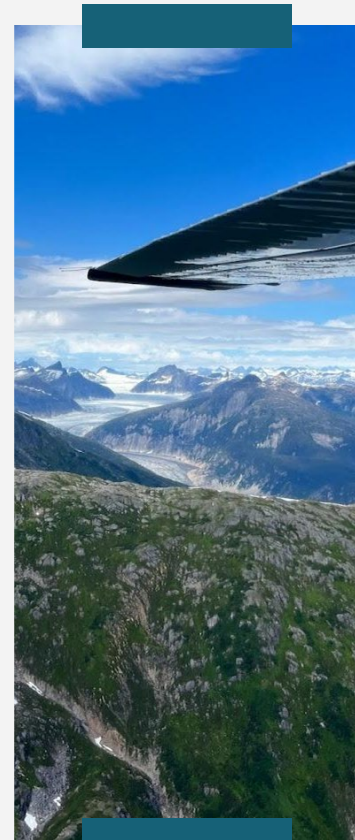
Future Topics of Discussion

- What innovative finance means and how it works
- How other funding sources might play in allowable uses of potential grants
- Ways to bolster municipal staff efforts to pursue funding opportunities





“Until sitting in the session we never heard about the program or the group. No state agency or other federal agency has mentioned this as well as no media attention.”





33RD PNWER ANNUAL SUMMIT

JULY 21-25, 2024 | WHISTLER, BC

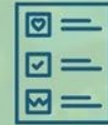
WHY SHOULD YOU ATTEND?

The PNWER Annual Summit provides the opportunity to:

- Learn about key economic issues facing the region
- Collaborate and establish partnerships with Canadian & U.S. public & private sector leaders
- Strengthen regional networks and cooperation
- Advocate for regional policies and cross-jurisdictional initiatives



10 Provinces,
States, &
Territories



20+ Sessions
& Networking
Breaks



125+ Speakers
from Canada
& the U.S.



500+ Legislators,
Business Leaders,
& Decision Makers

Learn more at www.pnwer.org/2024-summit



*Pacific NorthWest
Economic Region*

2024 PNWER ECONOMIC LEADERSHIP FORUM

NOV. 12 - 14, 2024 • ANCHORAGE, ALASKA

More information to come at www.pnwer.org



TIFIA Case Study

Mount Vernon, WA

Library Commons

Project

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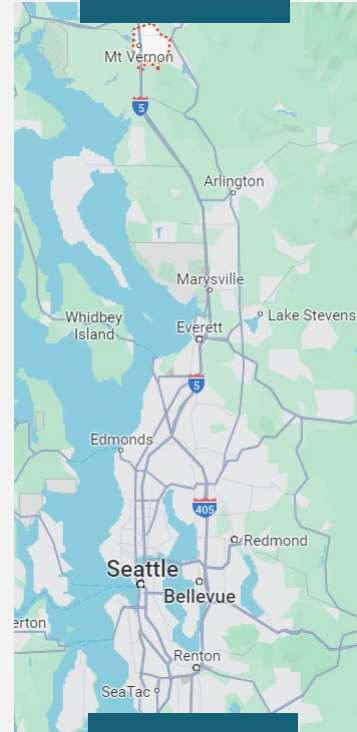
Mount Vernon Library Commons

The Mount Vernon Library Commons project is a MULTI-use infrastructure project located in historic downtown Mount Vernon.

Combining several community needs, this project is a catalyst for economic development in the Cascadia Innovation Corridor along the Interstate 5 corridor between Seattle and Vancouver, BC, and represents a \$53 million investment in the local economy.

Project Features Include

- Public library services
- Community center space
- Commercial kitchen
- Public restrooms
- Structured parking with the largest EV charging center in the US
- Park & Ride
- Transit stop



Mount Vernon TIFIA Timeline

2022

- **May 11, 2022:** The City of Mount Vernon received a provisional determination that it was eligible for a TIFIA loan.
- **November 16, 2022:** The City submitted a letter of interest (LOI) to the US Department of Transportation (USDOT) Build America Bureau (Bureau) for a \$25.5 million loan.

