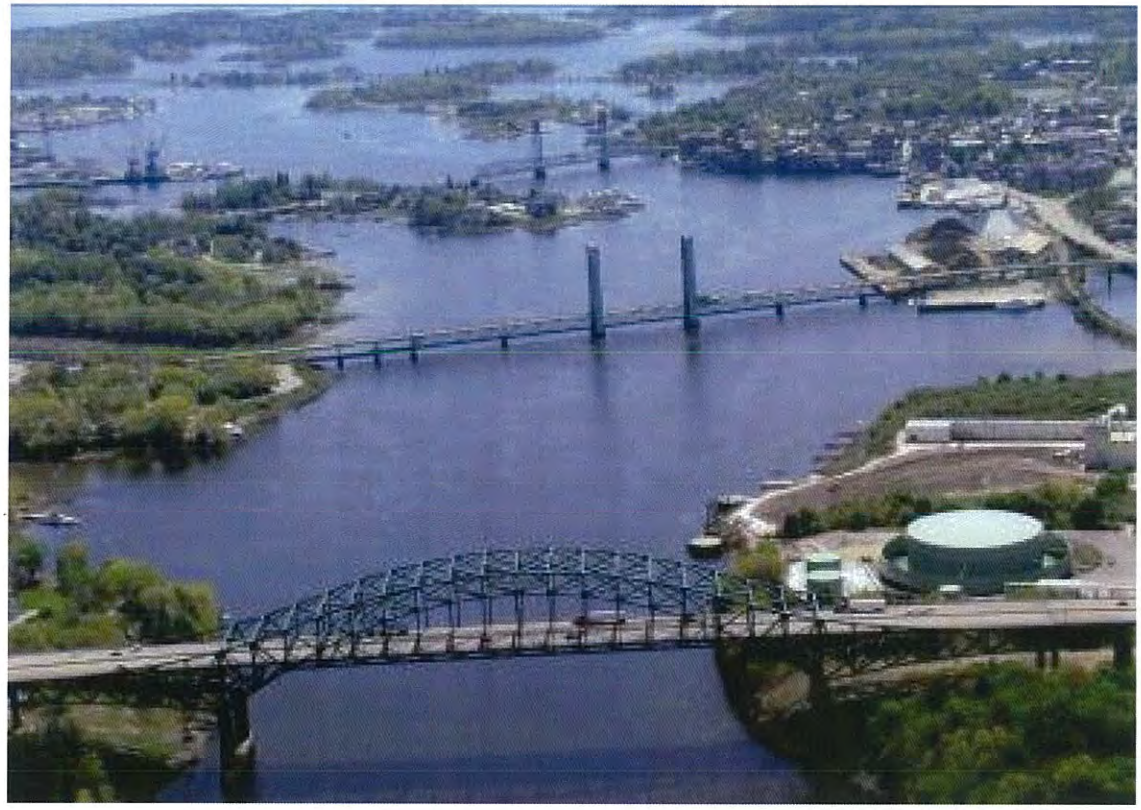
Final Report

Bi-State Bridge Funding Task Force



December 15, 2010

Executive Summary

On October 5, 2010, the Governors of Maine and New Hampshire issued executive orders creating the Bi-State Bridge Funding Task Force, identifying its members, duties, and schedule. The formation of this Task Force was appropriately timed with the upcoming completion of the Maine-New Hampshire Connections Study (Study).

The recent closure of the Memorial Bridge between Kittery Maine and Portsmouth New Hampshire exemplifies the need for a unified approach to the Operations and Maintenance, Repair and Rehabilitation, and Capital Improvements to the Memorial Bridge, Sarah Mildred Long Bridge, and I-95 High level bridge crossing the Piscataqua River between Maine and New Hampshire. The importance of this corridor to the commerce of the two states as a link to each other, the remainder of the United States and Canada cannot be overstated.

The Study ultimately determined that three bridges should be maintained to best serve the needs of all of the existing modes of transportation, including vehicles, railroad, bicycle, and pedestrian. As the study neared completion, it was clear that extra-ordinary funding measures were needed to address the conditions of all three bridges over the short and long term. These extra-ordinary funding needs prompted Governors Baldacci and Lynch to create the Bi-State Bridge Funding Task Force through executive order.

The Task Force met five times between October 5, 2010 and December 14, 2010 to review, discuss, and agree upon the estimated funding levels required for these three bridges over the next 30 years. The Task Force also identified funding mechanisms, partners, joint structure, legislation and other actions necessary to meet these extra-ordinary funding needs.

The Task Force found that the Capital, and Operation and Maintenance expenditures required by these three bridges over the next 30 years would be approximately $506.4M. This is comprised of $200M for the replacement and rehabilitation of the Memorial Bridge and Sarah Mildred Long Bridge respectively, $242.6M for the Capital Repair and Rehabilitation of the three bridges and $63.8M for the Operation and maintenance of the three bridges.

The following are the recommendations identified by the Task Force to accommodate this need in whole or in part.

- Construct the Memorial Bridge replacement beginning in 2011 using a combination of TIGER II Grant funds, FHWA funds, and MaineDOT and NHDOT Bridge funds.
- Construct the recommended Sarah Mildred Long Bridge option beginning in 2016 using a combination of FHWA funds, NH Bureau of Turnpike funds, Maine Turnpike Authority funds, MaineDOT and NHDOT funds, and Department of Defense funds.

- Create a sinking fund that would be contributed to equally by each state to be used for the continued Capital Repair and Rehabilitation (R&R) of the Sarah Mildred Long and I-95 High Level Bridges, using state and federal funding when necessary to address short falls.
- No recommendation is being made by the Task Force on tolling, which if thought to be necessary would be considered by future Legislatures of the two States.
- Continue to share Operation and Maintenance (O&M) costs for all three bridges equally between the two states. Combine bridge operator duties to significantly reduce operator costs.
- Revitalize the Interstate Bridge Authority (IBA) to oversee all three bridges and to serve as Funds' Administrator of the Sinking Fund. This includes a re-establishment of the IBA, extending its charter to include the High Level Bridge, use the IBA to oversee and manage the Sarah Mildred Long and High Level bridges, and to act as a fiduciary entity to oversee, manage and distribute monies from the sinking fund. IBA members will be selected from each state.

Creation of the Bi-State Bridge Funding Task Force

Background

On October 5, 2010, the Governors of Maine and New Hampshire issued executive orders creating the Bi-State Bridge Funding Task Force, identifying its members, duties, and schedule. The formation of this Task Force was appropriately timed with the upcoming completion of the Maine-New Hampshire Connections Study. The Maine-New Hampshire Connections Study focused on the identification and evaluation of potential transportation alternatives to meet local and regional crossing requirements through the Year 2035 affecting the three existing bridges (I-95 High Level Bridge, Sarah Mildred Long Bridge/US Route 1 bypass, and the Memorial Bridge/US Route 1) over the Piscataqua River. This evaluation included an assessment of all modes, including rail, highway, transit, marine navigation, pedestrian and bicycle.

Previously, the Portsmouth Memorial and Sarah Mildred Long bridges had been determined to be structurally deficient by the Maine and New Hampshire DOTs and their continued operation requires increasing annual maintenance costs of over 1 million dollars per year for each bridge. It was determined that, without improvements, the Memorial Bridge would likely have to be closed within one to three years. Similarly, without improvements, the Sarah Mildred Long Bridge would likely need to be closed to vehicle traffic within five to seven years. This near-term timeframe necessitated immediate actions by the Maine and New Hampshire DOTs.

This study focused primarily on the need for three bridges within the greater I-95 Corridor, the reasonableness of closing one or more of the bridges, and the improvements needed and costs involved with maintaining these bridges over the long term. The study ultimately determined that three bridges should be maintained to best serve the needs of all of the existing modes of transportation, including vehicles, railroad, bicycle, and pedestrian and 10 lanes would be required to accommodate vehicular capacity. As the study neared completion, it was clear that extra-ordinary funding measures were needed to address the conditions of all three bridges over the short and long term. These extra-ordinary funding needs prompted Governors, Baldacci and Lynch to create the Bi-State Bridge Funding Task Force through executive order.

The essence of the Governors' Executive Order establishing the Bi-State Bridge Task Force is summarized below.

WHEREAS, New Hampshire and Maine jointly own three bridges across the Piscataqua River connecting Portsmouth, New Hampshire and Kittery, Maine: the Piscataqua River Bridge hereinafter referred to as the High Level Bridge, which carries Interstate 95, the Sarah Mildred Long Bridge, which carries the US 1 Bypass, and the Memorial Bridge, which carries US Route 1; and

WHEREAS, these bridges are essential to the movement of people and goods between and through the 2 states, serving as the primary travel route between population centers to our south and through to Canada to the north as well as key routes for people and goods between and within our states; and

WHEREAS, the Memorial Bridge, built in 1923, links the thriving business, social, religious and arts communities of Kittery and Portsmouth, is the only bicycle and pedestrian crossing of the Piscataqua River, supports community cohesion and quality of life, and has experienced structural deterioration that would necessitate closure within one to three years; and

WHEREAS, the Sarah Mildred Long Bridge, built in 1940, provides a critical link across the river, including a rail line used to transport heavy freight to the Portsmouth Naval Shipyard, which employs approximately 4,200 workers, heavy truck transit to and from the commercial service stations along the US 1 Bypass, serves as a critical back-up route in the event of a disruption of service on Interstate 95, and has experienced structural deterioration reducing its life expectancy to 5 to 7 years for vehicle traffic; and

WHEREAS, following many years of evaluation and discussion, New Hampshire and Maine agree that replacement of the Memorial Bridge, replacement or extensive rehabilitation of the Sarah Mildred Long Bridge, and on-going maintenance and repair of the High Level Bridge are necessary to maintain and improve existing connections, service levels and mobility; and

WHEREAS, the financial resources needed to address these bridges are extensive, currently estimated at $200 million to $300 million in capital costs over the next several years, which will require legislative approval; and

WHEREAS, New Hampshire and Maine seek a cooperative, comprehensive, sustainable, cost-effective, and long-term solution that addresses all three bridges;

Six members, three from each state, comprised the Bi-State Bridge Funding Task Force. The Task Force charge was to identify funding mechanisms, partners, joint structure, legislation and other actions necessary to meet these extra-ordinary funding needs.

A copy of the complete Governor's Executive Order can be found in Appendix A.

Findings

Introduction

The Bi- State Bridge Funding Task Force (Task Force), at the request of the Governors of the States of Maine and New Hampshire, has undertaken a process to determine the funding mechanisms available to fund the three bridges between Kittery, Maine and Portsmouth, New Hampshire. These bridges and their needs were the subject of the "Maine – New Hampshire Connections Study"(Connections Study).

The draft report was published for public comment in November 2010 and recommended the replacement of the Memorial Bridge (MB) and the rehabilitation or replacement of the Sarah Mildred Long Bridge (SMLB). Three alternatives were to be considered: 1) the replacement of the Memorial Bridge with a Rehabilitation of the Sarah Mildred Long Bridge; 2) the replacement of the Memorial Bridge with a low level replacement of the Sarah Mildred Long Bridge; and, 3) the replacement of the Memorial Bridge with a Hybrid replacement of the Sarah Mildred Long Bridge. The Governors' added to this recommendation the need for continued maintenance and rehabilitation of the I-95 Piscataqua River Bridge (High Level).

The Task Force determined that in order to arrive at funding and management solutions for these bridges, certain key parameters required clarification. These are enumerated below.

1) Firm up MB and SMLB operation and maintenance costs from Connections Study.

2) Firm up the High Level Bridge Maintenance Cost Estimates.

3) Develop the value assessment of the 1.9 miles of interstate (freeway) in Maine south of Spruce Creek to the approach of the High Level Bridge.

4) Develop preliminary toll revenue assumptions for tolling the SMLB and the MB and confirm with Maine Turnpike Authority.

5) Identify toll collection costs with Maine Turnpike Authority.

6) Determine value of SMLB costs that are attributable to rail necessity.

7) Develop information regarding Public Private Partnership opportunities for the bridges.

8) Identify key legal issues regarding tolling and the utilization of the Interstate Bridge Authority (IBA).

The Maine Turnpike Authority (MTA) offered the use of its general engineering consultant, HNTB Corporation (HNTB), to facilitate the gathering and evaluation of data, and to assist in the writing of the Task Force Report. HNTB was also the author of the Connections Study and as such provided a strong familiarity with the bridges.

The data gathered and evaluated for these key parameters is summarized later in this report. The data presented has been concurred upon by the MaineDOT and the NHDOT. In addition to this data, further refinement of the remaining SMLB option costs were conducted by the MaineDOT using its consultant, Trans Systems Inc. This refinement prepared by the MaineDOT for the Hybrid and Low Level replacement options for the SMLB led MaineDOT to propose that the Hybrid and Low Level replacement options be eliminated regarding the SMLB. Further work by MaineDOT provided the refined cost for the

SMLB rehabilitation of $110 million in the construction year of 2016. NHDOT confirmed the Connection Study value of $90 Million for the replacement of the MB.

It was noted by the Task Force that the final determination of the recommended options for the bridges will be subject to a process required by the Federal Highway Administration (FHWA) and the United States Army Corps of Engineers (USACE) that could impact the ultimate option selected and design parameters including historical, maritime and environmental. MaineDOT discussions with the FHWA indicate that the rehabilitation option would likely fall under a categorical exclusion allowing for public comment. This may result in different costs than those assumed by the Task Force.

Summary of Data and Evaluation

Memorial, Sarah Mildred Long, and High Level Bridge Cost Estimates

HNTB gathered information presented in the Connections Study Draft Final Report and a study prepared for the NHDOT, Bureau of Turnpikes. HNTB also received information from the MaineDOT regarding the Maine side of the High Level Bridge.

