

PROJECT INFORMATION	
DATE OF INITIAL PLAN	December 1, 2015
DATE(S) OF UPDATES	November 8, 2016
DATE OF CLOSEOUT	December 10, 2017 – All projects have now been let to construction. PINS 100281.02 and 100281.03 were let December 8, 2017, and PIN 100286.00 was let to construction May 13, 2016.
COUNTIES	Sumner, Wilson
ROUTE	State Route 109
DESCRIPTION PER NEPA DOCUMENT	From North of State Route 24 in Wilson County to the State Route 109 Bypass South of Gallatin
PIN NO(S)	<ul style="list-style-type: none"> • PIN 100286.00 (North of the Cumberland River Bridge to SR-109 Bypass South of Gallatin), Sumner County • PIN 100281.02 (From North of SR-24 (US-70) to South of Dry Fork Creek), Wilson County • PIN 100281.03 (From South of Dry Fork Creek to South of Cumberland River), Wilson County
INITIAL ESTIMATED TOTAL COST*	\$112,391,947
*See Section 10 for cost changes since initial estimate.	

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Introduction

Federal law requires certain federally-assisted projects to have an annual financial plan. The Federal Highway Administration’s (FHWA) Major Project Financial Plan Guidance (Guidance), dated December 18, 2014, provides that an “annual financial plan is a comprehensive document that reflects the project’s scope, schedule, cost estimate, and funding structure to provide reasonable assurance that there will be sufficient funding to implement and complete either the entire project, or a fundable phase of the project, as planned.”

PROJECTS REQUIRED TO HAVE A FINANCIAL PLAN AND ANNUAL UPDATES	
MAJOR PROJECTS	<ul style="list-style-type: none"> • Those receiving federal financial assistance with an estimated total cost of \$500 million or more. • These projects require a project management plan AND an annual financial plan to be prepared, and both must be submitted to FHWA. • 23 U.S.C. § 106(h).
OTHER PROJECTS	<ul style="list-style-type: none"> • Those receiving federal financial assistance with an estimated total cost of \$100 million or more (but less than \$500 million). • These projects require an annual financial plan to be prepared and made available for review upon request by FHWA. • 23 U.S.C. § 106(i).

For the purposes of determining whether the estimated total cost of a project is over \$100 million or \$500 million, the Guidance states FHWA will use the total cost estimate within the project scope set forth in the NEPA decision document approving the project. This includes all planning, engineering, and construction activities regardless of funding source or administering agency.

The Financial Plan is not meant to be a static document, but is to be updated annually to provide an ongoing assurance of the viability and success of the project. Per the FHWA, these are large complex projects intended to address major highway needs and consequently require the investment of significant financial resources. Preparation of the Financial Plan, with updates provided on an annual basis, ensures that the required financial resources for the Major and Other Projects are recognized, accessible, and managed during the life cycle of the projects.

The FHWA Guidance provides specific parameters under which a Financial Plan must operate:

ANNUAL FINANCIAL PLANS FOR MAJOR PROJECTS AND OTHER PROJECTS AS DEFINED IN 23 U.S.C. 106(H) AND 106(I) CONSIST OF AN INITIAL FINANCIAL PLAN AND ANNUAL UPDATES. INITIAL FINANCIAL PLANS PROVIDE THE MAJOR PROJECT'S BASELINE INFORMATION. THROUGH THE SUBMISSION OF ANNUAL UPDATES, THE INITIAL FINANCIAL PLAN IS UPDATED WITH CURRENT PROJECT STATUS TO PROVIDE A COMPARISON OF BASELINE INFORMATION TO ACTUAL PERFORMANCE AND TO PROVIDE UPDATED FORECASTS OF FUTURE PROJECT PERFORMANCE. ANNUAL UPDATES TRACK THE PROGRESS OF THE PROJECT OVER TIME BY HIGHLIGHTING

SIGNIFICANT DEVIATIONS FROM THE INITIAL FINANCIAL PLAN AND SUBSEQUENT ANNUAL UPDATES AND EXPLAINING THE MITIGATING ACTIONS OR RESPONSE STRATEGIES TAKEN TO ADDRESS THE DEVIATIONS. EACH ANNUAL UPDATE, THEREFORE, PROVIDES A COMPREHENSIVE VIEW OF THE PROJECT'S BACKGROUND AND STATUS WITHOUT REQUIRING THE READER TO REFER TO PREVIOUS SUBMISSIONS.