2023

- **January 18, 2023:** The City received notice from the Bureau that the project was advancing to the creditworthiness review phase.
- **February 22, 2023:** The City Council approved Ordinance 3866 for the issuance and sale of a Limited Tax General Obligation bond (LTGO) to provide interim financing while waiting for TIFIA financing to become available.
- **June 5, 2023:** The City submitted a Buy America waiver request for manufactured products that are part of elevator equipment, mechanical, electrical and plumbing systems that are rarely found in a typical Federal Highway Administration (FHWA) project
- **September 13, 2023:** The FHWA posted a request for comments on its website for Mount Vernon's Buy America waiver request



Mount Vernon TIFIA Timeline

2024

- **February 2024:** Although the FHWA approved the waiver request, the OMB did not approve the waiver
- **March 2024**
 - PNWER submitted letter of support for OMB to grant the waiver
 - The city's LOI and creditworthiness phases were approved
 - The TIFIA application was submitted and approved, pending approval of the Buy America waiver
- **March 15, 2024:** FHWA published its official Buy America Waiver for the project.





MOUNT VERNON
LIBRARY COMMONS

HKP architects

Estimated Uses	FY2021/2022	FY2023	FY2024	Total
Total Soft Construction Costs	\$3,326,381	\$3,936,146	\$1,280,826	\$8,543,353
Total Hard Construction Costs	-	\$28,256,103	\$16,071,154	\$44,327,257
Total Contingency on Hard Construction Costs (10%)	-	-	\$1,875,408	\$1,875,408
Total Estimated Uses	\$3,326,381	\$32,192,249	\$19,227,388	\$54,746,018