A series of excel spread sheets were prepared listing the components of capital improvements as well as operation and maintenance costs for the three bridges. These spread sheets are found in Appendix B. It is necessary to look at all of these components as the initial capital investment to replace the two lift bridges is not the only consideration. In some instances the costs are different from that shown in the study to account for the time frame in which they will occur. The information in the Connections Study was agreed to and used for comparative purposes. Additionally, the cost items were grown by an inflation factor of 2% per year to derive a more probable cost. Table A below is derived from the spread sheet titled "Bi State Bridge Funding Task Force - Funding Sources & Costs" and demonstrates that over the first 30 years, the Capital Repair and Rehabilitation (R&R) costs will exceed the initial Capital costs when considering the High Level Bridge.

During the discussions regarding the data, it was noted that costs associated with the three bridges varied dependant on the classification of the costs. The Operations and Maintenance costs for the High Level Bridge, the MB and the SMLB are shared at a proportion of 50/50 for each state. The Capital costs for the MB are funded at a proportion of 50/50 for the truss spans. The Capital costs for the SMLB and the High Level Bridge are shared 50/50 for the truss spans including the Railroad retractable span but the approach spans are the responsibility of the owning state. The capital costs for the retractable railroad span have been historically paid by Maine within the costs for the SMLB.

The initial Capital Costs, as shown in Table A, is the cost to replace the MB and rehabilitate the SMLB. The Capital R&R Costs are those costs incurred on the High Level Bridge and the SMLB over the period of the next 30 years that are beyond maintenance.

The Operation and Maintenance (O&M) Costs are those costs required for routine maintenance and daily operation of the facilities.

Through its work in considering the costs for the various alternatives for the SMLB, MaineDOT concluded that the Hybrid and low level replacement options were difficult to justify due to cost. Consequently at the November 30, 2010 Bi State Commission Meeting, MaineDOT recommended that the rehabilitation option be pursued due to cost considerations. This decision will require documentation and concurrence through the federal NEPA process, but for the Bi State Commission's work, the capital costs for the SMLB assumed the cost of rehabilitating the existing bridge.

In reviewing the significant costs of the various components of Initial Capital costs, Capital R&R costs and Operation and Maintenance costs, the Task Force felt it important that the value of funds to be raised should reflect the need to be as efficient, cost effective and innovative as possible. In this light, the Task Force took the following actions:

1. The cost escalation should be limited to 2%. This would be achieved through diligence of a concerted and continued efforts of efficiency and innovation;

2. The costs would be immediately reduced by combining the lift operations to a single operator house and crew. It was understood that this would be subject to United States Coast Guard (USCG) approval;

3. The2011 costs for the High Level Bridge would be removed from this analysis since this work was already programmed and funded; and,

4. The sinking fund would be invested in an acceptable interest or investment mode.

Table A: Summary of Bridge Costs (2011 – 2040)

Capital Costs for 2 Bridges		$200,000,000
(MB $90M & SMLB $110M) Cost to Replace Memorial Bridge and Rehabilitate Sarah Mildred Long Bridge.		
Capital R&R Costs (Inflated @ 2%)		
High Level Bridge	$118,900,000	
Sarah Mildred Long Bridge	$59,100,000	
Memorial Bridge	$64,600,000	
Total Capital R&R Costs		$242,600,000
Operation and Maintenance (Inflated @2%)		
High Level Bridge	$28,700,000	
Sarah Mildred Long Bridge	$31,500,000	
Memorial Bridge	$21,800,000	
Savings accrued - eliminate 1 Bridge Operation Team	($18,200,000)	
Total Operation & Maintenance		$63,800,000
Total Capital and O & M Costs		**$506,400,000**

A significant part of the charge of this Task Force was to develop a plan to identify dedicated funding for the needed improvements and the continued operation and maintenance costs and the repair and rehabilitation costs of these facilities. This charge leads to the exploration of the following discussion.

Table B depicts the known or assumed sources of revenue for these bridges. The availability of revenue sources are not completely certain, but they currently include Federal Highway Bridge Maintenance Funds, State Funds, GARVEE Bonds, TIGER II Grant, funds from the Eastern New Hampshire Turnpike system, and funds from the MTA in the purchase of the 1.9 mile section of I-95 and the application of $1.0 M per year for 25 years beginning in 2014 added to the sinking fund. The contribution to the Sinking Fund by the MTA is subject to the planned toll increase of 2013 being successfully implemented and adequate to provide these additional revenues.

Table B: Bridge Revenues 2011 - 2040

Total Capital and O & M Costs		**$506,400,000**
Funding sources		
Operations & Maintenance Costs in MaineDOT & NHDOT Budgets		$66,000,000
(O&M Allocation 50% to each state on all three bridges)		
Maine Annual Contribution	$1,100,000	
New Hampshire Annual Contribution	$1,100,000	
Sinking Fund Contributions (High Level & Sarah Mildred Long)		$102,000,000
Maine Annual Contribution	$1,700,000	
New Hampshire Annual Contribution	$1,700,000	
($26.0M MaineDOT, $25M MTA, $51.0M NHDOT)		
Sinking Fund Interest @ 2.25%		$13,500,000
Memorial Bridge		$90,000,000
(TIGER II Grant $20M, $35M MaineDOT, $35M NHDOT)		
Sarah Mildred Long Bridge		$110,000,000
($6.1 MaineDOT, $28M MTA Purchase of 1.9 Miles, $45.9M NHDOT, $30M DOD)		
Identified Funding Sources		**$381,500,000**
Net need		**$124,900,000**

The Sinking Fund is proposed to be contributed to equally by each of the two states. It is based upon the needs of the truss spans for the High Level Bridge and the SMLB including the retractable Railroad span. It is expected that payments from the Sinking Fund will be made proportionally on a 50/50 share for the truss spans, including the retractable railroad span on the SMLB. Projects on the approach spans of the High Level Bridge and the SMLB will be eligible for payment from the Sinking Fund, but only to the extent that the requesting state has a balance in the Sinking Fund and only to the amount of that balance. Appendix B contains a table that presents an approximation of this cost sharing. This table is an estimate only and presents the proportionality.

The sinking fund values have been calculated to earn at a rate of 2.25% annually. This value was reached in consultation with Bank of America/ Merrill Lynch, who provided a range between 2.0% and 2.5%.

The excel workbook of this data was prepared summarizing the cost estimates presented above. A copy of this data is contained in Appendix B of this report. The table above demonstrates that for the initial 30 years there will be a funding gap that will require additional funding from both States. Certain assumptions have been made regarding the identified funding. Among them is that the operation and maintenance funding for MB and the SMLB would continue at the appropriate levels throughout the 30 year period.

Value of I-95 from Spruce Creek South to the High Level Bridge

HNTB completed an assessment of the value of I-95 from Spruce Creek south to the High Level Bridge. This is the only portion of I-95 not owned by the MTA in the southern section of the state. The valuation was completed with a determination of the value of $28.0 M. This value is subject to final agreement between the MaineDOT and the MTA and is assumed to be used by MaineDOT to help offset the initial capital costs of the SMLB.

Tolling

Tolling as a funding mechanism was discussed by the Task Force. The Task Force decided that the matter of tolls as a funding source should be the purview of the respective state legislatures.

Value of Rail Line on Sarah Mildred Long Bridge

The existing SMLB currently carries a rail line that services the Portsmouth Naval Shipyard only. This line is owned and maintained by Pan Am Railways. The task force requested that the value of the rail line in relation to the overall capital cost of the SMLB be identified for the purposes of initiating a funding discussion with the Department of Defense. The value was estimated and determined to be $30.0M. This value is derived by assessing the physical components needed for the rail portion of the bridge, $13M, and adding in the value derived from the joint use of the bridge. If the roadway elements were not part of the bridge the rail would continue to exist and the total rehabilitation would be needed just to service the rail at approximately the same cost as the rehabilitation of both the roadway and rail components. The roadway users could and would avail themselves of the High Level or Memorial Bridges.

Public Private Partnership Opportunities

Public Private Partnerships (P3s) opportunities were evaluated as a means to reduce costs through innovation through a design/build/operate/maintain/finance mechanism. P3s requires the appropriate legislation as well as a dedicated revenue stream. The benefits of P3s rely on certain criteria including project readiness and the evaluation of the short term, medium term and long term concession contracts requiring rigorous cost benefit analyses.

It was decided that P3s, for this current analysis, would not play a role in the funding mechanisms for this Task Force. Additional information on P3s, tolling, and financing as provided by Bank of America/Merrill Lynch can be found in Appendix C.

Interstate Bridge Authority (IBA)

The Task Force learned that the IBA continues to exist although it has been dormant for a number of years. The legal aspects of this Authority were reviewed regarding its jurisdiction and the ability to modify its jurisdiction. The IBA currently exists for the SMLB only. The Task Force, through the legal councils for the DOTs, explored the feasibility of extending the IBA's jurisdiction to include the MB and the High Level Bridge. In doing so, the IBA might be charged with the care and control of all three of the structures. Funding would be provided to the IBA and the IBA might be empowered with the ability to generate revenue. The Task Force felt strongly that the creation of an entity to take care and control of these bridges was the best mechanism to assure that these important structures were safeguarded in the future. As such, the Task Force proposed the following as the basic duties of the IBA.

The IBA would manage the sinking fund created for the SMLB and High Level Bridge only. The sinking Fund would primarily assure the truss spans and to the extent that cash balances were available, for the approach spans. The payout of the funds would be proportioned 50/50 from the funds contributed by the states for the truss spans. The payout for the approach spans would be in accordance with availability of funds contributed by the state making the request. This means that the IBA would maintain account balance information for each state. As the entity charged with care and control, the IBA should be given the powers of contracting, bonding (Revenue Bonds), and revenue generation.

Draft legislation to re-establish the IBA from both Maine and New Hampshire to provide the powers and defined duties identified is found in Appendix D.

Task Force Meetings

A copy of the meeting minutes from each of the five Task Force Meetings is found in Appendix E.

Recommendations

After review and discussion of the information prepared and presented in this report, the Bi-State Bridge Funding Task Force hereby recommends the following to address the Initial Capital Costs, Capital R&R Costs and the Operating and Maintenance costs for the three bridges.

Initial Capital Costs

<u>Memorial Bridge</u>

- Replacement Construction Value - $90 Million. Begin in 2011 and complete by Fall 2013

Funding

• TIGER II Grant	$20M
• NH Share	
○ Betterment Program	$2.5M
○ FHWA Funds	$32.5M
• Maine Share	
○ Bridge Funding of	$35.0M

Sarah Mildred Long Bridge

- Rehabilitation Construction Value - $110 Million: Begin in 2016 and complete by 2018

Funding

• NH Share	
○ NH Turnpike Funds	$9.18M
○ FHWA Funds	$36.72M
• Maine Share	
○ Maine Turnpike Authority	$28.0M
○ Maine Bridge Funding	$6.1M
• US Department of Defense	$30.0M

Capital R&R Costs

Sarah Mildred Long and I-95 High Level Bridges:

- Create a "sinking fund" to be used for the continued Capital R & R of the Sarah Mildred Long and I-95 High Level Bridge. Initial estimated contribution to the sinking fund by state are as follows:
    - Maine: $1.7M annually
    - New Hampshire: $1.7M annually
    - Invest sinking fund in interest bearing account with a rate of at least 2.25%
    - Assume 2.0% inflation factor from 2010 prices
- Costs allocation will be an IBA function based upon 50/50 for the truss spans and prorated for the approach spans.

- Utilize the Interstate Bridge Authority (IBA) as an entity to oversee and distribute monies from the sinking fund as needed for needed operation and maintenance costs.
- Utilize state and federal funding for any short falls.
- Continue to work with the Maine Turnpike Authority and the New Hampshire Bureau of Turnpikes to evaluate possible tolling opportunities.

Operations & Maintenance

- Combine the bridge operator duties utilizing a single crew and operator house
- States to share O&M costs for all three bridges equally
- Assume 2% inflation of 2010 prices
- Assume 50/50 split of costs between states
    - NH Share Annual estimated value $1.1M
    - Maine Share Annual estimate value $1.1M

Administration

- Revitalize the Interstate Bridge Authority (IBA) to Serve as Funds' Administrator of Sinking Fund. This will include a re-establishment of the IBA through legislation as a financial vehicle to hold, invest, and distribute the bridge sinking fund. The IBA's role will be to administer funds, operate and have care and control of all three bridges, and manage each State's annual contribution to the Sinking Fund made to the IBA as an independent fiduciary.
- The Sarah Mildred Long Bridge is currently within the authority of the IBA. The Task Force recommends amending its charter to include the I-95 High Level and Memorial Bridges.
- Determine Membership of IBA. The prior legislation set forth the membership of the IBA: 3 residents of New Hampshire and 3 residents of Maine. The NHDOT Commissioner is one member from New Hampshire. If the States want to specify more specific qualifications for members, the legislation should be amended. Recommended membership for the reconstituted IBA might be:
    - MaineDOT Commissioner
    - MTA member
    - Maine Citizen from the area
    - NHDOT Commissioner
    - 2 New Hampshire Citizens from the area

- Administer a Sinking Fund. The IBA will administer a sinking fund into which both States will annually deposit funds for the rehabilitation and replacement of the Sarah Mildred Long Bridge and the I-95 High Level Bridge. IBA will be authorized to issue Revenue Bonds

Recommendation on Tolls

- The Task Force is not making a recommendation on tolling, which if thought to be necessary would be considered by future Legislatures of the two States.

