

Fort Lauderdale City Commission Conference Meeting

## New River Crossing Federal Funding Options

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# Closing the Gap to Pay for a Tunnel

- Infrastructure Investment and Jobs Act (IIJA) makes funding available through FY 2026 for transportation infrastructure, including rail tunnels.
- Competitive grants and loans can close the funding gap for a tunnel under the New River.
  - IIJA reauthorized previously-existing competitive grant programs and established new programs, several of which could fund the New River Crossing tunnel alternative.
    - U.S. Department of Transportation (DOT) solicits applications for funding under these programs typically on an annual basis.
  - DOT also provides low-cost loans, loans guarantees and standby lines of credit on a rolling basis, the proceeds of which could be used to fund the tunnel alternative.
- Biden Administration focus on environmental justice, equity and reconnecting communities provides unique timely opportunity for tunnel.

# Federal Grants

Program	Agency	Eligibility	Award Process	Total Annual Funding
Capital Investment Grants	Federal Transit Administration (FTA)	<p>Commuter rail, light rail, streetcars and bus rapid transit.</p> <p><b>FTA can fund up to 60% of project costs.</b></p>	<p>Projects go through multi-year, multi-step development and review process. FTA evaluates and rates projects based on statutorily defined project justification (i.e., land use, cost effectiveness, mobility improvements, congestion relief, environmental benefits and economic development) and local financial commitment criteria.</p> <p>Project must receive “Medium” overall rating to advance before FTA can agree to fund project.</p>	<p>\$1.6 billion guaranteed, plus additional \$3 billion authorized, but subject to appropriations.</p> <p>FTA enters into Construction Grant Agreements with sponsors and commits to fund project over multiple years, subject to appropriations.</p> <p><b>FTA makes large awards to projects with no funding cap.</b></p>

# Federal Grants

Program	Agency	Eligibility	Award Process	Annual Funding
Federal State Partnership for Intercity Passenger Rail Grants	Federal Railroad Administration (FRA)	<p>Grants to build or expand intercity passenger rail service.</p> <p><b>FRA can fund up to 80% of project costs.</b></p>	<p>Annual Notice of Funding Opportunity.</p> <p>Applicant must prepare benefit cost analysis.</p> <p>FRA evaluates (1) safety; (2) equitable economic growth and job creation; (3) equity and barriers to opportunity; (4) climate change and sustainability; and (5) transformation of nation's transportation infrastructure in making award decisions.</p>	<p>\$7.2 billion annually (for Northeast corridor and other projects) unless Congress provides supplemental appropriation. Note: DOT is making \$4.5 billion available for projects outside the Northeast Corridor in FY 22/23.</p> <p><b>FRA can enter into multiyear funding agreement.</b></p> <p><b>No predetermined minimum or maximum award.</b></p>

# Federal Grants

Program	Agency	Eligibility	Award Process	Annual Funding
Projects of National Significance ("Mega")	DOT	<p>Grants for large, complex projects of national or regional significance, including intercity passenger rail and public transportation projects that are part of an intercity passenger rail project.</p> <p><b>DOT can fund up to 75% of costs.</b></p>	<p>Annual Notice of Funding Opportunity</p> <p>Applicant must prepare benefit cost analysis.</p> <p>DOT will evaluate if project will generate economic, mobility and safety benefits and cost-effectiveness as well as project readiness, environmental risk, technical capacity, financial completeness and reasonableness of costs.</p>	<p>\$1 billion annually unless Congress provides supplemental appropriation.</p> <p><b>DOT can enter into multiyear funding agreement.</b></p> <p><b>No predetermined minimum or maximum grant.</b></p>

