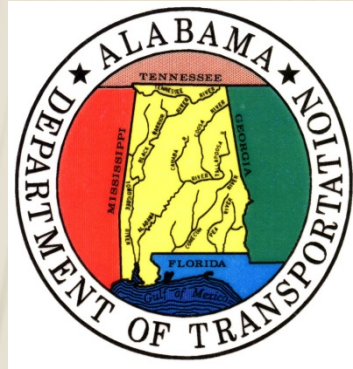


The Rebuild Alabama Act and concluding ATRIP



Edward N. Austin, P.E.

Assistant Chief Engineer, Policy and Planning
Alabama Department of Transportation

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ATRIP Overview

Through all announced rounds occurring between May 2012 and July 2013:

- approximately 1100 projects received some amount of ATRIP funding
- \$1.24 billion sponsor-estimated cost
- 175 different sponsors

As the program advanced through project consolidation, attrition and updated cost estimates, 900 projects ultimately eligible for advancement through ATRIP

ATRIP Status

870 projects let to date

- 598 system improvement/preservation
- 272 bridge replacement/rehabilitation
- 97% of eligible projects

Approximate construction cost based on low bid (includes all eligible costs): \$1,141,413,218.66

30 projects eligible to be addressed

- 13 system improvement/preservation
- 17 bridge replacement/rehabilitation
- remaining construction costs estimated at around \$100 million

ATRIP Letting Summary

Began letting projects in August 2012

95% of ATRIP projects let to contract have been awarded to an in-state contractor

- 824 awards

93% of ATRIP project costs have been paid to an in-state contractor

- \$1.04 billion

ATRIP Letting Summary

| <u>FY</u> | <u>Projects</u> | <u>Total Cost</u> | <u>Lettings</u> |
|-----------|-----------------|-------------------|-----------------|
| 2012 | 17 | \$ 18.2M | 2 |
| 2013 | 126 | \$146.8M | 11 |
| 2014 | 218 | \$260.3M | 11 |
| 2015 | 199 | \$254.7M | 11 |
| 2016 | 133 | \$160.5M | 11 |
| 2017 | 93 | \$132.5M | 11 |
| 2018 | 69 | \$100.0M | 11 |
| 2019 | 15 | \$ 18.5M | 4 |

ATRIP Debt Service

ALDOT is currently paying debt service on multiple bond sales that provided funding for ATRIP and RAMP

ATRIP bond sells went to market in 2012 and 2015 netting around \$1B total

- 2012 ATRIP bonds mature in 2026
- 2015 ATRIP bonds mature in 2034

RAMP bond sell went to market in 2013 and netted \$25M

- RAMP bonds mature in 2021

Debt Service Status

ATRIP debt service

- \$69M average yearly payment made through 2034
- \$263.7M paid and \$1.08B remaining

RAMP debt service

- \$3.8M average yearly payment made through 2021
- \$15.4M paid and \$11.3M remaining

Rebuild Alabama Act

The Rebuild Alabama Act was signed into law by Governor Kay Ivey on March 12, 2019

Provides new revenue for ALDOT, Counties, Municipalities and State Port Authority for the improvement of transportation infrastructure

Primary funding provided by new state gas tax

- 6-2-2 implementation with indexing
- no change to existing tax and distribution

Rebuild Alabama Act

New revenue phased in using a 6-2-2 model

- initial 6¢ effective September 1, 2019
- next 2¢ effective October 1, 2020
- final 2¢ effective October 1, 2021

Beginning October 1, 2023 and on July 1st of every other year thereafter, the revenue provided through RAA shall be adjusted by the % change in the yearly average of the National Highway Construction Cost Index (NHCCI)

- maximum increase/decrease is 1¢

Rebuild Alabama Act

RAA allocates 0.25% to the ADOR for cost of collection and approximately 3.5% to the State Port Authority. Remaining funds distributed at:

- 66.67% to ALDOT
- 25% to counties
- 8.33% to municipalities

Port Authority funds are administered by the Alabama Highway Finance Corporation through bond financing not to exceed 20 years

- once debt retired, funds deposited into RAA fund using established distribution

Rebuild Alabama Act

ALDOT RAA funds are to be used for infrastructure improvement, preservation and maintenance

- can be used as matching funds
- portion (50% max) may be used to issue or refinance loans or debts consistent with RAA

RAA funds can not be used for:

- compensation of employees/consultants except as part of direct project costs
- purchase or lease of equipment except for permanently installed equipment
- construction or maintenance of public buildings or other structures not integral to the road or bridge system

Rebuild Alabama Act

ALDOT RAA funds will be used for the following programs:

- Congestion Relief
- Economic Development Roads
- System Preservation
- Local Interest Projects

Congestion Relief Program

- current funds do not allow us to address significant capacity additions
- Interstates, 2-lane and 4-lane routes
- primarily located in urban/suburban areas

Rebuild Alabama Act

Economic Development Roads Program

- develop/improve transportation infrastructure in economically underserved areas
- especially in areas without 4-lane access to an interstate (currently 16 counties)
- create/complete a 4-lane network of N-S and E-W roadways (establishing 4-lane grid)

System Preservation Program

- address ongoing and growing preservation and maintenance needs
- initially plan to address many of these needs with existing programs
- ability to use RAA funds for preservation

Rebuild Alabama Act

Projects of Local Interest Program

- RAA creates an annual grant program not less than \$10 million for use on any classified road or bridge
- eligible for county/city governments
- procedures to be developed by ALDOT no later than 9/30/19
- initial round of applications due by 11/30/19
- selected projects announced by 1/15/20
- selected projects to be let locally

Rebuild Alabama Act

Projects of Local Interest Program

- RAA creates ATRIP-II, a \$30M to \$50M program directed by an 8 person committee
- established within 30 days of date of RAA
- ATRIP-II is intended to assist in funding projects of local interest on the state maintained system
- may include local roads/bridges essential to the development of a submitted project
- applications submitted by counties/cities
- Committee will meet within 60 days of effective date of RAA to begin developing procedures for use in advancing ATRIP-II projects
- projects will be let to contract by ALDOT
- ATRIP-II annual program beginning in FY2020

Rebuild Alabama Act

Other Provisions

- beginning 10/1/19, ALDOT will allocate \$400,000 in RAA funds annually to each county in exchange for their \$533,000 annual allocation of federal aid (FA) funds
- Counties must first use their \$400,000 as match for their existing FA balance
- once FA balance is authorized, exchanged funds can be used consistent with RAA requirements for counties
- ALDOT can use the exchanged federal funds at its discretion consistent with normal FA procedures and requirements

Rebuild Alabama Act

Electric Vehicle Registration (effective 1/1/20)

- RAA creates annual registration fee of \$200 on each battery electric vehicle and \$100 on each plug-in hybrid electric vehicle
- BEV is defined as any motor vehicle drawing propulsion energy primarily from onboard sources of stored electric energy
- HEV is defined as any motor vehicle drawing propulsion from onboard sources of stored electric energy that can be plugged into a charging port/station and includes an internal combustion or heat engine using combustible fuel

Rebuild Alabama Act

Electric Transportation Infrastructure Grant Program

- first \$150 of BEV and \$75 of HEV registration fees deposited into RAA fund for distribution using established percentages
- remaining fees used to fund this program
- procedures developed and distributed by ALDOT, including application process and evaluation and selection of grant applicants
- program remains active until total annual registration of BEV plus HEV exceeds 4% of total annual registrations of all motor vehicles in Alabama
- fees remain at \$150 and \$75 after that point

?? QUESTIONS ??