

FY2016 MassDOT Capital Investment Plan

Presentation to the
MassDOT Board

June 9, 2015



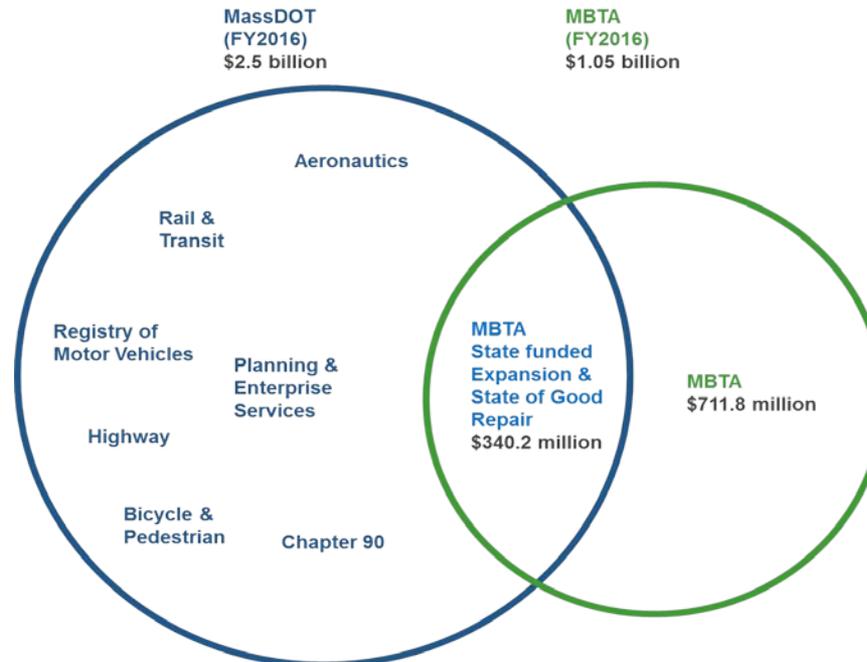
Policy Framework

- A one-year update to the FY2014-FY2018 Capital Investment Plan. Only covers investments to be made in FY2016, with their budget implications for later years shown.
- In combination with the MBTA Capital Investment Plan, represents \$3 billion in investment in the Commonwealth, a higher level of spending than during the peak years of the Central Artery project.
- Focused on statewide, sustainable, and strategic investments.
- The vast majority of the spending identified in this plan represents the continuation or completion of ongoing projects.
- MassDOT plans to prepare and release a five year CIP for FY2017-FY2021 by the end of 2015, based on evaluations using new Project Selection Criteria.



Relationship: MassDOT and MBTA CIPs

- MassDOT and MBTA CIPs are closely tied to each other.
- The Commonwealth has committed capital funding to a number of MBTA investments, including the extension of the Green Line to Somerville/Medford and the purchase of new Red and Orange Line cars.
- Those funds – \$340.2 million in FY2016 – flow through MassDOT to the MBTA via project-specific contracts, and so are shown in both CIPs.



MassDOT Capital Funding Sources

Fiscal Year 2016 – Capital Sources	Amount
State Bond Cap	748,000,000
Federal Highway Funding*	651,934,167
Accelerated Bridge Program - State	405,865,123
Special Obligation Debt - State	394,038,208
Tolls	198,720,367
Federal Transit Authority Funding	48,094,125
Third Party	17,239,807
Federal Aviation Administration Funding	12,862,169
Total	2,476,753,965