Mount Vernon Library Commons Project

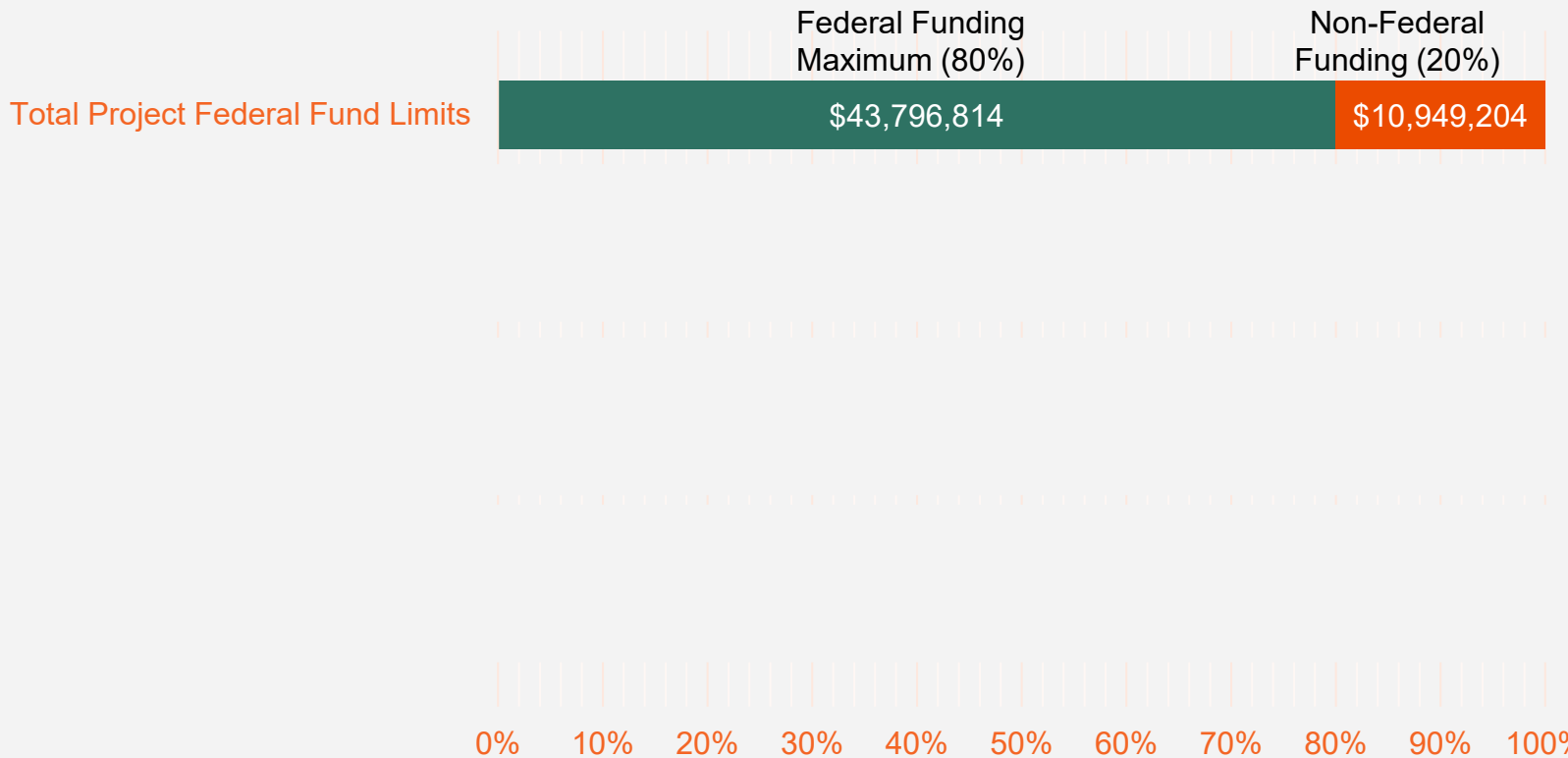
Estimated Project Cost

\$ 54,746,018

Sources	Total Funding	FY2022	FY2023	FY2024	Total	Funding Source
TIFIA Loan (49% of Est. Total)	\$ 26,825,549			\$ 26,825,549	\$ 26,825,549	* Federal
Cash (LIFT and REET match)	2,843,818	1,843,818	1,000,000		2,843,818	City
State Capital Grant 2022	3,950,000		3,950,000		3,950,000	State
State Capital Grant 2023	2,100,000		2,100,000		2,100,000	State
DelBene Directed spending - Federal	2,000,000		2,000,000		2,000,000	Federal
WA State Commerce Grant 2020	2,000,000		2,000,000		2,000,000	State
CDBG - Section 108 Loan	1,700,000		1,700,000		1,700,000	Federal
WA State Commerce Grant 2019	970,000		970,000		970,000	State
MV Library Foundation/Donations	1,565,000	250,000	1,315,000		1,565,000	Other
Skagit County Economic Grant - 2021	500,000		500,000		500,000	County
Skagit County Economic Grant - 2022	500,000		500,000		500,000	County
WSDOT Design Grant	250,000		250,000		250,000	State
SCOG - Carbon reduction grant (86.5/13.5 match)	560,000		560,000		560,000	SCOG
SCOG - Transportation alternative program (86.5/13.5)	144,500		144,500		144,500	SCOG
SCOG - Surface Trans. Block Grant (STBG) (86.5/13.5)	275,000		275,000		275,000	SCOG
PSE EV Charging Partnership	250,000		250,000		250,000	Other
Department of Ecology - Remediation	320,000			320,000	320,000	State
ARPA	4,000,000	2,000,000	2,000,000		4,000,000	Federal
General Fund - Permit Reimbursement	331,000			331,000	331,000	City
REET I (add'l contrib. budgeted - not LIFT)	500,000		500,000		500,000	City
Transportation Benefit District	500,000	250,000	250,000		500,000	City
Lodging Tax Fund Loan	250,000			250,000	250,000	City
Government Access Fund	200,000			200,000	200,000	City
Surface Water Utility	166,875			166,875	166,875	City
Fiber Optics Fund	90,000			90,000	90,000	City
Wastewater Utility	50,000			50,000	50,000	City
Total Current Available Sources	\$ 52,841,742	\$ 4,343,818	\$ 20,264,500	\$ 28,233,424	\$ 52,841,742	
Other Grant or City Funding**	\$ 1,904,276			\$ 1,904,276	1,904,276	
Total Sources plus Other Grant or City Funding	\$ 54,746,018				\$ 54,746,018	



Mount Vernon Library Commons Project Funding Breakdown (\$54,746,018)

