

**TCRP, J-5, STUDY TOPIC 8-02**  
**Supplement to Report on Innovative Financing Techniques**  
**for Transit Agencies**

**Revised Problem Statement**

TCRP J-5, Legal Aspects of Transit and Intermodal Transportation Programs previously published “Report on Innovating Financing Techniques for Transit Agencies”, by Mary A. Collins, TCRP Legal Research Digest No.13, August 1999. That report highlighted six (6) innovating financing techniques:

1. Certificates of participation or lease financing of transit assets.
2. Joint Development
3. Cross Border Leasing
4. U.S. Leverage Leases
5. Fare Box Revenue Bonds, and
6. State revolving loan funds.

**Nine case studies were presented to provide examples of various types of transactions and the legal issues involved in such transactions. Phase I of this study is to survey transit agencies to determine whether there are additional projects subsequent to TCRP Legal Research Digest No. 13 that warrant a supplement.**

Though TCRP, LRD No.13 dealt with six (6) innovating financing techniques, the Federal Transit Administration’s May 1995 Notice mentioned 14 techniques<sup>1</sup>. An unpublished report: Federal Transit Administration Innovative Financing Projects – Final Report, August 1999<sup>2</sup>, contains a report on nine (9) demonstration innovative financing projects sponsored by the FTA. Also, in a report prepared for the Florida Department of Transportation<sup>3</sup>, the authors assess the effectiveness and/or feasibility of a wide range of innovative financing techniques.

Nonetheless TCRP, LRD #13 “Report on Innovative Financing Techniques for Transit Agencies” is unique in its approach: Looking at these projects from the legal transactional perspective. Most of the data for TCRP LRD #13 was collected in 1997-98. Sufficient time has passed and other projects may be “ripe” for legal analysis.

The objective of this study topic is to examine the universe of transit innovative financing projects and select additional, more recent case studies that are instructive to transit attorneys on dealing with transactional legal issues associated with such deals. The FTA has not modified the May 1995 Notice, but the research should determine whether there is any difference (subtle or otherwise) in the implementing policy as described in the Notice, as well as efforts by states to accommodate innovative transit financing techniques.

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<sup>1</sup> Notice, Federal Transit Administration, Innovative Financing Initiative: Administrative Policies and Procedures Facilitating Innovative Finance Techniques in Federally–Assisted Transit Project[s], 60 FR 246582, May 9, 1995.

<sup>2</sup> This report was prepared by Marlaw Systems Technology, Incorporated.

<sup>3</sup> Innovative Transit Financing in Florida Final Report (2001). See also Innovative Financing Techniques for America’s Transit Systems, Federal Transit Administration, Sept. 1998.

## RESEARCH IMPLANTATION

This research will be conducted in two (2) phases. Phase 1 will consist of Task I. As the conclusion of Phase I, TRB will make a determination whether to proceed with Phase II. Both Phases will be pursuant to a firm fixed price agreement.

Task 1. Research Plan and Detailed Report Outline. Consultant will conduct background research and develop a complete research plan. The final step of this task will consist of a work plan, a proposed questionnaire (researcher is expected to send out a questionnaire to collect information on transactions during Phase I), describe each project that is potentially useful as a case study, and develop a detailed outline for the report. The outline should be about 10-15 pages, and contain sufficient detail to inform the committee of what a 75-100 page report will contain. This outline should also contain the pagination for each proposed section and/or subsection. This material will be submitted to the Principal Investigator for committee consideration.

Estimated Length of time:	90-120 days
Estimated work effort:	120 hours

Task 2. Conduct thorough research, case and statutory/regulatory analysis, and collect additional primary data to the extent necessary

Estimated Length of time:	60-90 days
Estimated work effort:	60 - 100 hours

Task 3. Draft report in accordance with the approved outline (including modifications required by TRB).

Estimated Length of Time:	90 days
Estimated work effort:	120 hours

Task 4. Revise report as necessary. Offeror should estimate that 2 revisions will be necessary. One revision may be required after review by the Principal Investigator and members of a select subcommittee. Additional, revisions may be required after the report has been reviewed by the full committee.

Estimated Length of time:	90 days
Estimated work effort:	60 hours

Total effort:	Estimated Length of time:	330 days
	Estimated work effort:	
	Phase 1	125 hours
	Phase 2	250-300 hours
	Total	375- 425 hours

Estimated Compensation:

Phase 1	\$ 9,500 - \$11,250
Phase 2	<u>\$22,500 - \$27,000</u>
Total	\$32,000 - \$38,250

If an offeror's estimation of length of time and estimated work effort differs from those above, the offeror should use his/her estimates.

An important factor in rating offers will be the offeror's commitment to promptly undertake and complete this study.

Submit statements of Interest on or before January 14, 2005 by mail to:

James B. McDaniel  
Counsel for Legal Research Projects  
Transportation Research Board  
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Washington, DC 20001