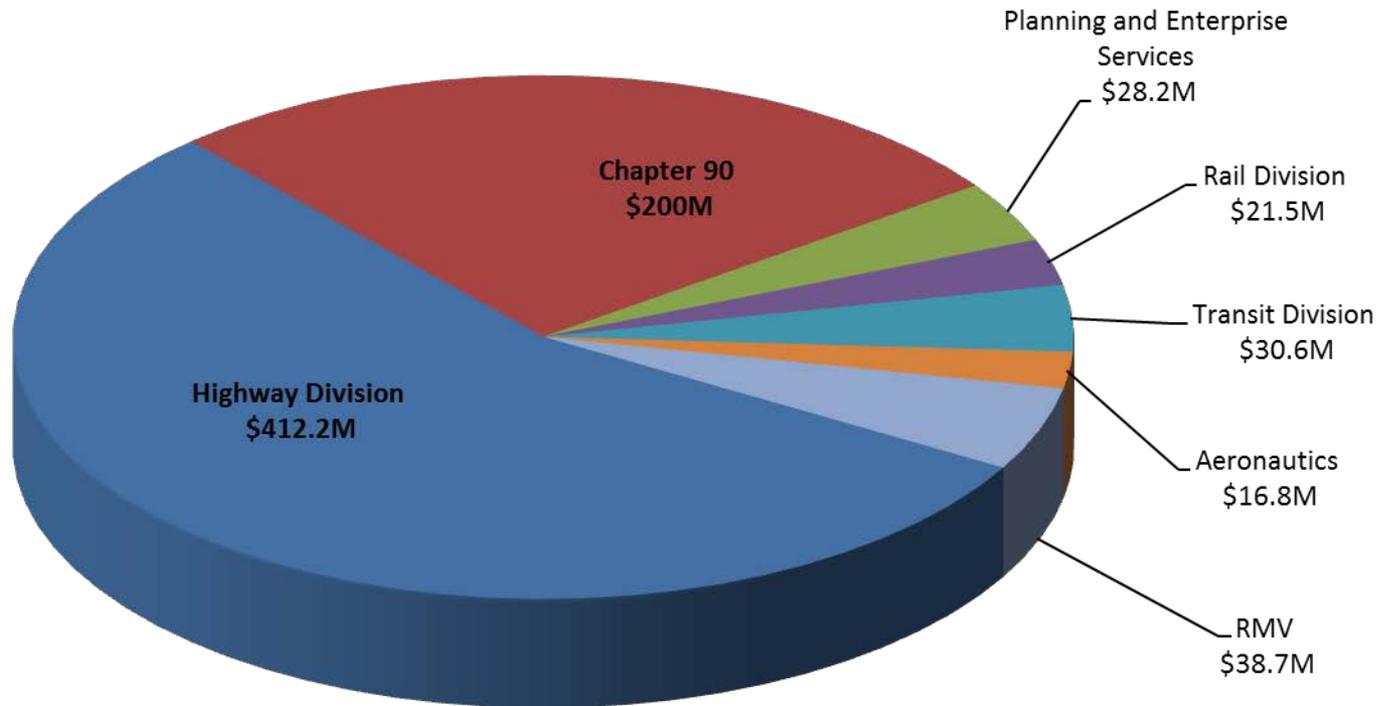
State Bond Cap - \$748.0 Million

- The largest source of capital dollars in FY2016.
- MassDOT is the largest recipient of capital dollars among all state agencies.
- The capacity for issuing this debt is constrained both by the statutorily imposed debt ceiling, as well as a policy that the Commonwealth cannot issue more than \$125 million more in General Obligation debt than it did in the previous fiscal year.
- Funds capital investments at four of the MassDOT operating divisions – Aeronautics, Highway, (non-MBTA) Rail and Transit, and the Registry of Motor Vehicles – and several departments, e.g., IT, under the Office of Planning and Enterprise Services.
- Also funds the Chapter 90 program.



FY16 MassDOT Bond Cap by Division

FY2016 Bond Cap by Division



FHWA Funds - \$651.9 Million

- The Federal Highway Administration reimburses each of the 50 states for completed Federal Aid-eligible projects. This reimbursement is funded by the \$.184 national gas tax paid at the pump.
- The reimbursement percentage is approximately 80%; the remaining 20% is borne by the individual states. In the Commonwealth, that 20% is financed through State Bond Cap.
- In FY2016, the total amount of FHWA reimbursement for Massachusetts is expected to be \$651.9 million. This allows for approximately \$814.9 million of federally aided highway investments across the Commonwealth.
- However, the current Federal transportation authorization will lapse in July, so these estimates may prove to be incorrect.