FINANCIAL PLANS ARE DEVELOPED AND SUBMITTED BY THE PROJECT SPONSOR. FOR THE PURPOSES OF THIS GUIDANCE, THE TERM "PROJECT SPONSOR" INCLUDES ANY ENTITY THAT PROVIDES FUNDS FOR THE PROJECT AND ADMINISTERS ANY CONSTRUCTION OR CONSTRUCTION ENGINEERING/INSPECTION ACTIVITIES FOR THE PROJECT.

This Financial Plan, prepared by the Tennessee Department of Transportation (TDOT), demonstrates that the necessary financial resources have been identified and are available for the project(s) described herein and that the financial resources will be managed throughout the duration of the project(s).

This Financial Plan also utilizes the following framework, which is suggested by the FHWA Guidance:

1. Project Description,
2. Schedule,
3. Project Cost,
4. Project Funds,
5. Financing Issues,
6. Cash Flow,
7. P3 Assessment,
8. Risk and Response Strategies,
9. Annual Update Cycle,
10. Summary of Cost Changes Since Last Year's Financial Plan,
11. Cost and Funding Trends Since Initial Financial Plan,
12. Summary of Schedule Changes Since Last Year's Financial Plan, and
13. Schedule Trends Since Initial Financial Plan.

Per the FHWA Guidance, all annual updates are reflected in Sections 10 through 13 of this Plan.

1. Project Description

Description and Scope

The Improvements to State Route 109 (hereinafter referred to as the Project) are consistent with the FHWA Guidance for "Other Projects." The purpose of this initial Financial Plan (hereinafter referred to as the Plan) is to be a comprehensive document that reflects the Project's scope, schedule, cost estimate, and funding structure. The Plan will provide a reasonable assurance that there will be sufficient funding available to implement and complete the entire project or a fundable phase of the project, as planned. A Vicinity Map for the Project is included as Figure 2.

The proposed improvements for this section of SR-109 are intended to address congestion and operational and geometric deficiencies, as well as support future economic development activities in and around the study area. The subject improvement includes the reconstruction and widening of approximately 12-miles of SR-109. The existing roadway is primarily two lanes.

Based upon initial traffic analyses and public input, TOOT recommended in two (1997 and 1998) Advance Planning Reports (APR) that a 5-lane roadway consisting of four 12-foot traffic lanes, a continuous 12-foot turn lane, and stabilized shoulders would appropriately address congestion on the roadway.

A section of SR-109, from I-40 to the SR-109 Bypass, has been identified by the Nashville Area Metropolitan Planning Organization (MPO) as a congested roadway because it exceeds the congestion threshold identified in the MPO's Congestion Management System (CMS) report (amended June, 2006) for the year 2030. The MPO included the proposed roadway improvements as a Near Horizon (2016) project in the 2030 Long Range Transportation Plan (LRTP), but it was considered a placeholder until a Tier 2 analysis could be completed and approved by the MPO.

Proposed Improvements – From North of State Route 24 in Wilson County to the State Route 109 Bypass South of Gallatin, Sumner County:

- PIN 100286.00 (North of the Cumberland River Bridge to SR-109 Bypass South of Gallatin)
- PIN 100281.02 (From North of SR-24 (US-70) to South of Dry Fork Creek)
- PIN 100281.03 (From South of Dry Fork Creek to South of Cumberland River)

The existing context was summarized in the Categorical Exclusion (CE) for the Project in 2011 and is copied below in its entirety to provide additional context for the Project:

The Proposed project would widen existing SR-109 from North of SR-24 (US-70 (Lebanon Road) to Wilson Road in Wilson County, TN and from Odom's Bend Road to the SR-109 Bypass south of Gallatin Sumner County, TN. The entire project length is approximately 8.8 miles with 7.3 miles of the proposed project being contained in Wilson County and the remaining 1.5 miles of the project being located in Sumner County. It is also important to note that the Cumberland River Bridge and its approaches are not included as part of these proposed improvements to SR-109. The bridges and approaches were evaluated and approved in a separate Categorical Exclusion (TDOT PIN 103139.00) on January 15, 2010.