Request for Department of Defense Funds

- The Task Force recommends that both States immediately begin to involve their federal congressional delegation seeking to determine the best course for obtaining Department of Defense Funds to assist in the work required to the SMLB, as that Bridge serves not only traffic, but also serves as a required railway link serving only the Portsmouth Navy Yard for transportation of materials and equipment. US DOD should thus contribute its proportionate share to the work on this bridge.

Recommendation regarding the Sarah Mildred Long Bridge

- It is understood that further study is required through the NEPA process before selecting the rehabilitation option over other potential alternatives with regard to the SML Bridge, as there are numerous environmental, maritime and other issues to be dealt with regarding work on this bridge.

Recommendations for Legislation

- Re-establish the IBA.
- Amend IBA's role from operation to administration of funds for the Sarah Mildred Long Bridge and I-95 High Level Bridge.
- Amend IBA's role to include administration of funds for I-95 High Level Bridge.
- Authorize State's obligations to contribute annually to the proposed sinking fund.
- Authorize IBA to issue Revenue Bonds

Appendix A

Governors' Executive Order

OFFICE OF
THE GOVERNOR

NO. 04 FY 11/12

DATE October 5, 2010

AN ORDER ESTABLISHING THE BI-STATE BRIDGE FUNDING TASK FORCE

WHEREAS, New Hampshire and Maine jointly own three bridges across the Piscataqua River connecting Portsmouth, New Hampshire and Kittery, Maine: the Piscataqua River Bridge hereinafter referred to as the High Level Bridge, which carries Interstate 95, the Sarah Mildred Long Bridge, which carries the US 1 Bypass, and the Memorial Bridge, which carries US Route 1; and

WHEREAS, these bridges are essential to the movement of people and goods between and through the 2 states, serving as the primary travel route between population centers to our south and through to Canada to the north as well as key routes for people and goods between and within our states; and

WHEREAS, the Memorial Bridge, built in 1923, links the thriving business, social, religious and arts communities of Kittery and Portsmouth, is the only bicycle and pedestrian crossing of the Piscataqua River, supports community cohesion and quality of life, and has experienced structural deterioration that would necessitate closure within one to three years; and

WHEREAS, the Sarah Mildred Long Bridge, built in 1940, provides a critical link across the river, including a rail line used to transport heavy freight to the Portsmouth Naval Shipyard, which employs approximately 4,200 workers, heavy truck transit to and from the commercial service stations along the US 1 Bypass, serves as a critical back-up route in the event of a disruption of service on Interstate 95, and has experienced structural deterioration reducing its life expectancy to 5 to 7 years for vehicle traffic; and

WHEREAS, following many years of evaluation and discussion, New Hampshire and Maine agree that replacement of the Memorial Bridge, replacement or extensive rehabilitation of the Sarah Mildred Long Bridge, and on-going maintenance and repair of the High Level Bridge are necessary to maintain and improve existing connections, service levels and mobility; and

WHEREAS, the financial resources needed to address these bridges are extensive, currently estimated at $200 million to $300 million in capital costs over the next several years, which will require legislative approval; and

WHEREAS, New Hampshire and Maine seek a cooperative, comprehensive, sustainable, cost-effective, and long-term solution that addresses all three bridges;

NOW, THEREFORE, I, JOHN E. BALDACCI, Governor of the State of Maine, do hereby establish the Bi-State Bridge Funding Task Force ("Task Force") to work with the State of New Hampshire Bi-State Bridge Funding Task Force established this same day by Executive Order of the Honorable John Lynch, Governor of New Hampshire, to coordinate the states' long-term financing plan for the capital and operating needs of the bi-state transportation corridor, as follows:

1. Task Force Name

The Task Force shall be known as the Bi-State Bridge Funding Task Force.

2. Membership

The Maine members of Task Force shall be the Maine Commissioner of Transportation, the Chair of the Maine Turnpike Authority and a representative of a statewide business organization, to be appointed by the Governor.

3. Duties

The duties of the Task Force are as follows:

- Identify mechanisms that would allow the two states to jointly identify and maximize funding for the replacement, rehabilitation, repair, maintenance, and operation of the three bridges;
- Identify methods to jointly structure financing for the replacement of Memorial Bridge, the replacement or rehabilitation of Sarah Mildred Long Bridge and the repair of the High Level Bridge;
- Propose such legislation that may be necessary in each state to facilitate the funding structure and other contractual authority for state agencies or authorities consistent with each state's laws; and
- Deliver a report to the Governors of the States of Maine and New Hampshire no later than December 15, 2010 with the proposals and recommended legislation required by this Order.

4. Staffing and Assistance

All Maine state agencies and departments shall make reasonable efforts to cooperate with the Task Force and shall furnish such information and assistance as the Task Force reasonably deems necessary to accomplish its purposes.

The Maine Department of Transportation shall be the lead Maine agency in furnishing assistance to the Task Force.

5. Effective Date

The effective date of this order is October 5, 2010

John E. Baldacci, Governor

State of New Hampshire
By His Excellency
John H. Lynch, Governor

Executive Order 2010-4

AN ORDER ESTABLISHING A BI-STATE BRIDGE FUNDING TASK FORCE

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WHEREAS, these bridges are essential to the movement of people and goods between and through the two states, serving as the primary travel route between population centers to our south and through to Canada to the north as well as key routes for people and goods between and within our states; and

WHEREAS, the Memorial Bridge, built in 1923, links the thriving business, social, religious and arts communities of Kittery and Portsmouth, is the only bicycle and pedestrian crossing of the Piscataqua River, supports community cohesion and quality of life, and has experienced structural deterioration that would necessitate closure within one to three years; and

WHEREAS, the Sarah Mildred Long Bridge, built in 1940, provides a critical link across the river, including a rail line used to transport heavy freight to the Portsmouth Naval Shipyard, which employs approximately 4,200 workers, heavy truck transit to and from the commercial service stations along the US 1 Bypass, serves as a critical back-up route in the event of a disruption of service on Interstate 95, and has experienced structural deterioration reducing its life expectancy to five to seven years for vehicle traffic; and

WHEREAS, following many years of evaluation and discussion, New Hampshire and Maine agree that replacement of the Memorial Bridge, replacement or extensive rehabilitation of the Sarah Mildred Long Bridge, and on-going maintenance and repair of the High Level Bridge are necessary to maintain and improve existing connections, service levels, and mobility; and

WHEREAS, the financial resources needed to address these bridges are extensive, currently estimated at $200 million to $300 million in capital costs over the next several years, which will require legislative approval; and

WHEREAS, New Hampshire and Maine seek a cooperative, comprehensive, sustainable, cost-effective, and long-term solution that addresses all three bridges;

NOW, THEREFORE, I, JOHN H. LYNCH, GOVERNOR OF THE STATE OF NEW HAMPSHIRE, by virtue of the power and authority vested in me under Part II, Article 41 of the New Hampshire Constitution, do hereby establish the Bi-State Bridge Funding Task Force ("Task Force") to work with the State of Maine Bi-State Bridge Funding Task Force established this same day by Executive Order of His Excellency John E. Baldacci, Governor of Maine, to coordinate the states' long-term financing plan for the capital and operating needs of the bi-state transportation corridor, as follows:

1. The Task Force shall be known as the Bi-State Bridge Funding Task Force.

2. The New Hampshire members of Task Force shall be the New Hampshire Commissioner of Transportation, George Campbell, the Executive Councilor from District 3, Honorable Beverly Hollingworth, and Henry B. Stebbins of Portsmouth, New Hampshire.

3. The duties of the Task Force are as follows:

   a. Identify mechanisms that will allow the two states to jointly identify and maximize funding for the replacement, rehabilitation, repair, maintenance, and operation of the three bridges;
   b. Identify methods to jointly structure financing for the replacement of the Memorial Bridge, the replacement or rehabilitation of the Sarah Mildred Long Bridge and the repair of the High Level Bridge;
   c. Propose such legislation that may be necessary in each state to facilitate the funding structure and other contractual authority for state agencies or authorities consistent with each state's laws; and
   d. Deliver a report to the Governors of the States of New Hampshire and Maine no later than December 15, 2010 with the proposals and recommended legislation required by this Order.

4. All New Hampshire state agencies and departments shall make reasonable efforts to cooperate with the Task Force and shall furnish such information and assistance as the Task Force reasonably deems necessary to accomplish its purposes.

5. The New Hampshire Department of Transportation shall be the lead New Hampshire agency in furnishing assistance to the Task Force.

Given under my hand and seal at the City of Portsmouth, this 5th day of October, in the year of our Lord two thousand and ten.

Governor of New Hampshire

Appendix B

Costs and Sources of Funds

Bi State Bridge Funding Task Force - Funding Sources & Costs

Costs and Funds 2011 - 2040

Capital Costs for 2 Bridges		$200,000,000
(MB $90M & SMLB $110M) Cost Replace Memorial Br. Rehabilitate Sarah Mildred Long Br.		
Capital R&R Costs (Inflated @ 2%)		
High Level Bridge	$118,900,000	
Sarah Mildred Long Bridge	$59,100,000	
Memorial Bridge	$64,600,000	
Total Capital R&R Costs		$242,600,000
Operation and Maintenance (Inflated @2%)		
High Level Bridge	$28,700,000	
Sarah Mildred Long Bridge	$31,500,000	
Memorial Bridge	$21,800,000	
Savings accrued - eliminate 1 Bridge Operation Team	($18,200,000)	
Total Operation & Maintenance		$63,800,000
Total Capital and O & M Costs		**$506,400,000**
Funding sources		
Operations & Maintenance Costs in MaineDOT & NHDOT Budgets		$66,000,000
(O&M Allocation 50% to each state on all three bridges)		
Maine Annual Contribution	$1,100,000	
New Hampshire Annual Contribution	$1,100,000	
Sinking Fund Contributions (High Level & Sarah Mildred Long)		$102,000,000
Maine Annual Contribution	$1,700,000	
New Hampshire Annual Contribution	$1,700,000	
($26.0M MaineDOT, $25M MTA, $51.0M NHDOT)		
Sinking Fund Interest @ 2.25%		$13,500,000
Memorial Bridge (TIGER II Grant $20M, $35M MaineDOT, $35M NHDOT)		$90,000,000
Sarah Mildred Long Bridge ($5.18 MaineDOT, $28M MTA Purchase of 1.9 Miles, $46.82M NHDOT, $30M DOD)		$110,000,000
Identified Funding Sources		**$381,500,000**
Net need		**$124,900,000**

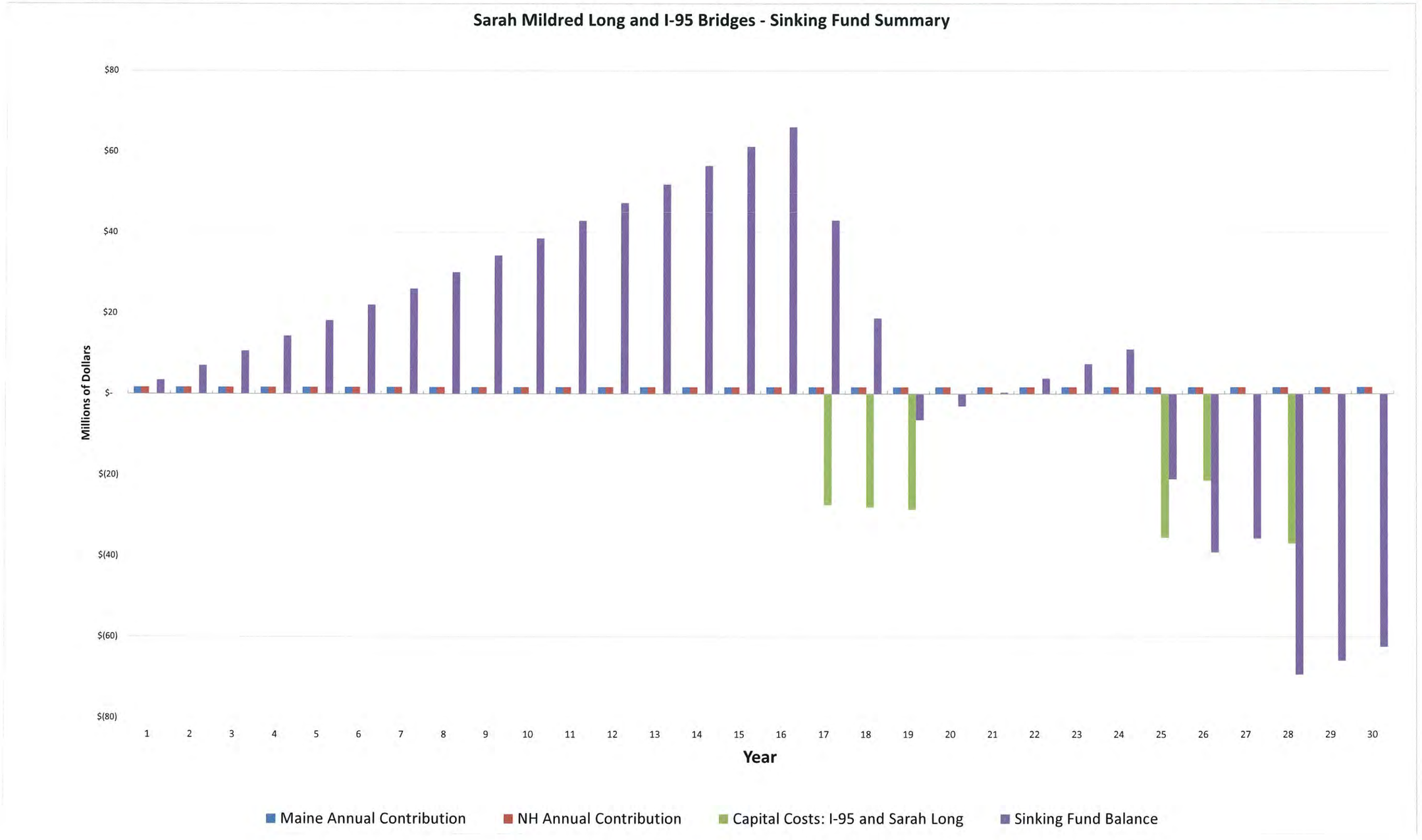
Date last Modified 12/15/10

(60,300,000)