Accelerated Bridge Program - \$405.9 Million

- Over the life of the program, \$3 billion in funding is being allocated to improve the condition of bridges across the Commonwealth.
 - Initiated in 2008, anticipated spending will continue through 2019
- In FY2016, the ABP will finance the \$405.9 million from two sources:
 - Special Obligation Bonds secured by the revenues collected by the Commonwealth Transportation Fund; the amount available through the life of ABP from Special Obligation Bonds is \$1.1 billion.
 - Federal Grant Anticipation Notes issued by the Commonwealth and backed by Federal transportation funds; the amount available through the life of ABP from GANs is \$1.9 billion
- The amounts borrowed and expended for ABP are in addition to the state bond cap.
- The amount financed in FY2016 may exceed the expected \$405.9 million spend based upon market conditions as well as anticipated and subsequently adjusted project cash flows, not to exceed \$3 billion in total.



Special Obligation Bonds - \$394.0 Million

- In 2013, the Legislature enacted a multi-year transportation finance bill that provided additional funding to support investments in transportation infrastructure.
- Later in 2013, the Legislature authorized a transportation bond bill which allowed for the issuance of general and special obligation bonds for certain improvements to mass transit. These bonds are to be repaid from the Commonwealth Transportation Fund, using additional revenue raised under the transportation finance bill of 2013.
- Special Obligation Transit Bonds are (like the Accelerated Bridge Program) subject to the statutory debt limit imposed by Section 60A of Chapter 29 of the General Laws.
- The \$394 million shown here is \$304 million higher than what is carried in MBTA CIP, as Special Obligation debt is also used by MassDOT to fund the MBTA-related costs of non-MBTA projects (i.e. upgrades to Forest Hills Station undertaken as part of the Casey Arborway project).



Tolls - \$198.7 Million

- In FY2016, the amount of toll revenue collected on I-90 and the Tobin Bridge is anticipated to be \$422.9 million.
- \$198.7 million is expected to be spent on “paygo capital” projects, including:
 - Tobin Toll Revenue:
 - \$368,000 on repairs to the structural steel of the Tobin
 - \$601,000 on other scheduled and emergency Tobin repairs
 - Western Turnpike Revenue:
 - \$5.1 million on guide and traffic sign replacement (W. Stockbridge-Austin)
 - \$4.3 million on bridge preservation (Palmer over Route 181)
 - \$2.8 million on bridge preservation (Montgomery over US 20)
 - Metropolitan Highway System Revenue:
 - \$14.8 million Commonwealth Avenue bridge over I-90
 - \$9.4 million on Callahan Tunnel vent building
 - \$2.1 million on improvements at Cambridge and River Streets
 - Statewide
 - \$60 million on all-electronic tolling



FTA Funds - \$48.1 million

- Under the Federal Transit Authority's funding program, bus transit systems are the beneficiaries of funding programs that support capital improvements.
- In FY2016, the Commonwealth expects to receive approximately \$48.1 million from FTA.
- This money will go either directly or through MassDOT's operating budget for the purpose of funding the cost of new buses at the Regional Transit Authorities throughout the Commonwealth.



Third Party - \$17.2 Million

- This source of capital is almost exclusively the \$17.2 million that MassDOT expects to receive from the Boston Convention and Exhibition Authority for the purpose of moving the MassDOT Central Lab from BCEC property to Hopkinton.



FAA Funds - \$12.8 Million

- Under the Federal Aviation Administration's Airport Improvement Program (AIP), commercial as well as General Aviation airports get partial funding for safety and other projects.
- In FY2016, the Commonwealth expects to receive approximately \$12.8 million from the FAA.



One Last Source: Gaming Revenue

- Transportation Infrastructure and Development Fund received \$25.375 million from the Gaming Revenue Fund (Chapter 23K Section 62):
 - Half must go to cities and towns through Chapter 90 or Chapter 90-like programs.
 - The other half is allocated at the discretion of the MassDOT Secretary.
 - MassDOT will use these funds for strategic priorities that cannot be funded with federal or state bond cap funds:
 - The half dedicated to cities and towns will be used for the new Complete Streets Certification Program, with **\$5 million** to be released in FY2016.
- The remaining Gaming funds will be used to provide:
 - \$500,000 for Transportation Management Associations (that has been funded from federal CMAQ but cannot be in FY2016)
 - \$8.3 million for signal improvements on the Worcester Line (in connection with the New Balance station partnership)



