

TIGER Discretionary Grant Program:

INNOVATION AND PROJECT DELIVERY



The Transportation Investment Generating Economic Recovery, or TIGER I and TIGER II Discretionary Grant programs, provide a unique opportunity for the U.S. Department of Transportation to invest in road, rail, transit and port projects that promise to achieve critical national objectives. Congress dedicated \$1.5 billion for TIGER I and \$600 million for TIGER II to fund projects that have a significant impact on the Nation, a region or a metropolitan area. TIGER's highly competitive process, galvanized by tremendous applicant interest, allowed DOT to fund 51 innovative capital projects in TIGER I, and an additional 42 capital projects in TIGER II. Each project is multi-modal, multi-jurisdictional or otherwise challenging to fund through existing programs.

Among the most significant achievements of the TIGER programs are the wide-ranging state, local and private partnerships leveraged by the Federal investment and the innovative financing and project delivery mechanisms facilitated and encouraged through the programs' unique structures.

Innovative Financing

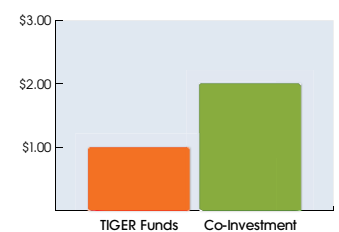
The TIGER programs encouraged applicants to develop robust and innovative financing structures to compete for Federal funds. DOT gives priority to projects that demonstrate significant partnership between State and local governments and private entities, including non-profit and other non-traditional partners. The St. Paul, MN, Union Depot project joins a \$35 million TIGER

investment with \$208 million in local, State and other Federal money to renovate the city's historic Union Depot as a multi-modal transit hub linking rail, bus, light-rail, auto and bicycle trips.

Similarly, the Tower 55 project in Fort Worth, TX, will use a \$34 million TIGER II grant to complete a \$91.2 million funding package for rail capacity enhancements at one of the most significant rail bottlenecks in the country, providing substantial benefits for the Nation and the local community. Like many of the projects funded through TIGER, this is a strong public-private partnership, with freight railroads funding a significant portion of the project's costs.

In the first round of TIGER, grantees matched each dollar of TIGER investment with more than two dollars from other sources.

TIGER Co-Investment



Through TIGER, DOT challenged grantees to make their funds go further, often in new and creative ways. The Colorado DOT was awarded a \$10 million TIGER grant for the U.S. 36 Managed Lanes/BRT project, which will accommodate bus rapid transit, bikeways and congestion-reducing managed lanes between Denver and Boulder, CO. To better leverage these funds, the Department also offered Colorado the opportunity to use the \$10 million to support a significantly more robust Transportation Infrastructure Finance and Innovation Act (TIFIA) loan which can cover up to a third of the project's full cost. Together additional State and local money, the project sponsors currently expect to take advantage of the TIFIA loan to complete the project's innovative financing package which is in the \$160-260 million range.

DOT will also provide a \$546 million TIGER TIFIA loan to complete the \$1.7 billion Crenshaw/LAX Light-Rail Transit Corridor project, an integral piece of Los



Utilizing a design-build procurement is expected to save the Milton-Madison Bridge \$18 million and dramatically accelerate project completion.



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Angeles's 30/10 Initiative to build 12 city-transforming mass transit projects in 10 years rather than 30. Los Angeles's broad vision, coupled with its willingness to dedicate significant local resources for the project through the voter-approved Measure R half cent sales tax, made this innovative financing proposal a good fit for the TIGER II competition; its success, and the success of the 30/10 Initiative generally, will provide new examples of innovative ways to think about financing local transportation priorities.

Project Delivery

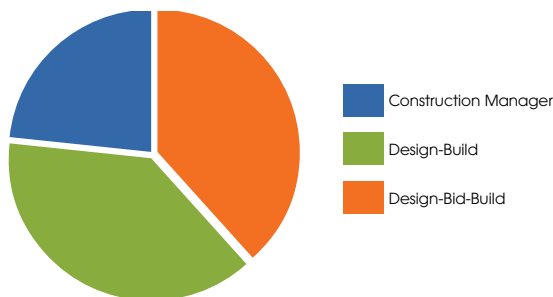
In addition to financing, TIGER creates incentives for project sponsors to pursue innovation and best practices in the way transportation projects are delivered. TIGER encourages rigorous cost and schedule control through a statutory deadline for obligating funds ("use them or lose them") and through fixed dollar awards that limit the funds provided through the TIGER program. These incentives have encouraged many grantees to execute design-build contracts and other arrangements that can accelerate project delivery and reduce costs. The Milton-Madison Bridge Project, which received a \$20 million TIGER I grant to connect Milton, KY, and Madison, IN, is using a design-build contracting approach to deliver the \$103 million project. The winning bid submitted for the design-build contract was 15 percent below the original estimate, and the bridge will be open to traffic on September 15, 2012 and reduce the bridge closure period from 1 year to just 10 days. Mike Hancock, the Kentucky Secretary of Transportation, called the project "a poster child for how to do things right."

Of the 13 TIGER I grants administered by the Federal Transit Administration, five projects are expected to use a design-build approach, as opposed to the more traditional design-bid-build, and three projects are expected to use a construction manager at risk or construction manager/general contractor approach to contracting. Both methods require greater collaboration from construction managers to deliver projects on time and on schedule. DOT expects these contracting approaches to significantly enhance the grantees' ability to control costs and schedules for the TIGER projects.



The I-85 Corridor and Yadkin River Crossing project utilizes Design-Build to accelerate project delivery.

Transit Project Delivery



The TIGER program provides DOT with a proving ground for new approaches to financing and delivering infrastructure projects. TIGER, through its encouragement of innovation and broad scope, has seen grantees create and foster important partnerships; make significant local public and private investments that will transform their communities; and explore methods to improve the speed and effectiveness of project delivery. Proven solutions for financing and accelerating project delivery can help DOT, States and local governments invest limited public funds most effectively.



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