R&R and Capital costs

Capital Cost			1.02	1.0404	1.061208	1.082432	1.104081	1.126162	1.14868567	1.17165938	1.19509257	1.218994	1.243374	1.268242	1.293607	1.319479	1.345868338	1.372786	1.40024142	1.42824625	1.45681117	1.485947	1.515666	1.54598	1.576899	1.608437	1.64060599	1.67341811	1.70688648	1.74102421	1.77584469	1.8113616			
Highlevel	2010 cost	Year																																
Item			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total		
			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040			
ME Deck replacement	$21,380,000																		$9,979,054	$10,178,635	$10,382,208												$30,539,896		
ME Pavement Rehab	$ 1,380,353	$1,407,960																															$1,407,960		
ME Main span Painting	$9,000,000																									$14,765,454							$14,765,454		
ME Approach Painting	$11,000,000	$11,220,000																															$11,220,000		
NH Deck replacement	$28,500,000																		$13,302,293	$13,568,339	$13,839,706												$40,710,339		
NH Pavement Rehab	$1,783,412	$1,819,080																															$1,819,080		
NH Main span Painting	$9,000,000																									$14,765,454							$14,765,454		
NH Approach Painting	$11,000,000	$11,220,000																															$11,220,000		
Engineering(Design, Testing, CEI)		$4,620,067	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,190,643	$4,274,455	$4,359,944	$0	$0	$0	$0	$0	$5,315,563	$0	$0	$0	$0	$0	$22,760,673		
Programmed Fed & State funds		-$30,287,107																															-$30,287,107		
																																		$118,921,749
Sarah Mildred Long																																		
Approach Deck Replace.	$13,829,400																																$0		
Lift Span Deck Replace.	$ 4,374,000																										$7,319,531						$7,319,531		
Paint Structure	$18,000,000																													$31,338,436			$31,338,436		
Lift Cable replacement																																	$0		
Counterweight Replace.																																	$0		
Weight Cable Replace.	$ 2,500,000																																$0		
Major Elec./Mech Rehab	$0																																$0		
Lighting rehab.	$100,000																									$164,061							$164,061		
Veh. /Ped Gate Replace.	$250,000																									$410,151							$410,151		
Fender & Found. Rehab.	$ 5,000,000																										$8,367,091						$8,367,091		
Major Rehab Retractable	$1,500,000																										$2,510,127						$2,510,127		
Engineering(Design, Testing, CEI)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$103,358	$3,275,415	$0	$5,640,918	$0	$0	$9,019,691		
Total Capital - I-95 and SML			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$27,471,990	$28,021,430	$28,581,858	$0	$0	$0	$0	$0	$35,524,042	$21,472,163	$0	$36,979,354	$0	$0	$178,050,837		
																																		$59,129,088
Memorial Bridge																																		
Approach Deck Replace.	$2,868,000																																$0		
Lift Span Deck Replace.	$4,537,500																										$7,593,135						$7,593,135		
Scott Ave Deck Replace	$1,014,750																																$0		
Kittery Appro. Deck Rep.	$2,076,900																																$0		
Paint Structure	$18,000,000																													$31,338,436			$31,338,436		
Scott Ave Paint	$1,000,000																																$0		
Kittery Appro. Paint	$1,000,000																																$0		
Lift Cable replacement	$1,000,000																																$0		
Counterweight Replace.																																	$0		
Weight Cable Replace.																																	$0		
Major Elec./Mech Rehab	$0																									$0							$0		
Lighting rehab.	$100,000																									$164,061							$164,061		
Scott Ave Lighting Rehab	$40,000																									$65,624							$65,624		
Kittery Appro. Lighting	$40,000																									$65,624							$65,624		
Veh. /Ped Gate Replace.	$250,000																									$410,151							$410,151		
Fender & Found. Rehab.	$5,000,000																$6,729,342										$8,367,091						$15,096,432		
Scott Ave Pavement	$26,568																						$40,268												
Kittery Appro. Pave.	$ 50,568																						$76,644												
Engineering(Design, Testing, CEI)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,211,282	$0	$0	$0	$0	$0	$21,044	$0	$0	$0	$126,983	$2,872,841	$0	$5,640,918	$0	$0	$9,873,068		
																																		$64,606,531
Total Capital (Excl. initial const.)																																		$242,657,368
O&M Costs																																		
Highlevel																																		
Restriping	$3,704	$3,778	$3,854	$3,931	$4,009	$4,090	$4,171	$4,255	$4,340	$4,427	$4,515	$4,605	$4,698	$4,792	$4,887	$4,985	$5,085	$5,186	$5,290	$5,396	$5,504	$5,614	$5,726	$5,841	$5,958	$6,077	$6,198	$6,322	$6,449	$6,578	$6,709	$153,269		
Joint Repair	$204,750	$208,845																			$304,248												$513,093		
Annual Inspection	$11,660	$11,893	$12,131	$12,374	$12,621	$12,874	$13,131	$13,394	$13,662	$13,935	$14,213	$14,498	$14,788	$15,083	$15,385	$15,693	$16,007	$16,327	$16,653	$16,986	$17,326	$17,673	$18,026	$18,387	$18,754	$19,129	$19,512	$19,902	$20,300	$20,706	$21,120	$482,484		
NBIS Inspection	$175,000		$182,070		$189,426		$197,078		$205,040		$213,324		$221,942		$230,909		$240,237		$249,943		$260,041		$270,546		$281,477		$292,848		$304,679		$316,988	$3,656,550		
Miscellaneous	$300,000	$306,000	$312,120	$318,362	$324,730	$331,224	$337,849	$344,606	$351,498	$358,528	$365,698	$373,012	$380,473	$388,082	$395,844	$403,761	$411,836	$420,072	$428,474	$437,043	$445,784	$454,700	$463,794	$473,070	$482,531	$492,182	$502,025	$512,066	$522,307	$532,753	$543,408	$12,413,832		
Contingency Reserve	$275,000	$280,500	$286,110	$291,832	$297,669	$303,622	$309,695	$315,889	$322,206	$328,650	$335,223	$341,928	$348,766	$355,742	$362,857	$370,114	$377,516	$385,066	$392,768	$400,623	$408,636	$416,808	$425,144	$433,647	$442,320	$451,167	$460,190	$469,394	$478,782	$488,357	$498,124	$11,379,346		
Engineering(Design, Testing, CEI)		$37,592	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$54,765	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$92,357		
																																		$28,690,931
Sarah Mildred Long																																		
Operator Cost	$440,294	$449,100	$458,082	$467,244	$476,588	$486,120	$495,843	$505,759	$515,875	$526,192	$536,716	$547,450	$558,399	$569,567	$580,959	$592,578	$604,429	$616,518	$628,848	$641,425	$654,254	$667,339	$680,686	$694,299	$708,185	$722,349	$736,796	$751,532	$766,563	$781,894	$797,532	$18,219,120		
Routine Maintenance	$15,142	$15,444	$15,753	$16,068	$16,390	$16,718	$17,052	$17,393	$17,741	$18,096	$18,458	$18,827	$19,203	$19,587	$19,979	$20,379	$20,786	$21,202	$21,626	$22,058	$22,500	$22,950	$23,409	$23,877	$24,354	$24,841	$25,338	$25,845	$26,362	$26,889	$27,427	$0		
NBIS & Rail Inspection	$120,000		$124,848		$129,892		$135,139		$140,599		$146,279		$152,189		$158,337		$164,734		$171,390		$178,314		$185,518		$193,012		$200,810		$208,923		$217,363	$2,507,348		
Elec./Mech. Maint.	$250,000	$255,000	$260,100	$265,302	$270,608	$276,020	$281,541	$287,171	$292,915	$298,773	$304,749	$310,844	$317,060	$323,402	$329,870	$336,467	$343,196	$350,060	$357,062	$364,203	$371,487	$378,917	$386,495	$394,225	$402,109	$410,151	$418,355	$426,722	$435,256	$443,961	$452,840	$10,344,860		
Rail rehab. Maint.	$9,480	$9,670	$9,863	$10,060	$10,261	$10,467	$10,676	$10,890	$11,107	$11,329	$11,556	$11,787	$12,023	$12,263	$12,509	$12,759	$13,014	$13,274	$13,540	$13,811	$14,087	$14,369	$14,656	$14,949	$15,248	$15,553	$15,864	$16,181	$16,505	$16,835	$17,172	$392,277		
Maint. Retractable Span	$50,000	$51,000	$52,020	$53,060	$54,122	$55,204	$56,308	$57,434	$58,583	$59,755	$60,950	$62,169	$63,412	$64,680	$65,974	$67,293	$68,639	$70,012	$71,412	$72,841	$74,297	$75,783	$77,299	$78,845	$80,422	$82,030	$83,671	$85,344	$87,051	$88,792	$90,568	$0		
																																	$31,463,605
Memorial Bridge																																		
Operator Cost	$ 440,294	$449,100	$458,082	$467,244	$476,589	$486,121	$495,843	$505,760	$515,875	$526,193	$536,716	$547,451	$558,400	$569,568	$580,959	$592,578	$604,430	$616,518	$628,849	$641,426	$654,254	$667,339	$680,686	$694,300	$708,186	$722,350	$736,797	$751,533	$766,563	$781,894	$797,532	$18,219,136		
Routine Maintenance	$ 6,210	$6,334	$6,461	$6,590	$6,722	$6,856	$6,993	$7,133	$7,276	$7,422	$7,570	$7,721	$7,876	$8,033	$8,194	$8,358	$8,525	$8,695	$8,869	$9,047	$9,228	$9,412	$9,601	$9,793	$9,988	$10,188	$10,392	$10,600	$10,812	$11,028	$11,249	$256,966		
Scott Ave. Routine Maint.	$1,015	$1,035	$1,056	$1,077	$1,098	$1,120	$1,143	$1,166	$1,189	$1,213	$1,237	$1,262	$1,287	$1,313	$1,339	$1,366	$1,393	$1,421	$1,449	$1,478	$1,508	$1,538	$1,569	$1,600	$1,632	$1,665	$1,698	$1,732	$1,767	$1,802	$1,838	$41,990		
Kittery Appro. Rout Maint	$2,077	$2,118	$2,161	$2,204	$2,248	$2,293	$2,339	$2,386	$2,433	$2,482	$2,532	$2,582	$2,634	$2,687	$2,740	$2,795	$2,851	$2,908	$2,966	$3,026	$3,086	$3,148	$3,211	$3,275	$3,341	$3,407	$3,476	$3,545	$3,616	$3,688	$3,762	$85,941		
NBIS Memorial Insp.	$78,000		$81,151		$84,430		$87,841		$91,389		$95,082		$98,923		$102,919		$107,077		$111,403		$115,904		$120,586		$125,458		$130,527		$135,800		$141,286	$1,629,776		
NBIS Scott Ave.Insp	$32,500		$33,813		$35,179		$36,600		$38,079		$39,617		$41,218		$42,883		$44,616		$46,418		$48,293		$50,244		$52,274		$54,386		$56,583		$58,869	$679,073		
NBIS Kittery Appro. Insp	$32,500		$33,813		$35,179		$36,600		$38,079		$39,617		$41,218		$42,883		$44,616		$46,418		$48,293		$50,244		$52,274		$54,386		$56,583		$58,869	$679,073		
Elec./Mech. Maint.	$ 100,000	$102,000	$104,040	$106,121	$108,243	$110,408	$112,616	$114,869	$117,166	$119,509	$121,899	$124,337	$126,824	$129,361	$131,948	$134,587	$137,279	$140,024	$142,825	$145,681	$148,595	$151,567	$154,598	$157,690	$160,844	$164,061	$167,342	$170,689	$174,102	$177,584	$181,136	$186,570		
																																	$21,778,527

Item	Year 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Maine Annual Contribution	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000
New Hampshire Annual Contribution	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,700,000
Capital Costs: Sarah Long and I-95 Bridges	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($27,471,990)	($28,021,430)	($28,581,858)	$0	$0	$0	$0	$0	($35,524,042)	($21,472,163)	$0	($36,979,354)	$0	$0
Sinking Fund Balance w/o Interest	$3,400,000	$6,876,500	$10,431,221	$14,065,924	$17,782,407	$21,582,511	$25,468,118	$29,441,150	$33,503,576	$37,657,407	$41,904,698	$46,247,554	$50,688,124	$55,228,607	$59,871,251	$64,618,354	$42,000,277	$18,323,853	($6,445,718)	($3,045,718)	$354,282	$3,762,253	$7,246,904	$10,809,959	($21,070,858)	($39,143,022)	($35,743,022)	($69,322,376)	($65,922,376)	($62,522,376)
Sinking Fund Interest (2.25%)	$76,500	$154,721	$234,702	$316,483	$400,104	$485,607	$573,033	$662,426	$753,830	$847,292	$942,856	$1,040,570	$1,140,483	$1,242,644	$1,347,103	$1,453,913	$945,006	$412,287	$0	$0	$7,971	$84,651	$163,055	$243,224	$0	$0	$0	$0	$0	$0
Sinking Fund Balance	$3,476,500	$7,031,221	$10,665,924	$14,382,407	$18,182,511	$22,068,118	$26,041,150	$30,103,576	$34,257,407	$38,504,698	$42,847,554	$47,288,124	$51,828,607	$56,471,251	$61,218,354	$66,072,267	$42,945,283	$18,736,140	($6,445,718)	($3,045,718)	$382,253	$3,846,904	$7,409,959	$11,053,183	($21,070,858)	($39,143,022)	($35,743,022)	($69,322,376)	($65,922,376)	($62,522,376)



