



Funding Possibilities

EASTERN CORRIDOR PROJECT CONSIDERS FUNDING POSSIBILITIES

The mix of land use, transit and roadway improvements being explored for the Eastern Corridor Project could cost more than \$800 million. Finding creative ways for local government entities to cover their share of the cost is an important step in the Eastern Corridor project process and will be evaluated as the study moves forward in the Preliminary Engineering/ Environmental Impact Statement (PE/EIS) phase of study.

The local governments' share of the project cost is estimated to be \$80 million, which would be combined with Federal and State funds to cover the entire cost of the project.

The project team is now evaluating a wide variety of funding opportunities to help local governments' pay for the project. A few of the many options being investigated are:

- Joint economic development agreements, where cities and townships pool municipal income taxes for infrastructure investments.
- License plate fees, in which the entire county can place a fee on new plates and renewals. These fees provide a stable revenue source and can usually be tied to transportation improvements.
- Public/private partnerships, including having private developers donate right-of-way and/or improve and develop land around proposed transit stations.
- Tax increment financing districts, where new taxes are collected on the increased value of real estate (this does not affect current taxes collected).
- Overbuys, where land is purchased in the corridor and sold when transportation improvements raise its value.
- Privatization of transportation improvements, where private companies would own and/or manage transportation offerings.
- Tolls, where a user fee is charged for the use of a transportation facility.
- Pursuance of "demonstration" project status to help solicit additional Federal and state grants.

These are just a sampling of the many funding alternatives that would need to be evaluated for the Eastern Corridor alternatives. Most likely, a combination of many funding mechanisms will be necessary to cover the costs of the project.

The public is encouraged to participate in the process by submitting their ideas and comments on the Eastern Corridor web site or through the Eastern Corridor project office.

All options will require legal review, planning, estimates and presentations to local jurisdictions as the process moves forward.