Currently, SR-109 is a two-lane roadway with two 11-foot travel lanes in each direction throughout the entire length of the project. The existing shoulder width is three feet from SR-24 (US-70) (Lebanon Road) to Wilson Road. From Odom's Bend Road to south of the SR-109 Bypass, the existing shoulder width is four feet.

The proposed typical section for the portion of the project within Wilson County would upgrade the existing two-lane roadway to include two 12-foot travel lanes in either direction, a 12-foot center turn lane, 10-foot shoulders, and six to ten feet of grassed area. The shoulder and grassed areas would be separated by two and a half feet of curb and gutter. The right-of-way limits would be approximately 104 feet.

The proposed typical section for the portion of the project in Sumner County would upgrade the existing two-lane roadway to include two 12-foot travel lanes in both directions. The center median and travel lanes would be separated by two-foot shoulders. A six-foot bike lane and a separate six-foot sidewalk would also be constructed on either side of the roadway and would be separated by two-feet of grass. The right-of-way limits would be approximately 104 feet.

Purpose and Need

The proposed project is intended to address transportation needs in the area that have been identified in prior planning efforts and in current transportation and community plans. Presently, SR-109 serves as a “rural principal arterial” in Wilson County and an “urban other principal arterial” in Sumner County. SR-109 links the community of Gallatin to I-40 to the south and provides a primary north-south route over the Cumberland River.

The core transportation objectives of the proposed project are as follows:

- *Improve access to major destination in and near Wilson and Sumner Counties;*
- *Improve the final connection between I-40 and the SR-109 Bypass’ and*
- *Enhance regional and local mobility by improving the LOS on the roadway network.*

The project map for the SR-109 corridor is shown below in Figure 1.