Bi State Bridge Funding Task Force:
Capital Construction, Capital R&R and O&M Costs by State

Costs and Funds 2011 - 2040

Capital Construction Costs	NH Share	Maine Share	DOD	Total
Memorial Bridge				
Truss Spans	$40,100,000	$40,100,000		$80,200,000
Approach Spans	$4,900,000	$4,900,000		$9,800,000
SubTotal	$45,000,000	$45,000,000		$90,000,000
Less Tiger II Grant	($10,000,000)	($10,000,000)		
Total	$35,000,000	$35,000,000		
Sarah Mildred Long Bridge				
Truss Spans	$22,085,000	$22,085,000	$16,570,000	$60,740,000
Approach Spans	$23,820,000	$12,010,000	$13,430,000	$49,260,000
Total	$45,905,000	$34,095,000	$30,000,000	$110,000,000
Total Capital Construction Costs				**$200,000,000**

Capital Reconstruction and Replacement Costs	NH Share	Maine Share	DOD	Total
Memorial Bridge				
Truss Spans	$32,200,000	$32,200,000		$64,400,000
Approach Spans	$100,000	$100,000		$200,000
Total	$32,300,000	$32,300,000		$64,600,000
Sarah Mildred Long Bridge				
Truss Spans	$20,300,000	$20,300,000		$40,600,000
Approach Spans	$12,300,000	$6,200,000		$18,500,000
Total	$32,600,000	$26,500,000		$59,100,000
I-95 HIgh Level Bridge				
Truss Spans	$29,900,000	$29,900,000		$59,800,000
Approach Spans	$35,500,000	$23,600,000		$59,100,000
Total	$65,400,000	$53,500,000		$118,900,000
Total Capital Reconstruction and Replacement Costs				**$242,600,000**

Operation and Maintenance Costs	NH Share	Maine Share	DOD	Total
Memorial Bridge				
Total	$10,900,000	$10,900,000		$21,800,000
Sarah Mildred Long Bridge				
Total	$15,750,000	$15,750,000		$31,500,000
I-95 High Level Bridge				
Total	$14,350,000	$14,350,000		$28,700,000
Less Savings for Eliminating One Lift Team				($18,200,000)
Total Operation and Maintenance Costs				**$63,800,000**

Grand Total	$506,400,000

Appendix C

Public Private Partnerships, Tolling, and Financing

Public Private Partnership Opportunities

Public Private Partnerships (P3s) opportunities were evaluated as a means to reduce costs through innovation through a design/build/operate/maintain/finance mechanism. A consideration for P3s is legislative actions. For example, the state of Maine has Public Law 2009 Chapter 648, contains particular requirements to the use of P3s.

- At this stage of project development and funding source identification, it is recommended to consider both public solutions and potential public-private partnership (P3) solutions.
- Critical to either approach will be identification of dedicated funding sources for both upfront capital and the long-term maintenance and lifecycle costs.
- A P3 solution might involve consideration of bundling a single contract across the various bridges, and/or the consolidation of procuring a contract that includes both the upfront capital and long-term lifecycle costs into a single bid price.
- Further, a P3 solution might involve a long-term construction and maintenance contract with prescribed minimum levels of service related to the underlying assets or traffic throughput.
- Potential benefits of a P3 solution include:
    - Faster project delivery;
    - Reduced construction costs and lifecycle costs;
    - Transfer of long-term performance risk to private sector;
    - Greater certainty related to budgetary planning.
- Considerations that must be evaluated related to a P3 solution include:
    - Legislative constraints that need to be addressed by either/both States;
    - Project readiness and approvals to consider bundling of construction and lifecycle cost elements;
    - Efficiencies of short-term, medium-term, and long-term concession contracts.
    - Rigorous cost/benefit analysis that explores allocation of risks between the public sponsor(s) and private concessionaire;
    - Cost/benefit of private versus public financing;
    - Availability and use of Private Activity Bonds and other Federal programs; and,
    - Revenue stream to compensate the private vender.

Bi-State Bridges Funding Task Force

Financing Discussion

November 4, 2010

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Bi-State Bridges Funding Task Force

Assessing the Needs

Memorial Bridge – Replacement Construction 2012 to 2014

Maine Share @ 50%

Estimated $95MM Replacement

Less:

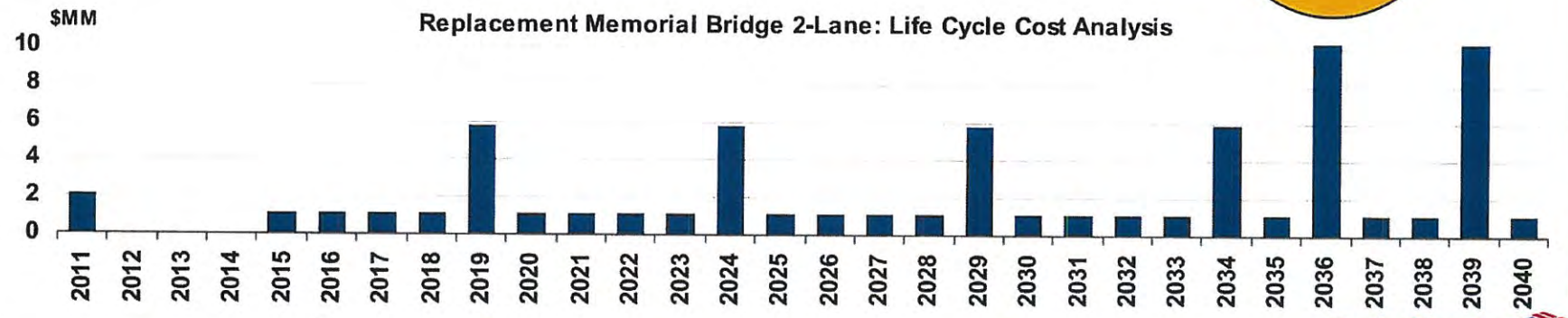
$20MM TIGER II Received

Net cost at $75MM

$37.5MM

New Hampshire Share @ 50%

$37.5MM



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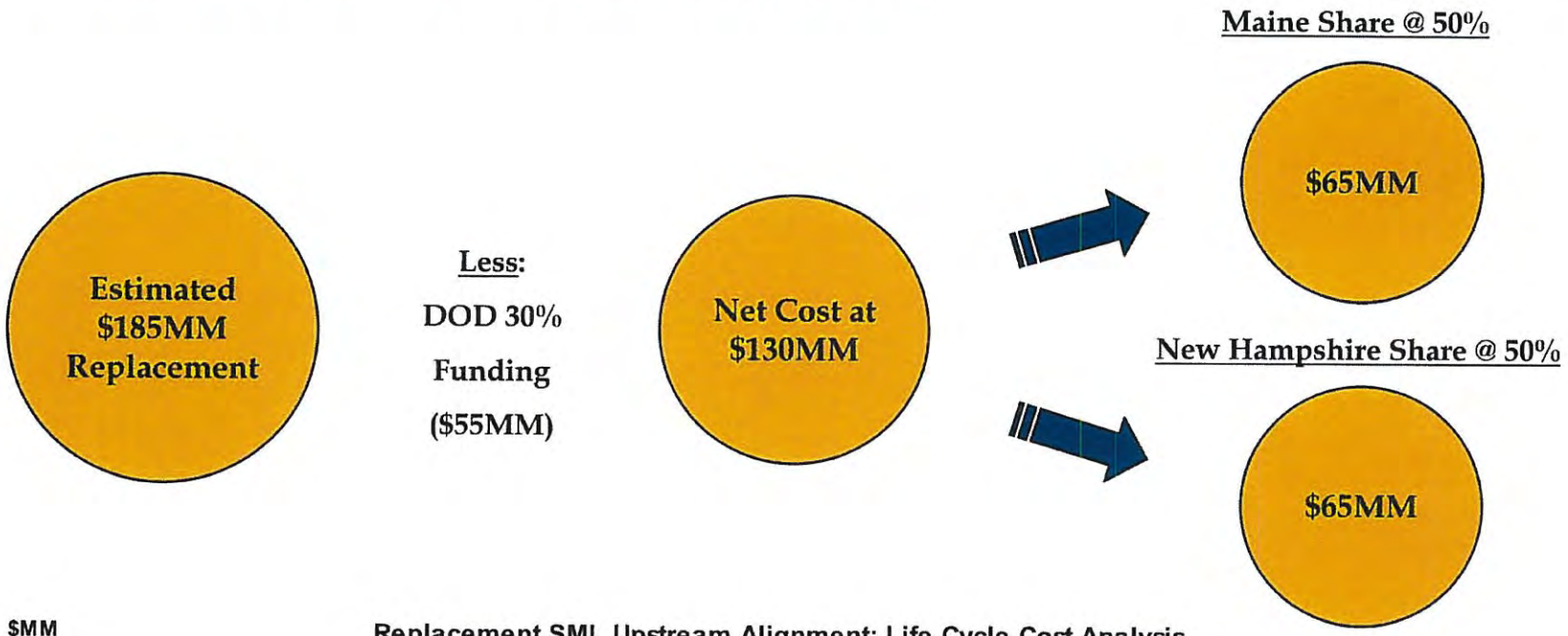
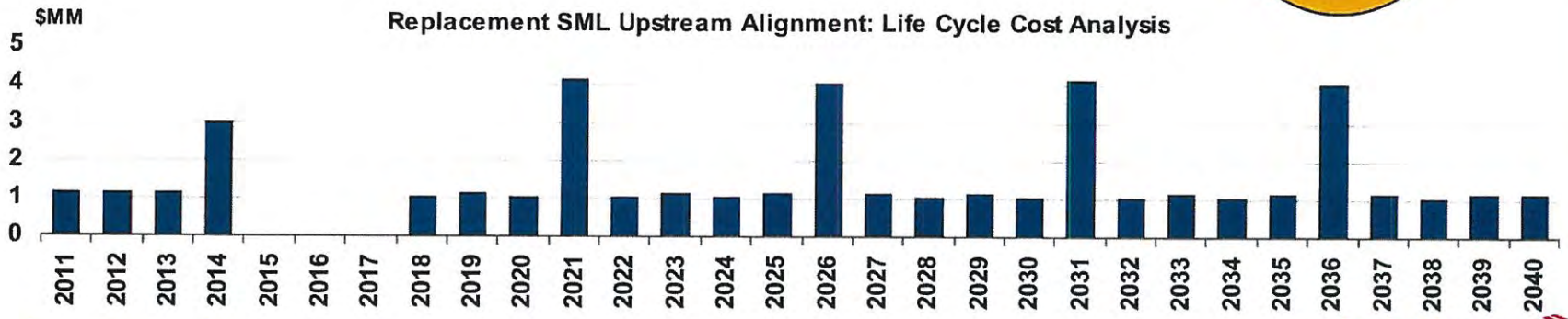
Bi-State Bridges Funding Task Force
Assessing the Needs

SML Bridge – Replacement Construction 2014 to 2016





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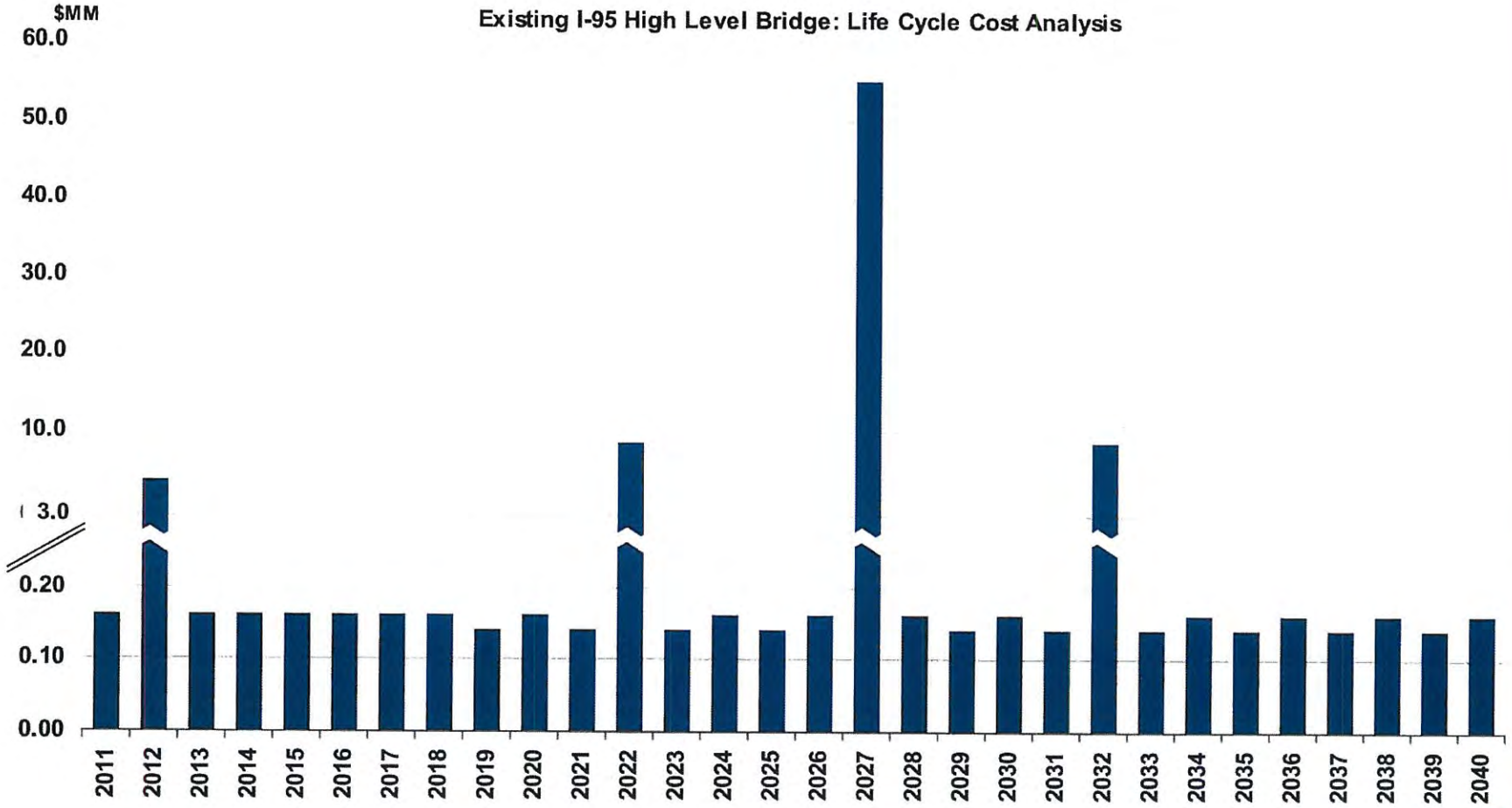
Bi-State Bridges Funding Task Force
Assessing the Needs