MassDOT Capital Funding Uses

Fiscal Year 2016 – Capital Uses	Amount
Highway Division	1,654,187,694
Massachusetts Bay Transportation Authority	394,038,208
Chapter 90	200,000,000
Planning & Enterprise Services	51,000,000
Registry of Motor Vehicles	38,650,000
Transit Division	78,734,413
Aeronautics Division	29,685,650
Rail Division	30,458,000
Total	2,476,753,965



Highway Division

FY2016 Total \$1.6 Billion

Investments:

- \$200 million for Chapter 90 funds to support transportation projects undertaken by our municipal partners.
- \$164.4 million in non-Federal Aid for roads and bridges (approximately \$100 million for statewide preservation and maintenance and \$64.4 million for capital improvements).
- \$405.9 million for projects within the Accelerated Bridge Program, including Longfellow (Boston/Cambridge), Whittier (Newburyport/Amesbury), and Fore River (Quincy/Weymouth) Bridges.
- \$1.3 million for the North Central Multiuse Pathway (Winchendon).
- \$1.4 million for the Quequechan Rail Trail (Fall River).



Aeronautics Division

FY2016 Total \$29.7 Million

Investments:

- \$26.2 million for grants to public use airports for airport development, safety improvements, aircraft accident investigations, navigational aids, and statewide aviation planning.*
- \$3.3 million for statewide airfield markings, tree clearing, pavement rehabilitation, and upgrades to airport security.
- \$200,000 to continue a study on how best to reduce the carbon footprint of our regional airports.

*clerical correction was made since 6/9/15 Board presentation



Registry of Motor Vehicles

FY2016 Total \$38.6 Million

Investments:

- \$34.4 million for one phase of the replacement of the Automated License and Registration System (ALARS).
- \$4.2 million for branch and customer service improvements, including deployment of self-service kiosks and the replacement of outdated core network systems to improve reliability, customer service, and safety in branch offices.



Rail & Transit Division

FY2016 Total \$109.1 Million

Investments:

- \$78.7 million for statewide transit investments, including at the 15 Regional Transit Authorities: bus replacement; maintenance and operations of fleet replacement needs and regionally significant projects at RTA maintenance facilities.
- \$27.9 million for projects to improve the existing freight and passenger rail transport system along critical rail corridors.
- \$2.5 million for the Industrial Rail Access Program to support partnerships with private freight rail carriers to improve rail infrastructure.