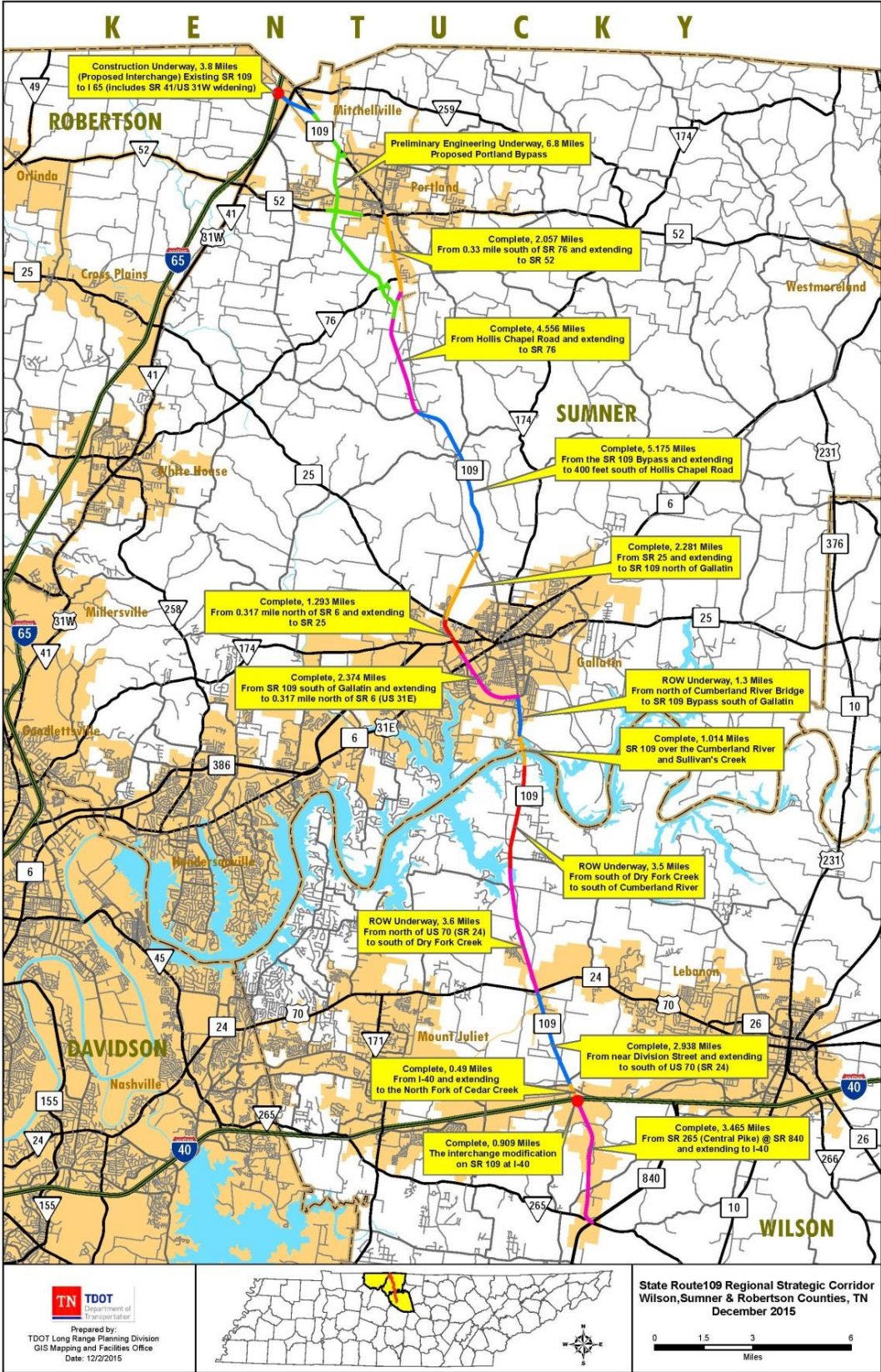


Figure 1: SR-109 Project Map.

Environmental Process

In February 2011, TDOT submitted and FHWA concurred with a Categorical Exclusion (CE) for the Project, pursuant to 23 CFR 771.117(d). PINs 100286.00 and 100281.00 (PIN 100281.00 covers 100281.02 and 100281.03) for Sumner and Wilson Counties are covered within this environmental document.

Project Phasing

The Project will be let to contract in three phases. PIN 100286.00 will be let to contract in May 2016, and PIN 100281.02 and PIN 100281.03 are forecasted to be let to contract in December 2017.

A project map for the three SR-109 projects is shown below in Figure 2.