I-95 High Level Bridge



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Bi-State Bridges Funding Task Force
Capital (Replacement) Funding Sources

	Capital Upfront needed @ $103MM EACH	
$0MM	GARVEE Authorized	$45MM (for either / both bridges)
$40MM	Programmed STIP Monies	■ $29.0MM Memorial ■ $17.6MM SML ■ $46.6MM Total
$30MM (Estimate)	Upfront Turnpike Contribution	$0MM
$260MM	Additional GARVEE Capacity @ 5.00x Coverage	$180MM
■ FHWA Bridge Funding ■ TransCap Bonds after 2013	Other	■ FHWA Bridge Funding ■ I-95 Sale Repayment

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Bi-State Bridges Funding Task Force
GARVEE Programs

$118MM	Currently Outstanding including 2010 Bonds	$80MM
$0MM	Remaining Authorization	$160MM
10-16x	Debt Service Coverage	10x (after 2011 issue)
3.00x	Additional Bonds Test	3.00x
$260MM	New GARVEE Capacity at 5.00x	$180MM

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Bi-State Bridges Funding Task Force

Projected Ongoing Costs

Perennial Maintenance and Life Cycle Costs – Memorial Bridge

Year	2010 $'s	Smoothed	Inflated (3%)	Cumulative	Estimated Toll Revs	AET Inflated (3%)	Excess / (Need)
2011	2.07	2.07	2.13	2.13	-	-	(2.13)
2012	-	0.94	1.00	3.13	-	-	(1.00)
2013	-	0.94	1.03	4.16	-	-	(1.03)
2014	-	0.94	1.06	5.21	-	-	(1.06)
2015	1.06	2.00	2.32	7.53	4.00	4.64	2.32
2016	1.12	2.06	2.46	9.99	4.04	4.82	2.36
2017	1.06	2.00	2.46	12.45	4.08	5.02	2.56
2018	1.12	2.06	2.61	15.06	4.12	5.22	2.61
2019	5.76	2.00	2.61	17.67	4.16	5.43	2.82
2020	1.12	2.06	2.77	20.44	4.20	5.65	2.88
2021	1.06	2.00	2.77	23.21	4.25	5.88	3.11
2022	1.12	2.06	2.94	26.15	4.29	6.11	3.18
2023	1.06	2.00	2.94	29.08	4.33	6.36	3.42
2024	5.82	2.06	3.12	32.20	4.37	6.62	3.50
2025	1.06	2.00	3.12	35.31	4.42	6.88	3.77
2026	1.12	2.06	3.31	38.62	4.46	7.16	3.86
2027	1.06	2.00	3.31	41.93	4.51	7.45	4.14
2028	1.12	2.06	3.51	45.43	4.55	7.75	4.24
2029	5.76	2.00	3.51	48.94	4.60	8.06	4.56
2030	1.12	2.06	3.72	52.66	4.64	8.39	4.67
2031	1.06	2.00	3.72	56.38	4.69	8.73	5.00
2032	1.12	2.06	3.95	60.33	4.74	9.08	5.13
2033	1.06	2.00	3.95	64.28	4.78	9.44	5.50
2034	5.90	2.14	4.35	68.63	4.83	9.82	5.47
2035	1.06	2.00	4.19	72.81	4.88	10.22	6.03
2036	11.70	12.64	27.26	100.07	4.93	10.63	(16.63)
2037	1.06	2.00	4.44	104.52	4.98	11.06	6.62
2038	1.12	2.06	4.71	109.23	5.03	11.51	6.79
2039	22.11	18.35	43.24	152.47	5.08	11.97	(31.27)
2040	1.12	2.06	5.00	157.47	5.13	12.45	7.45
	80.92	84.68	157.47		118.10	206.35	48.88

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Bi-State Bridges Funding Task Force

Projected Ongoing Costs

Perennial Maintenance and Life Cycle Costs – SML Bridge

Year	2010 $'s	Smoothed	Inflated (3%)	Cumulative	Estimated Toll Revs	AET Inflated (3%)	Excess / (Need)
2011	1.13	1.13	1.16	1.16	-	-	(1.16)
2012	1.13	1.13	1.20	2.36	-	-	(1.20)
2013	1.14	1.74	1.90	4.26	-	-	(1.90)
2014	2.99	0.60	0.68	4.94	-	-	(0.68)
2015	-	0.60	0.70	5.63	4.00	4.64	3.94
2016	-	0.60	0.72	6.35	4.04	4.82	4.11
2017	-	0.60	0.74	7.09	4.08	5.02	4.28
2018	1.07	1.67	2.12	9.20	4.12	5.22	3.11
2019	1.13	1.73	2.26	11.46	4.16	5.43	3.17
2020	1.07	1.67	2.24	13.71	4.20	5.65	3.41
2021	4.13	1.73	2.39	16.10	4.25	5.88	3.48
2022	1.07	1.67	2.38	18.48	4.29	6.11	3.73
2023	1.13	1.73	2.54	21.02	4.33	6.36	3.82
2024	1.07	1.67	2.53	23.55	4.37	6.62	4.09
2025	1.13	1.73	2.70	26.24	4.42	6.88	4.19
2026	4.07	1.67	2.68	28.92	4.46	7.16	4.48
2027	1.13	1.73	2.86	31.78	4.51	7.45	4.59
2028	1.07	1.67	2.84	34.63	4.55	7.75	4.91
2029	1.13	1.73	3.03	37.66	4.60	8.06	5.03
2030	1.07	1.67	3.02	40.68	4.64	8.39	5.37
2031	4.13	1.73	3.22	43.89	4.69	8.73	5.51
2032	1.07	1.67	3.20	47.09	4.74	9.08	5.88
2033	1.13	1.73	3.41	50.51	4.78	9.44	6.03
2034	1.07	1.67	3.39	53.90	4.83	9.82	6.43
2035	1.13	1.73	3.62	57.53	4.88	10.22	6.60
2036	4.07	1.67	3.60	61.13	4.93	10.63	7.03
2037	1.13	1.73	3.84	64.97	4.98	11.06	7.22
2038	1.07	1.67	3.82	68.79	5.03	11.51	7.68
2039	1.13	1.73	4.08	72.87	5.08	11.97	7.89
2040	1.13	1.73	4.20	77.07	5.13	12.45	8.25
	43.72	45.53	77.07		118.10	206.35	129.28

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Bi-State Bridges Funding Task Force
Projected Ongoing Costs

Perennial Maintenance and Life Cycle Costs – High Level Bridge

Year	2010 $'s	Inflated (3%)	Cumulative
2011	0.16	0.16	0.16
2012	3.62	3.84	4.01
2013	0.16	0.17	4.18
2014	0.16	0.18	4.36
2015	0.16	0.19	4.55
2016	0.16	0.19	4.74
2017	0.16	0.20	4.93
2018	0.16	0.20	5.14
2019	0.14	0.18	5.32
2020	0.16	0.22	5.53
2021	0.14	0.19	5.73
2022	8.62	12.29	18.02
2023	0.14	0.21	18.22
2024	0.16	0.24	18.47
2025	0.14	0.22	18.68
2026	0.16	0.26	18.94
2027	55.07	91.02	109.96
2028	0.16	0.27	110.23
2029	0.14	0.25	110.48
2030	0.16	0.29	110.77
2031	0.14	0.26	111.03
2032	8.62	16.52	127.55
2033	0.14	0.28	127.82
2034	0.16	0.33	128.15
2035	0.14	0.29	128.44
2036	0.16	0.35	128.79
2037	0.14	0.31	129.10
2038	0.16	0.37	129.46
2039	0.14	0.33	129.79
2040	0.16	0.39	130.18
	79.89	130.18	

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Bi-State Bridges Funding Task Force
Projected Ongoing Costs

Perennial Maintenance and Life Cycle Costs – Aggregate

Year	2010 $'s	Smoothed	Inflated (3%)	Cumulative	Estimated Toll Revs	AET Inflated (3%)	Excess / (Need)	Cumulative
2011	3.36	3.36	3.46	3.46	-	-	(3.46)	(3.46)
2012	4.75	5.69	6.04	9.50	-	-	(6.04)	(9.50)
2013	1.30	2.84	3.10	12.60	-	-	(3.10)	(12.60)
2014	3.15	1.70	1.91	14.51	-	-	(1.91)	(14.51)
2015	1.22	2.76	3.20	17.71	8.00	9.27	6.07	(8.44)
2016	1.28	2.82	3.37	21.08	8.08	9.65	6.28	(2.16)
2017	1.22	2.76	3.39	24.48	8.16	10.04	6.64	4.48
2018	2.35	3.89	4.93	29.40	8.24	10.44	5.51	10.00
2019	7.03	3.87	5.05	34.45	8.32	10.86	5.81	15.81
2020	2.35	3.89	5.23	39.68	8.41	11.30	6.07	21.88
2021	5.33	3.87	5.36	45.04	8.49	11.76	6.40	28.28
2022	10.81	12.35	17.61	62.65	8.58	12.23	(5.38)	22.90
2023	2.33	3.87	5.68	68.33	8.66	12.72	7.04	29.94
2024	7.05	3.89	5.88	74.21	8.75	13.23	7.35	37.29
2025	2.33	3.87	6.03	80.24	8.84	13.77	7.74	45.03
2026	5.35	3.89	6.24	86.48	8.93	14.32	8.08	53.11
2027	57.26	58.80	97.19	183.67	9.01	14.90	(82.29)	(29.18)
2028	2.35	3.89	6.62	190.29	9.10	15.50	8.88	(20.30)
2029	7.03	3.87	6.79	197.08	9.20	16.12	9.34	(10.96)
2030	2.35	3.89	7.03	204.11	9.29	16.77	9.75	(1.21)
2031	5.33	3.87	7.20	211.31	9.38	17.45	10.25	9.04
2032	10.81	12.35	23.66	234.97	9.47	18.15	(5.51)	3.53
2033	2.33	3.87	7.64	242.61	9.57	18.89	11.25	14.78
2034	7.13	3.97	8.07	250.68	9.66	19.65	11.58	26.35
2035	2.33	3.87	8.10	258.78	9.76	20.44	12.34	38.69
2036	15.93	14.47	31.21	289.99	9.86	21.26	(9.94)	28.74
2037	2.33	3.87	8.60	298.58	9.96	22.12	13.52	42.27
2038	2.35	3.89	8.90	307.48	10.06	23.01	14.11	56.38
2039	23.38	20.22	47.65	355.13	10.16	23.94	(23.71)	32.66
2040	2.41	3.95	9.59	364.72	10.26	24.90	15.31	47.98
	204.53	210.10	364.72		236.21	412.70	47.98	

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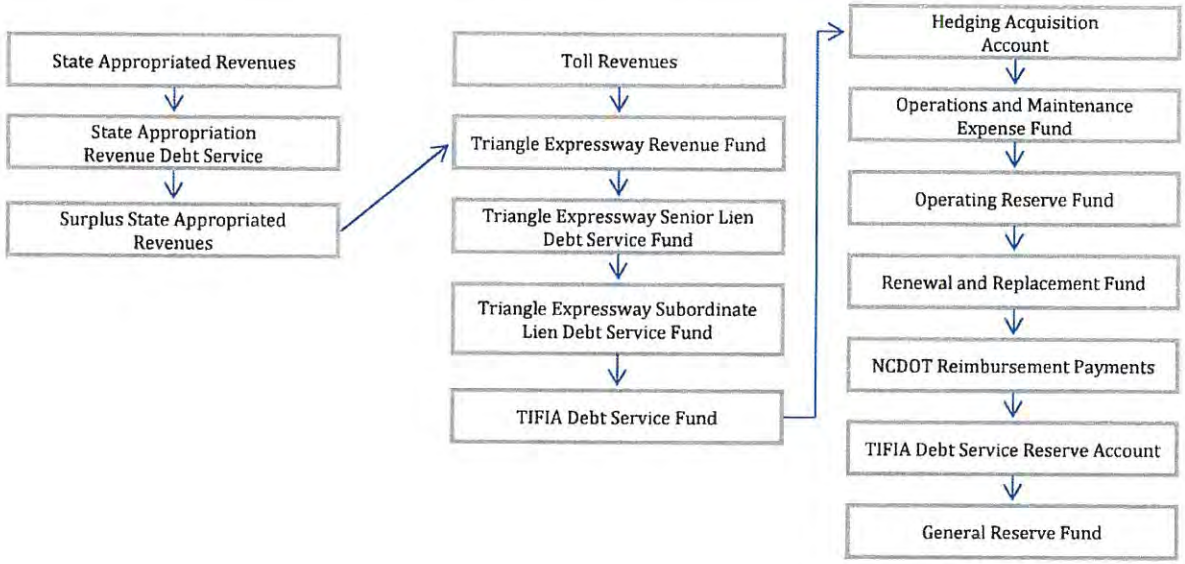
Bi-State Bridges Funding Task Force
TIFIA Update