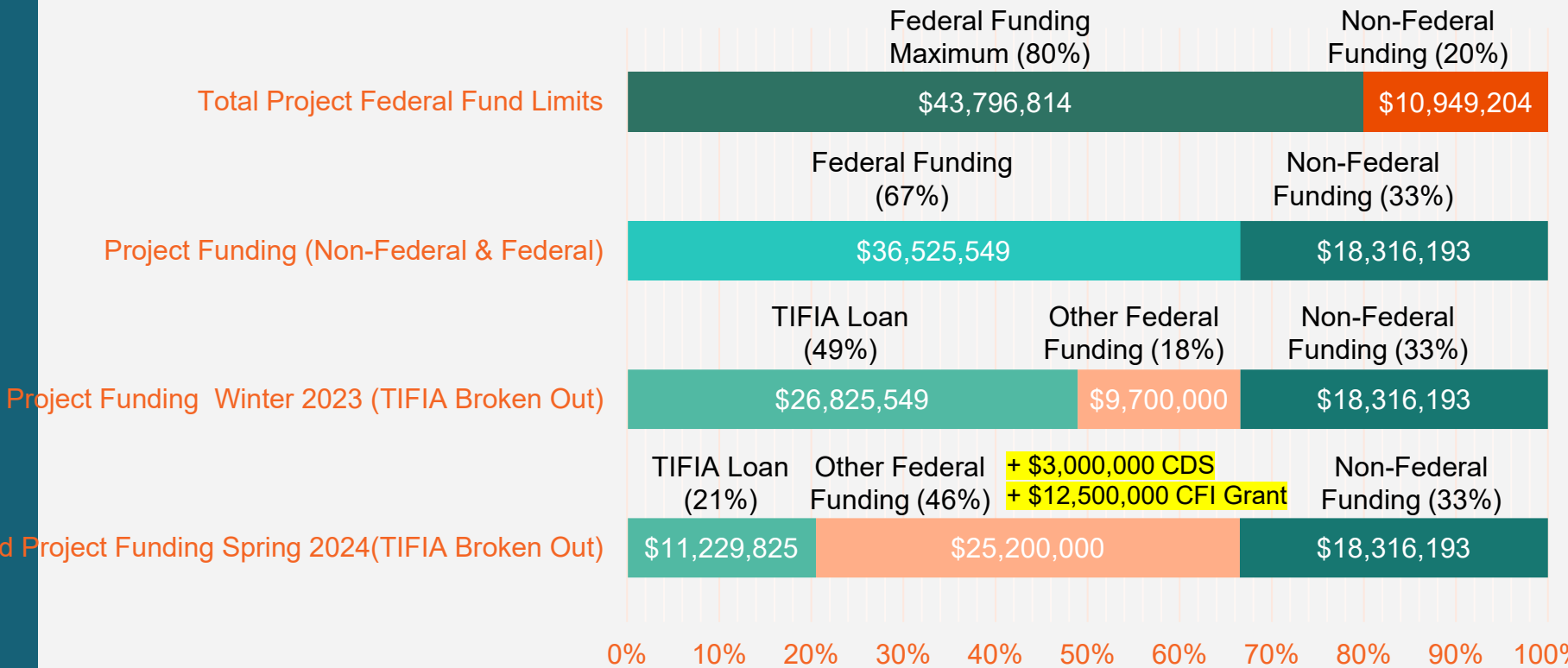


Pro

Revised Pr



Mount Vernon Library Commons Project Funding Breakdown (\$54,746,018)



Repaying the TIFIA Loan

The City of Mount Vernon will use Washington State's Local Infrastructure Financing Tool (LIFT) program to use tax increment financing to repay the TIFIA loan. Tax increment financing allows local governments to fund infrastructure projects by using a portion of increased property values, new tax revenues, and economic activities created by a transportation investment.

Local governments designated under LIFT create Revenue Development Areas (RDAs) to measure growth. Public improvements in the RDA are intended to create growth in sales and property tax revenue, encouraging private development activities too. The value of expected future tax gains in the RDA are then leveraged to finance a public facility project. The LIFT program is currently closed to new designations.

Under the WA LIFT program, the City will receive up to \$500,000 a year for 25 years, though the actual award amount will vary annually based on local progress reports. The city plans to use this funding to provide match monies and repay the TIFIA loan.



Discussion Questions

1. What are the top 2-3 infrastructure projects in your community?
2. What grants and funding sources have you looked at for those projects?
3. What are the funding gaps you see for your project?
4. How could a federal loan program fit into your broader funding package?
5. What are 2 challenges you see with using TIFIA or RRIF financing programs?
6. What are 2 opportunities you see with using TIFIA or RRIF financing programs?
7. Write down 3 questions you have about the Bureau's programs after this presentation.