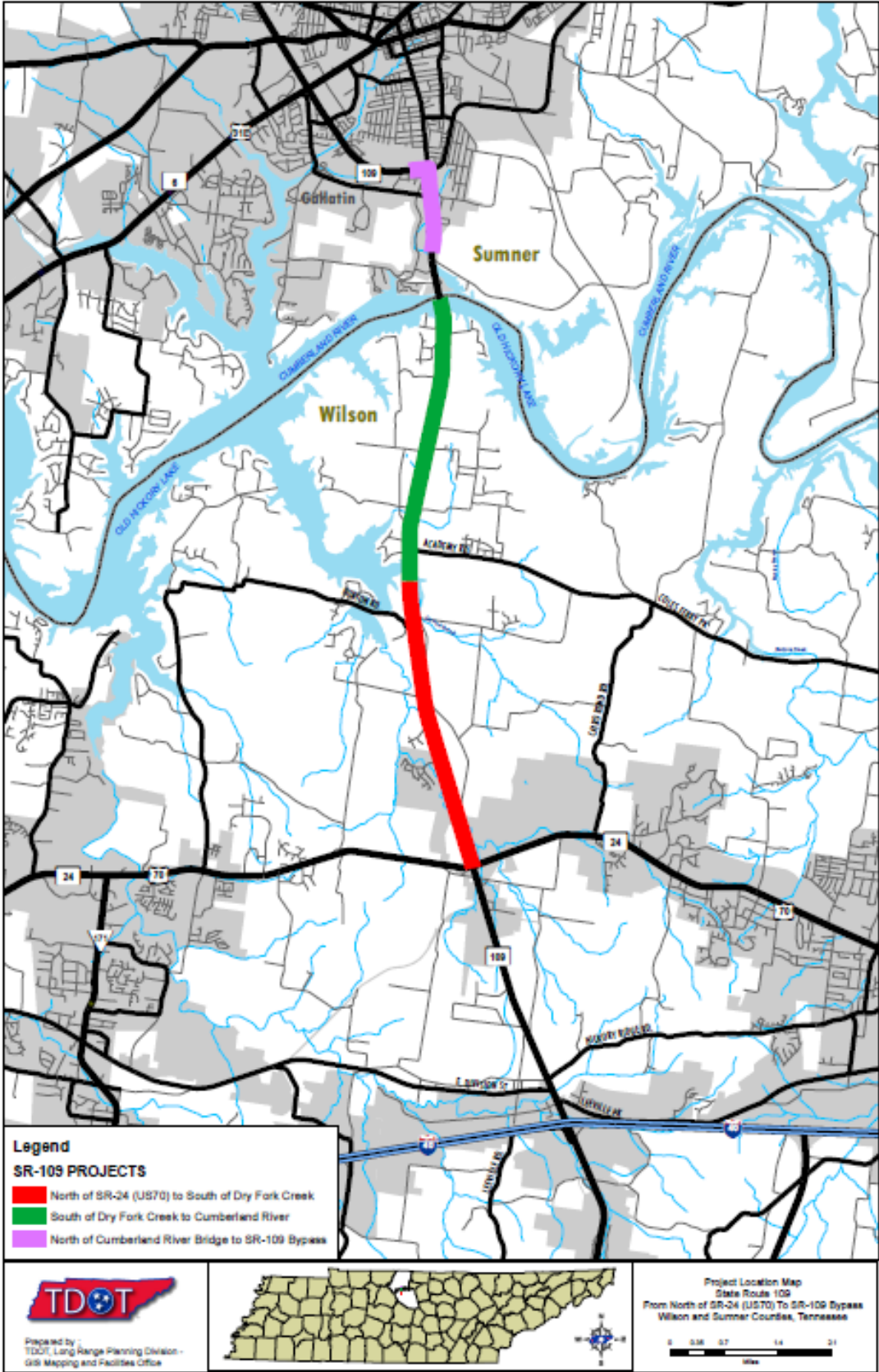


Figure 2: SR-109 Project Vicinity Map.

2. Schedule

This section provides information on the planned schedule for implementation of all the Project elements. Based on the current planned project delivery approach, PIN 100286.00 is scheduled to be let to contract in May 2016, and PINS 100281.02 and 100281.03 are forecasted to be let to contract in December 2017.

3. Project Cost

This section contains the cost elements for all phases of the Project. Figure 4 provides a detailed set of cost projections for the Project. These cost elements are provided in the following categories:

1. Preliminary Engineering – this category covers the development of plans, specifications, and estimates necessary to let the Project for construction.
2. Right-of-Way/Utilities – this category covers the total cost to purchase right-of-way including appraisals, administration, management, and acquisition of required rights-of-way. Also, this category covers all public and private utility relocation and new utility construction, such as telephone, electric, gas, fiber optics/cable television, water, sewer, and stormwater, in addition to any railroad related costs.
3. Construction – this category covers the total estimated cost to construct the Project. This estimated cost includes the following: clearing and other necessary demolition; required earthwork or grading; stormwater and erosion control measures; installation of pavement and base materials; installation of structures; maintenance of traffic; sidewalk, curb and gutter; other miscellaneous items of construction; and mobilization.

A cost projection table is shown below in Figure 3.