- TIFIA is U.S. DOT Credit Enhancement Program that is essentially used to close project funding gaps
- Most have been long-term loans that are 1) less expensive as pegged to UST and 2) subordinate, "patient" loans
- TIFIA loan must have dedicated repayment source – (e.g. toll revenues)
- TIFIA used for project financing when primary source of capitalized revenue is at capacity
- TIFIA currently out of loan capacity and future of program cloudy (NIB, etc…)



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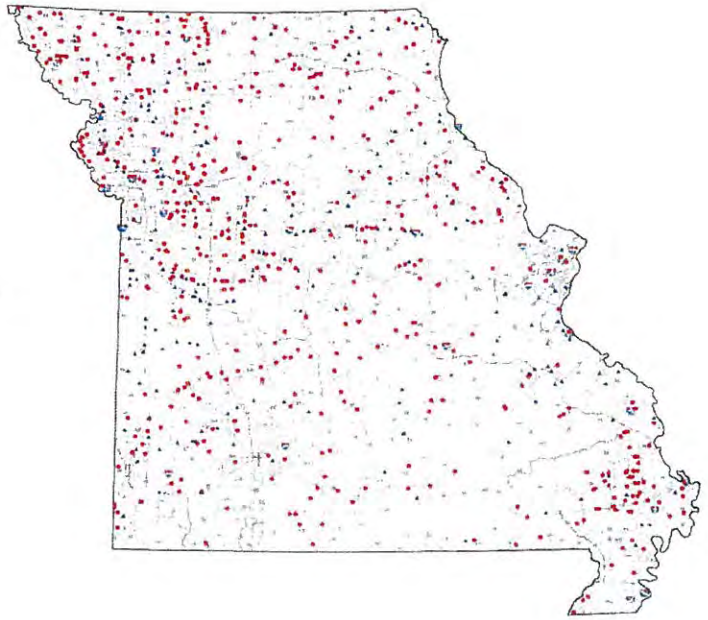
Bi-State Bridges Funding Task Force
MoDOT – DBFM for 800 Bridges Program

- Single bid price from bidder for 802 bridges – design, build, finance and maintain for 25 years at / above NBI level 6 for Annual Payment
- Annual Payment made at 100% as long as bridges at / above NBI 6;
- Contractor assumed upfront replace / rehab decision and long-term maintenance risk
- Payment was from programmed MoDOT Federal Bridges allocations
- Risk transfer allowed State long-term "value for money"
- Ultimately D-B contracts re-bid and financing done as public issuance not private given market turmoil in 2008



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Bi-State Bridges Funding Task Force
P3 Options

Design - Build

- Proven / Theoretical efficiences of time savings and value engineering affords savings of design-bid-build

D-B Maintenance

- Adds short, intermediate or long-term maintenance contract
- Tax-exemption challenged if financed by bonds

D-B Finance Maintain

- Long-term MoDOT-sytle contract
- Private financing currently expensive alternative
- Without tolls, paid from States' availabity payment
- PABs an option for financing

DBFOM Toll Concession

- Greenfield toll concession
- Rights to toll, operate and maintain bridges over long-term
- Federal Bridge Act issues

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Appendix D

Draft Legislation for the Interstate Bridge Authority

WHEREAS the State of New Hampshire and the State of Maine jointly own the Sarah Mildred Long Bridge and the I-95 High Level Bridge (Piscataqua River Bridge) over the Piscataqua river between the city of Portsmouth in New Hampshire and the town of Kittery in Maine;

WHEREAS the State of New Hampshire and the State of Maine passed legislation to form an Interstate Compact and the Interstate Bridge Authority in 1936, as amended in 1981 and 1985;

WHEREAS the State of New Hampshire and the State of Maine decided to repeal the legislation establishing the Interstate Bridge Authority;

WHEREAS New Hampshire submitted legislation specifying that the Interstate Bridge Authority would be dissolved 6 months after approval of Congress (HB 754, Laws of 2008);

WHEREAS New Hampshire did not seek or receive Congressional approval and the Interstate Bridge Authority was not effectively dissolved;

WHEREAS due to required maintenance, repairs, rehabilitation and/or replacement of the Sarah Mildred Long Bridge and the I-95 High Level Bridge, which are jointly owned by New Hampshire and Maine, both States seek to continue the Interstate Bridge Authority in order to obtain and properly administer funds for the benefit of these jointly owned bridges;

WHEREAS New Hampshire and Maine intend to re-establish the Interstate Bridge Authority, as previously authorized in 1936, and amended in 1981 and 1985;

The Interstate Bridge Authority is re-established by re-instating the prior legislation, as amended, RSA 234:43 through and including 234:65.

The statute is to be amended as follows:

Repeal RSA 234:66 regarding a special non-lapsing account with the State Treasurer.

Compact Amendment, Add RSA 234:66. The IBA is further authorized to pursue sustainable funding sources and properly administer and invest funds in a sinking fund for the construction, reconstruction, and rehabilitation of the Sarah Mildred Long Bridge and the I-95 High Level Bridge (Piscataqua River Bridge), such construction, reconstruction, and rehabilitation to be agreed upon by the States of New Hampshire and Maine.

The responsibilities of the Interstate Bridge Authority are further expanded to include the Memorial Bridge and said Authority will facilitate cooperative solutions between the two states and coordinate the efforts of the respective states' transportation agencies in the repair, rehabilitation, reconstruction or replacement of said Memorial Bridge.

Funds received for the benefit of the Sarah Mildred Long Bridge or the I-95 High Level Bridge shall be deposited with the Interstate Bridge Authority and invested in a separate sinking fund, said funds to be continuously appropriated and non-lapsing, and shall be expended by the Authority for the construction, reconstruction, and rehabilitation of the main spans of the Sarah Mildred Long Bridge and the I-95 High Level Bridge. In the event that sufficient funds are available, the Interstate Bridge Authority is authorized to use the funds for improvements to the approaches.

Funds received for the operation and maintenance of the Sarah Mildred Long Bridge, I-95 High Level, and Memorial bridges will be invested in an account separate from the sinking fund, said funds to be continuously appropriated and non-lapsing, and shall be expended by the Authority for the operation and maintenance of the Sarah Mildred Long Bridge, I-95 High Level, and Memorial bridges.

The Interstate Bridge Authority shall make a biennial report to the legislatures of both states, setting forth the operations, transactions and investments conducted by the Authority regarding the Sarah Mildred Long, I-95 High Level, and Memorial bridges.

This legislation is effective contingent upon the State of Maine passing similar legislation to re-establish the IBA as a joint effort between the two states.

The re-establishment of the IBA and subsequent amendments do not impinge upon federal powers and therefore, Congressional approval is not required for this legislation.

DRAFT - Interstate Bridge Authority Legislation

WHEREAS the State of New Hampshire and the State of Maine jointly own the Sarah Mildred Long Bridge, the Memorial Bridge and the I-95 High Level Bridge (Piscataqua River Bridge) over the Piscataqua river between the city of Portsmouth in New Hampshire and the town of Kittery in Maine; and

WHEREAS the State of New Hampshire enacted legislation to form an Interstate Compact and the Interstate Bridge Authority in 1936, as amended in 1981 and 1985; and

WHEREAS the Maine Legislature in 1937 enacted P. & S.L. 1937, ch. 18, as amended in 1939, 1943, 1947, 1953, 1963, 1983 and 1985, authorizing the State of Maine to enter into an Interstate Compact with the State of New Hampshire to create the Interstate Bridge Authority; and

WHEREAS the State of New Hampshire and the State of Maine decided to repeal the legislation establishing the Interstate Bridge Authority; and

WHEREAS New Hampshire enacted legislation specifying that the Interstate Bridge Authority would be dissolved 6 months after approval of Congress (HB 754, Laws of 2008); and

WHEREAS the 123rd Maine Legislature in 2007 enacted P.L. 2007, ch. 306 repealing P. & S.L. 1937, ch. 18, as amended, contingent on repeal by the New Hampshire General Court of the concurrent New Hampshire law relating to the Maine-New Hampshire Interstate Bridge Authority; and

WHEREAS New Hampshire did not seek or receive Congressional approval and the Interstate Bridge Authority was not effectively dissolved; and

WHEREAS due to required maintenance, repairs, rehabilitation and/or replacement of the Sarah Mildred Long Bridge, Memorial Bridge and the I-95 High Level Bridge, which are jointly owned by New Hampshire and Maine, both States seek to continue the Interstate Bridge Authority in order to obtain and properly administer funds for the benefit of these jointly owned bridges;

WHEREAS New Hampshire and Maine intend to re-establish the Interstate Bridge Authority, as previously authorized and with certain updated and amended powers and responsibilities commensurate with present circumstances; now, therefore

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. P. & S.L. 1937, ch. 18, as amended in 1939, 1943, 1947, 1953, 1963, 1983 and 1985, and as repealed by P.L. 2007, ch. 306 (effective June 18, 2007), is reenacted as it existed prior to its repeal;

Sec. 2. P. & S.L. 1937, Chapter 18, as amended, and as reenacted in Section 1 hereof, is hereby further amended by adding thereto a new section, to be numbered 21, to read as follows:

'**Sec. 21. Additional powers.** The Interstate Bridge Authority is further authorized to pursue sustainable funding sources and properly administer and invest funds for the construction, maintenance,

reconstruction and rehabilitation of the Sarah Mildred Long Bridge and the I-95 High Level Bridge (Piscataqua River Bridge), such construction, maintenance, reconstruction, and rehabilitation to be agreed upon by the States of New Hampshire and Maine.

Funds received for the benefit of the Sarah Mildred Long Bridge or the I-95 High Level Bridge shall be deposited with and/or invested by the Interstate Bridge Authority with reporting requirements pursuant to the enabling statute, _____Laws of 1936, Article VI. _____

The responsibilities of the Interstate Bridge Authority are further expanded to include Memorial Bridge and said Authority will facilitate cooperative solutions between the two states and coordinate the efforts of the respective states' transportation agencies in the repair, rehabilitation, reconstruction or replacement of said Memorial Bridge.'

Sec. 3. It is the belief and intention of the states of Maine and New Hampshire that the Interstate Bridge Authority, as reestablished and reconstituted hereby, will not in the exercise of its powers and duties encroach upon the full and free exercise of Federal authority.

DRAFT

Appendix E

Task Force Meeting Minutes

Task Force Meetings

The Bi-State Bridge Funding Task Force met 5 times between October 5, 2010 and December 15, 2010. The following is a summary of the meeting dates, summary of discussion and presentations, and attendees:

- Meeting #1 – October 18, 2010. The purpose of this meeting was to initiate the task force process. Task force members elected a Chair (Dana Connors), heard a presentation from Paul Godfrey of HNTB who provided an overview of the three bridges history, current condition and scope of required work on the three bridges based on the Connections Study. Additionally, issues related to replacement of the bridges, including permitting, engineering, and the design build contracting option were discussed. Finally, it was agreed that the next step was to better understand the existing financial mechanisms and sources of funding that could be used for replacement of the bridges. The Maine Turnpike Authority was asked to initiate an analysis of these issues for the Task Force's use at its next meeting, to be presented by Jim Calpin of Bank of America / Merrill Lynch.

  Task Force members present:
  - George Campbell, Commissioner, NH Department of Transportation
  - Gerard Conley, Chairman, Maine Turnpike Authority
  - Dana Connors, President, Maine Chamber of Commerce
  - David Cole, Commissioner, Maine Department of Transportation
  - Beverly Hollingworth, New Hampshire Executive Councilor, District 3
  - Henry B Stebbins, Portsmouth, New Hampshire

- Meeting #2 – November 4, 2010. The purpose of this meeting was to better understand the transportation funding status of both Maine and New Hampshire, and to evaluate and understand possible financing options. Deputy Commissioner Bruce Van Note of the Maine DOT gave a presentation on the existing state of transportation funding in Maine. This included discussion on the $40.5 million currently allocated by MaineDOT for two of the Maine-New Hampshire bridges, currently slated to come from the MaineDOT's four year "extraordinary bridge program", funded by TransCap bonds. Deputy Commissioner Van Note explained that TransCap bonds were revenue bonds backed by dedicated revenue from Maine's fuel tax and were essentially a variation on the state level of a federal GARVEE bond.