# Federal Grants

Program	Agency	Eligibility	Award Process	Annual Funding
Consolidated Rail Infrastructure and Safety Improvements (CRISI)	FRA	<p>Intercity rail passenger service projects.</p> <p><b>FRA can fund up to 80% of a project's costs but will give preference to projects where federal share does not exceed 50%.</b></p>	<p>Applicant must prepare benefit cost analysis.</p> <p>FRA will consider various factors, including effects on system and service performance, safety, technical and financial capacity. FRA also will evaluate the project on safety, equity and economic strength, climate change and sustainability and transformation aspects. FRA also will look to how the project will enhance economic development.</p>	<p>\$1 billion annually unless Congress provides supplemental funding.</p> <p><b>No predetermined award size, but in FY 22, FRA awarded 70 projects totaling \$1.4 billion with the largest grant \$201.9 million and most awards in the double digits.</b></p>

# Federal Grants

Program	Agency	Eligibility	Award Process	Annual Funding
Rebuilding American Infrastructure with Sustainability and Equity (“RAISE”) grants.	DOT	<p>Grants for transportation projects of national or regional significance.</p> <p>Highly competitive because of broad eligibility.</p> <p><b>DOT can fund up to 60% of project costs.</b></p>	<p>Annual notice of funding opportunity.</p> <p>Applicants must prepare benefit cost analysis.</p> <p>DOT evaluates safety, environmental sustainability, quality of life, mobility and community connectivity, economic competitiveness and opportunity, state of good repair, partnership and collaboration and innovation.</p> <p>DOT also performs environmental risk assessment, technical capacity assessment, and financial completeness assessment.</p>	<p>\$1.5 billion annually unless Congress provides supplemental funding.</p> <p><b>\$25 billion cap on grant awards unless Congress provides supplemental funding and increases the cap for that funding.</b></p>

# Federal Grants

Program	Agency	Eligibility	Award Process	Annual Funding
Nationally Significant Multimodal Freight & Highway Projects (INFRA)	FRA	<p>Multimodal freight and highway projects of national or regional significance.</p> <p><b>DOT can fund up to 60% of project costs.</b></p>	<p>Annual notice of funding opportunity.</p> <p>Applicant must prepare benefit cost analysis.</p> <p>DOT will evaluate if project will generate economic, mobility and safety benefits and cost-effectiveness as well as project readiness, environmental risk, technical capacity, financial completeness and reasonableness of costs.</p> <p>Project must reasonably be expected to begin construction not later than 18 months after funds are obligated.</p>	<p><b>\$1.45 billion unless Congress provides supplemental appropriations.</b></p> <p><b>Largest award in FY 22 was \$150 million</b></p>



## DOT Loan program

- DOT has two programs under which it provides low cost loans to sponsors of transportation projects.
  - Transportation Infrastructure Finance & Innovation Act (TIFIA)
  - Railroad Rehabilitation & Improvement Financing (RRIF).
- Loan proceeds can be used to finance a portion of the cost of the tunnel.
- To receive a loan, DOT must determine that an applicant is creditworthy meaning that there is a dedicated revenue stream that the sponsor can use to repay the loan (e.g., tax increment district or sales tax).

## DOT Loan Programs at a Glance

TIFIA	RRIF
<ul style="list-style-type: none"><li>• Direct loans, loan guarantees and standby lines of credit for surface transportation projects, including commuter rail.</li><li>• Loans typically for up to 33% of project costs (potentially up to 49%).</li><li>• Interest rates equivalent to Treasury rates.</li><li>• Loan terms up to 35 years with potential for up to 75 years tied to the useful life of the project.</li><li>• Payments deferrable for five years after substantial project completion.</li></ul>	<ul style="list-style-type: none"><li>• Direct loans for passenger and freight rail projects.</li><li>• Loans can fund up to 100% of a railroad project.</li><li>• Repayment periods of up to 35 years with potential for up to 75 years for some projects tied to the useful life of the project.</li><li>• Interest rates equal to the cost of borrowing to the government.</li><li>• Payments deferrable for five years after substantial project completion.</li></ul>

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# Questions?

# Contact

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