COST PROJECTIONS FOR SR-109				
	STATE PROJECT #	FEDERAL FUNDS*	STATE FUNDS	TOTAL FUNDS
SUMNER COUNTY (PIN 100286.00)				
Preliminary Engineering	83010-0219-14	\$208,000	\$52,000	\$260,000
Preliminary Engineering	83010-1216-14	\$507,850	\$126,962	\$634,812
Right-of-way	83010-2216-14	\$0	\$354,830	\$354,830
Right-of-way	83010-2219-14	\$2,528,000	\$632,000	\$3,160,000
Construction	83010-3219-14	\$13,711,210	\$3,427,802	\$17,139,012
WILSON COUNTY (PIN 100281.02)				
Preliminary Engineering	95012-0221-14	\$574,316	\$143,579	\$717,895
Preliminary Engineering	95012-1221-14	\$1,460,000	\$365,000	\$1,825,000

Right-of-way	95012-2221-14	\$11,799,600	\$2,949,900	\$14,749,500
Construction	95012-3226-14	\$17,566,241	\$4,391,560	\$21,957,801
WILSON COUNTY (PIN 100281.03)				
Preliminary Engineering	95012-1222-14	\$1,810,253	\$452,563	\$2,262,816
Right-of-way	95012-2222-14	\$12,216,800	\$3,054,200	\$15,271,000
Construction	95012-3225-14	\$27,247,425	\$6,811,856	\$34,059,281
TOTAL		\$89,629,695	\$22,762,252	\$112,391,947
*Includes National Highway System, National Highway Performance Program, and High Priority Program funds.				

Figure 3: Cost Projection Table

4. Project Funds

Introduction

As described in detail in the Project Cost section of this Plan, based on current estimates and the most up-to-date information on construction-related inflation, this Project will require an estimated \$112.4 million to fully fund all project cost elements over the planned project horizon. This section reviews TDOT’s plan to fund the project, describes in detail the planned sources of funds, and reviews the funding plan in the context of the State’s overall transportation programs and available resources.

Project Plan of Finance

As currently planned, the project will be funded through traditional federal aid and state match. All obligated funds were included in the Nashville Metropolitan Planning Organization (MPO) Transportation Improvement Program (TIP), and the construction funds for PIN 100286.00 are included in the Fiscal Years 2014-2017 MPO TIP.

Source of Funds

TDOT will use its traditional method of financing for the Project, which includes allocations of National Highway System funds, National Highway Performance Program funds and National High Priority Program funds through the FHWA. These funding programs provide 80 percent federal funds matched with 20 percent state funds.

The primary source of state funds is the state gasoline tax, which is currently 20 cents per gallon for gasoline and 17 cents per gallon for diesel fuel. The last fuel tax increase in Tennessee was enacted in 1990. TDOT’s budget has been essentially flat since 2010 at approximately \$1.8 billion per year, while the cost of completing transportation projects has roughly tripled in the past 20 years. Because of this uncertainty in funding, this Project and all other TDOT projects run the risk of not being funded, as discussed below in Section 8.

TDOT’s method of committing funds to a project is a multi-stage process. First, the state must include the project in the MPO’s TIP. Then, the project must be included in TDOT’s Three Year Plan that is

published each year. This project meets these requirements, as it is included in the Nashville MPO's 2014-2017 TIP for Right-of-way Acquisition and Construction, and it is included in TDOT's 2015-2017 Three Year Plan for Construction.

Key Revenue Related Assumptions, Risks, and Mitigations

As with any project of the size and duration of this project, there are a great number of uncertainties regarding the magnitude and timing of project costs in relation to the availability of funding. These risks and the strategies being utilized to address them are discussed in Section 8 of this Plan.

5. Financing Issues

The State of Tennessee operates as a "pay-as-you-go" state, meaning that TDOT only spends available funds through the following dedicated revenues: federal funding and state highway user taxes and fees. TDOT's current budget for Fiscal Year (FY) 2015 is \$1.840 billion, which includes \$976 million in federal funds, \$822 million in state funds and \$42 million in other funds. Because uncertainty exists at both the federal and state levels for transportation funding, this and all other TDOT projects run the risk of not being funded, as discussed below in Section 8.

6. Cash Flow

This section provides the information of the annual schedule of cash needs (expenditures) per fiscal year. The cash flow information is presented per year in chart form, as seen below in Figure 4.

Once construction bids are opened and the project awarded to the contractor, TDOT will obligate all construction funding required per the bid document, in addition to appropriate construction engineering and inspection costs. This will ensure the payout schedule for the contractor and construction engineering and inspection activities can be met.