  Jeff Brillhart, Assistant Commissioner of New Hampshire DOT then gave a presentation on possible funding from New Hampshire. He stated that current allocations were $36.75 million for the MB and $22 million for the Sarah Long Bridge. He noted that a sale of interstate to the New Hampshire Turnpike represented revenue of approximately $5.9 million a year from 2012-2029, though it was the New Hampshire state treasurer who legally had control over the rate of payment from the Turnpike. Commissioner George Campbell noted that the approximately $5.9 million a year was a potential source for a New Hampshire revenue bond. Commissioner Campbell further explained the concept of "turnpike toll credits", which was a process New Hampshire DOT used whereby funds expended on the Turnpike could be used as a federal match, potentially freeing up other, "non-Turnpike" New Hampshire state funds.

Kathleen Mulcahey-Hampson, attorney for the New Hampshire DOT, then gave a presentation on the Interstate Bridge Authority (IBA), which had been formed in 1936 through a compact agreement between Maine and New Hampshire. Ms Mulcahey-Hampson stated that it appeared the IBA had been legislatively de-authorized by both states by 2008. However, Congress had to approve dissolution for it to become effective and that had not yet been done. Ms. Hansen's tentative conclusion was that the IBA was still in place as a potential vehicle if proper state legislation were enacted.

James Calpin of Bank of America / Merrill Lynch then gave a presentation on various long term funding mechanisms. This included presentation of initial funding needs as identified to date, and a summary of various funding sources available, including GARVEE bonds, STIP monies, tolls, and other possible contributions from the Department of Defense and Maine Turnpike Authority. Henry Stebbins noted that some form of "sinking fund" or other mechanism needed to be established for future maintenance of the bridges. Chairman Dana Connors stated that it seemed as though funding for the capital costs related to the bridges was reasonably available, but that where the money was to come from for operations and maintenance going forward seemed much harder to determine. It was agreed that the Maine Turnpike Authority would coordinate with staff of the Maine and New Hampshire DOTs to further refine means of funding for capital and O & M costs, with the goal of reporting the results back to the Task Force during the week of November 22nd.

Task Force members present

- Chairman Dana Connors, President, Maine Chamber of Commerce
- George Campbell, Commissioner, NH Department of Transportation
- David Cole, Commissioner, Maine Department of Transportation
- Beverly Hollingworth, New Hampshire Executive Councilor, District 3
- Henry B Stebbins, Portsmouth, New Hampshire

- Meeting #3 – November 30, 2010. The purpose of this meeting was to present updated capital and operations and maintenance costs.

The third meeting of the Bi-State Bridge Funding Task Force was held at 1:00 P.M. at the headquarters of the Maine Turnpike Authority at 2360 Congress Street, Portland, Maine on Thursday, November 30, 2010.

Chairman Dana Connors called the meeting to order at 1:10 P.M. Chairman Connors stated that there was no agenda for this third meeting because the committee's work would be focused on understanding the recommendations of a Draft Report provided by the MTA which had been developed by the MTA, MaineDOT and NHDOT in conjunction with the MTA's consultant, HNTB. A copy of this Draft Report, dated November 24, 2010, is attached to the minutes of this meeting and incorporated herein. Chairman Connors stated that the task force was deeply appreciative of the work MTA had done throughout this process, including compilation of this report.

The draft minutes of the Task Force's second meeting were noted as submitted and made a part of the record.

Roland Lavallee of HNTB Corporation presented the November 24th Draft Report which Mr. Lavallee stated was meant to be a "discussion piece" for the Task Force. Mr. Lavallee stated that the numbers used in the report were subject to fluctuation as more information became available. Two examples of this were the decision to rehabilitate rather than replace the Sarah Mildred Long Bridge, which was already reflected in the Draft Report, and new information on the percentage of state ownership in the bridges and their approaches, which was not yet included in the report. Mr. Lavallee stated that previously the Task Force had assumed a 50-50 split between Maine and New Hampshire in responsibility for the bridges, whereas the ownership looked to be closer to 60% for New Hampshire and 40% for Maine.

Paul Violette, Executive Director of the Maine Turnpike Authority, stated that one issue related to the rehabilitation approach to the Sarah Mildred Long Bridge was the possibility that the Department of Defense would be less willing to participate in a rehabilitation of the bridge as opposed to a replacement. Chairman Dana Connors clarified that the Draft Report included the ongoing assumption that there would be a contribution from the Department of Defense.

Henry Stebbins asked about the Draft Report's escalation in costs on the Sarah Mildred Long Bridge. Mr. Lavallee explained that this was because the Sarah Mildred Long Bridge was scheduled for work in 2016, as opposed to the MB, where work was scheduled first, and there was, therefore, an escalation for inflation built into the Sarah Mildred Long Bridge figure. Mr. Lavallee compared this to costs for the I-95 Bridge, which might cost around $49 million to replace today, but with replacement and other work projected over 30 years into the future at 3% growth per year the costs were vastly increased. Mr. Lavallee noted that these figures were distinct from Operations and Maintenance costs which were higher than usual on the two lower bridges because of the fact they were movable bridges.

This led to a discussion on the Sinking Fund Concept and Operation & Maintenance Costs which took up most of the remainder of the meeting.

Commissioner George Campbell stated that he did not believe the policy behind the concept of a sinking fund for some or all of the bridges had been thoroughly discussed. It was agreed by the members of the Task Force that this was not the traditional approach to funding capital transportation improvements and that there might be some resistance to the idea. Due to the commercial significance of the I-95 Bridge to both states it was agreed that a strong case could be made for the sinking fund approach to that bridge's needs. It was also agreed that, due to the capacity of the Sarah Mildred Long Bridge to function as a bypass to I-95, a case could also be made for a sinking fund for that bridge. It was agreed, however, that a sinking fund that allowed for 100% funding was not necessary and might be excessive due to the likelihood that federal funding would be available for future work on these bridges. The Task Force therefore recommended that the next draft of the report include required funding of the sinking funds recalculated with a goal of 50% funding for the I-95 Bridge and 20% funding for the Sarah Mildred Long Bridge.

Henry Stebbins noted that the operations and maintenance projections in the Draft Report were based on historical costs and asked about opportunities for reducing these historical costs going forward. Commissioner David Cole raised the possibility of operating functions for both bridges

through one operations station, which Mr. Lavallee agreed would be possible and could represent significant savings. Commissioner George Campbell stated that the NHDOT had done some analysis and thought that operation and maintenance savings in the 30% range were possible. After some discussion the Task Force instructed that the next draft of the report include a projection to show what costs would be with a 25% savings in operations and maintenance.

There was some discussion about the use of the Interstate Bridge Authority (IBA) as a vehicle for the bridge sinking funds. Executive Director Paul Violette noted that if the MTA were to contribute funds it would need a secure mechanism to contain the money and to ensure that the money was actually used for the bridges. Director Violette also stated that the MTA was currently looking at the possibility of tolls on the 1.9 mile segment of I-95 which it was contemplating purchasing from the MaineDOT in order to pay for the purchase of that segment.

Kathleen Mulcahey-Hampson, attorney for the New Hampshire DOT, stated that the IBA could be brought back into existence by legislation in both states. She stated that the legislation might address the composition of the IBA Board and adding the I-95 bridge to the IBA's scope of responsibilities. Ms. Mulcahey-Hanson stated that she believed the draft legislation should be included in the Task Force's final report.

It was agreed that the Maine Turnpike Authority would coordinate with staff of the Maine and New Hampshire DOTs to develop another draft of the report including the assumptions discussed at this meeting. The Task Force scheduled a fourth meeting for December 7th, at 2 P.M, at the headquarters of the Maine Turnpike Authority. The members of the Task Force hoped to be able to complete their work and approve recommendations at their fourth meeting. However, a fifth meeting was tentatively scheduled, on an "as needed" basis, for December 14th at 1 PM at the headquarters of the Maine Turnpike Authority. The Task Force adjourned at 3:06 P.M.

Task Force members present:

- George Campbell, Commissioner, NH Department of Transportation
- Gerard Conley, Chairman, Maine Turnpike Authority
- Dana Connors, President, Maine Chamber of Commerce
- David Cole, Commissioner, Maine Department of Transportation
- Henry B Stebbins, Portsmouth, New Hampshire

- Meeting #4 – December 7, 2010.

The fourth meeting of the Bi-State Bridge Funding Task Force was held at 2:00 P.M. at the headquarters of the Maine Turnpike Authority 2360 Congress Street, Portland, Maine on Tuesday, December 7, 2010.

The following members of the Task Force were present:

- Chairman Dana Connors, President, Maine Chamber of Commerce
- George Campbell, Commissioner, NH Department of Transportation
- David Cole, Commissioner, Maine Department of Transportation

- Gerard Conley, Chairman, Maine Turnpike Authority
- Beverly Hollingworth, New Hampshire Executive Councilor, District 3
- Henry B Stebbins, Portsmouth, New Hampshire

Chairman Dana Connors called the meeting to order at 2:04 P.M. The draft minutes of the Task Force's third meeting were noted as submitted and made a part of the record, as corrected in accordance with comments from Henry B. Stebbins.

Chairman Connors stated that the first order of business was to review the latest version of the draft report that had been revised since the task Force's 3rd meeting. Commissioner Campbell noted that his staff had reviewed and edited the report and a version of the report with NHDOT's suggested changes in redline was distributed to the task force.

Roland Lavallee of HNTB Corporation summarized the latest version of the Draft Report. Two outstanding issues were discussed: whether to use straight percentages to determine each state's contributions to the sinking fund(s) or to try to be more specific and account for varying ownership in approaches and specific bridge components, for instance, ad whether or not the potential Department of Defense contribution should continue to be carried at $30 million. The report showed a gap of $215 million between the projected funding and needs over the thirty year period covered by the report and methods of funding that $215 million were still open to determination.

Henry Stebbins asked several questions about figures in the spreadsheet that accompanied the report. Mr. Stebbins ended by making two recommendations. First, since the $30 million for bridge painting on the high level bridge shown in the first year of the period was already allocated and funded federal money, that $30 million should not be included in the need that the sinking fund was attempting to meet. Second, the report at present included inflation of costs at 3% and should also include the interest that money in the sinking fund could earn over this period.

It was agreed that the bridge painting already funded in the period's first year should be deducted from the total need and the mechanism for doing this was discussed. Ken Sweeney of MaineDOT noted that this project was only a $12 million project, and only on the New Hampshire side. The Maine side of the bridge had not yet been put out to bid and therefore still had to be included in the projected need. Commissioner Campbell noted that however this was done it had to be done in a way which clarified that these remaining painting costs were entirely Maine's responsibility, so that New Hampshire did not end up required to contribute "half of Maine's half" of this painting.

Maine Turnpike Authority Executive Director Paul Violette stated that he had discussed possible interest that might be earned with James Calpin of Bank of America / Merill Lynch and that he would get a specific figure from Mr. Calpin. Mr. Violette stated that the figure would undoubtedly be modest because the MTA was operating under the assumption that the sinking funds would only be invested in extremely safe vehicles such as treasury bills.

Commissioner George Campbell raised the idea of reducing the projected inflation of costs from 3% to 2%. Commissioner Campbell stated that he believed this would send a serious message about the need for economy and could have the effect of forcing the savings to be found. Henry Stebbins noted that the Federal Reserve Board's goal for inflation was between 2 and 3 %. Executive Director Paul Violette stated that construction related costs usually rose faster than general inflation because this kind of work relied heavily on energy and products that were made with energy. Roland Lavallee noted that reducing projected costs also had the effect of reducing the value of identified efficiencies that relied on reducing future costs, such as going to one operations house instead of two. Commissioner David Cole stated that it should be noted somewhere in the report that Coast Guard approval might be necessary to implement the reduction of operations houses.

It was agreed that in the next draft of the report 2% would be used for growth of projected costs.

Apportionment of costs on each bridge was discussed in detail. Commissioner Campbell raised the idea of detailing ownership in specific components of the bridges, such as approaches, decks and lift mechanisms, because the cost of repairing or replacing these components was different, rather than simply using a percentage split for the entire bridge. It was noted that ownership of components in the Sarah Long Bridge had never really been determined because the Interstate Bridge Authority had originally been responsible for the entire structure and it had been taken care of on a 50-50 basis in the period after the IBA. Commissioner Campbell agreed that in this case a simple percentage might be appropriate for the Sarah Long Bridge. He suggested that each state should put together an analysis of the ownership of bridge components and share this information with Roland Lavallee for incorporation into the next report.

The Interstate Bridge Authority was briefly discussed. Deputy Commissioner Bruce Van Note of MaineDOT stated that he believed attorneys from MaineDOT and NHDOT were in the process of drafting legislation to "resurrect" the IBA and to allow its use as a vehicle for the sinking fund.

There was a discussion of the possibility of tolls a funding source for these bridges. It was agreed that the Final Report should include tolling as a future possibility but not as a current recommendation and should probably include the analysis that had been done in some form, either in the body of the report or as an attachment. Commissioner George Campbell suggested that the Final Report should also include a mention that it might be beneficial to study a possible fee on marine traffic that benefitted from the moveable bridges.

Commissioner Campbell also stated that New Hampshire currently had authority to do 100% of the work on the MB contingent on being reimbursed by Maine. He believed that this should be mentioned in the report because the State of Maine would possibly need legislative authorization to enter into an arrangement like that if it was something they wanted to pursue. Further, Commissioner Campbell said he believed the Final Report should highlight the ramifications of the recommendation to rehabilitate rather than replace the Sarah Long Bridge, and should state that this recommendation was subject to future changes which might, for instance, be required by the NEPA process.

It was agreed that the Maine Turnpike Authority would coordinate with staff of the Maine and New Hampshire DOTs to develop another draft of the report including the assumptions discussed at this meeting. The Task Force agreed that they would meet again to discuss this report on December 14th at 1 PM at the headquarters of the Maine Turnpike Authority. The Task Force adjourned at 3:43 P.M.