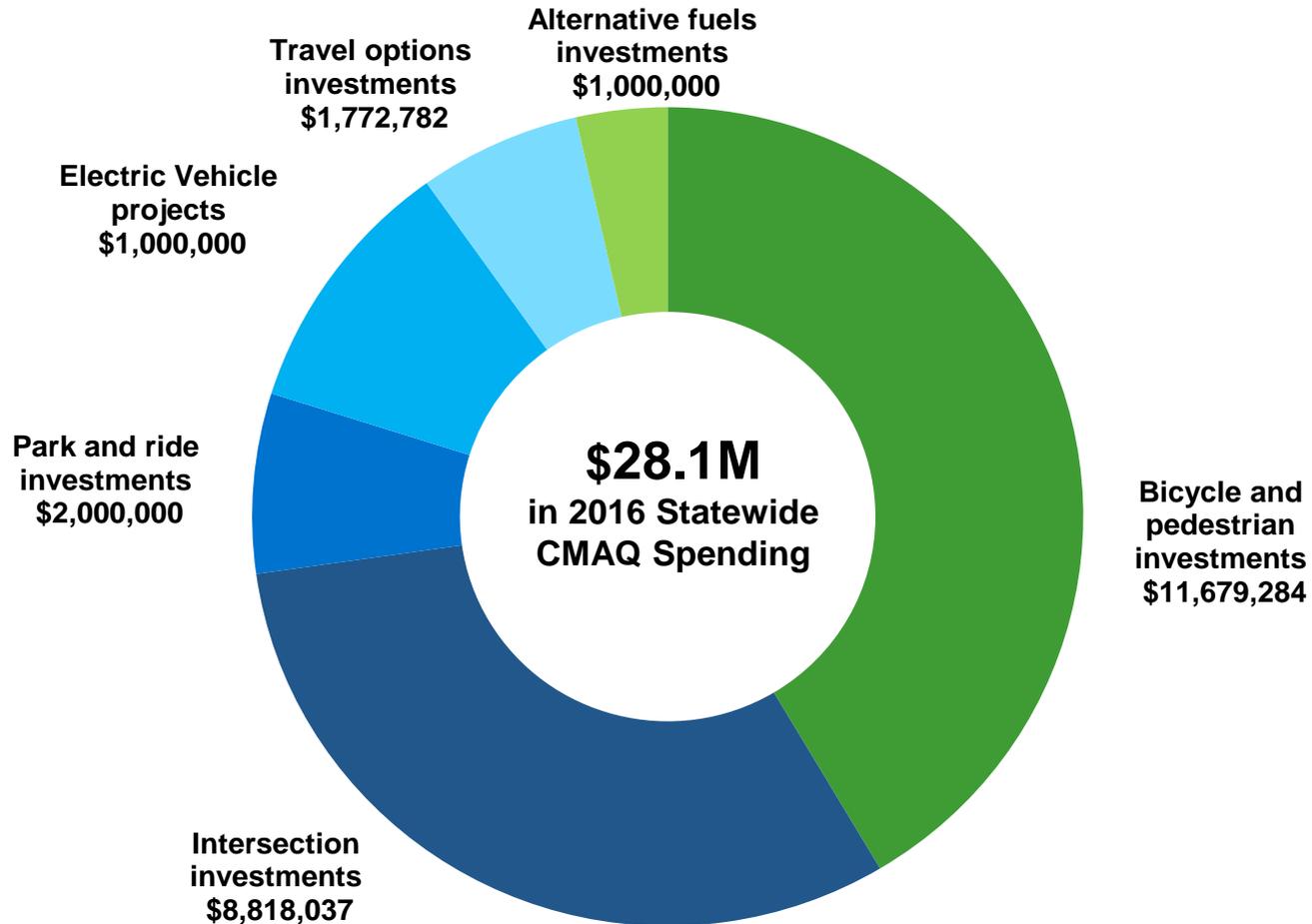
Early Action: Planning/Design

- MassDOT is pursuing design and engineering for the next generation of major projects, whether or not a finance plan is in place, in order to
 - Allow for better project selection by developing necessary design and engineering data
 - Generate more accurate estimates of project costs and thereby allow for development of project finance plans
- This work is often funded using eligible agency overhead dollars, which allows us to preserve key capital funds for later generations of design and ultimately for construction.
- Three projects of particular note in this category include South Coast Rail, the expansion of Boston South Station, and the reconfiguration of the I-90 interchange in the Allston area of Boston.



Uses of Federal Funding: Statewide CMAQ

- The Congestion and Air Quality Mitigation (CMAQ) program is a federal funding program for investments in our transportation system to either relieve congestion or improve air quality.
- CMAQ is split between MPO regions within the state and MassDOT. The proposed CIP allocates the FY2016 statewide CMAQ as shown in the accompanying chart.



FY16 Public Meetings Schedule

Monday, June 15, 6:00-8:00pm

Bangs Community Center, 70 Boltwood Walk, Amherst

Monday, June 15, 6:00-8:00pm

North Quincy High School, Auditorium 316 Hancock Street, Quincy

Tuesday, June 16, 6:30-8:30pm

Pioneer Valley Planning Commission, 60 Congress Street, Springfield, MA (Public Hearing)

Tuesday, June 16, 4:00-6:00pm

State Transportation Building, 2nd Floor, 10 Park Plaza, Boston (Public Hearing)

Wednesday, June 17, 6:30-8:30pm

Framingham Town Hall, Nevins Hall, 150 Concord Street, Framingham

Thursday, June 18, 6:00-8:00pm

Taunton City Hall, Council Chambers, 141 Oak Street, Taunton

Monday, June 22, 6:30-8:30pm

Central Massachusetts Regional Planning Commission, 2 Washington Square, Union Station, 2nd Floor, Worcester

Monday, June 22, 6:00-8:00pm

Gloucester City Hall, Council Chambers, 9 Dale Avenue, Gloucester

Tuesday, June 23, 6:00-8:00pm

Roxbury Community College, Student Center, Room 200, Roxbury

Tuesday, June 23, 6:00-8:00pm

Arlington Town Hall Auditorium, 730 Massachusetts Avenue, Arlington