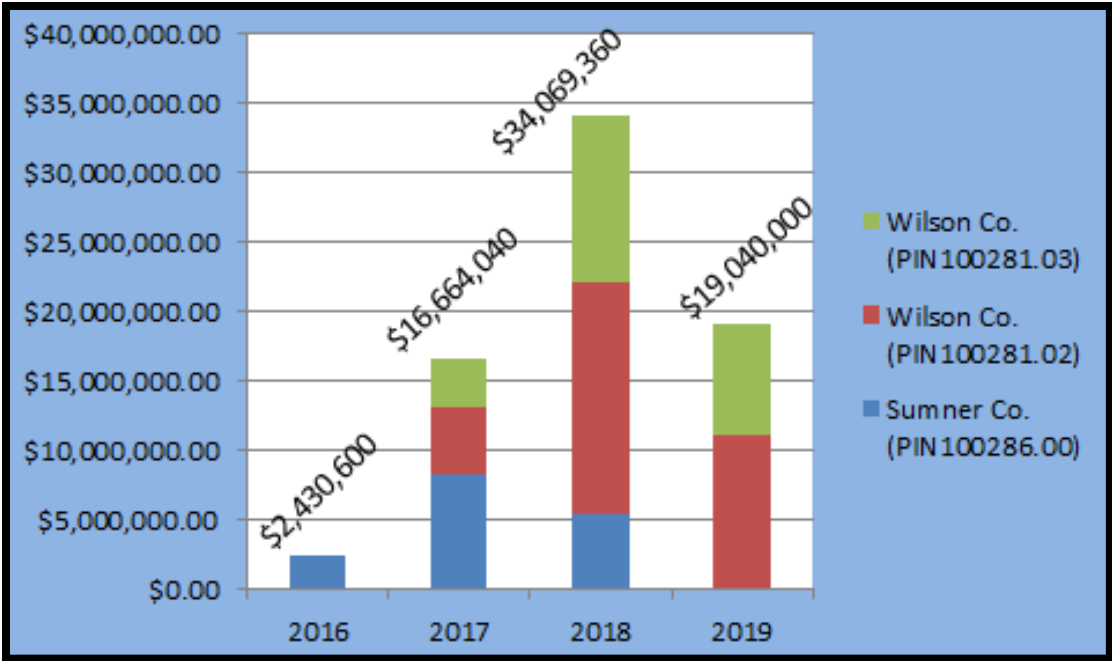


Figure 4: SR-109 Cash Flow Chart

7. P3 Assessment

At this time, public-private partnerships are not authorized in Tennessee.

8. Risk and Response Strategies

As previously discussed, TDOT has identified funding deficiencies as a risk for the Project, as well as the possibility of a construction change order, that could increase the construction cost. If either should occur, TDOT has established as a priority the allocation of additional funds from its federal balance to hopefully cover such costs. However, the uncertainty at both the federal and state levels regarding transportation funding puts this and all other TDOT projects in jeopardy of not being funded or at least being seriously delayed.

In an attempt to remedy this situation, Tennessee Governor Bill Haslam and TDOT officials visited 15 cities across the state from August 5 to September 10, 2015, meeting with state and local elected officials to listen to concerns about infrastructure funding and work to find a solution. Options include raising the gas and diesel taxes and indexing them to inflation, increasing vehicle registration and driver license fees, changing from a per gallon tax to a sales tax, among others. As of this time, it is unclear whether Governor Haslam will recommend any such change in Tennessee law for the upcoming legislative session.

TDOT officials have also been meeting with the state’s Congressional delegation regularly in an attempt to get a federal highway bill passed to ensure long-term sustainable transportation funding.

9. Annual Update Cycle

TDOT remains committed to completing the required updated Financial Plans on an annual basis. TDOT will complete each annual update no later than 90 days following the end of the federal fiscal year.

10. Summary of Cost Changes Since Last Year’s Financial Plan

The purpose of this section is to list those changes that have reduced or increased the cost of the project and/or funded phase since the last Financial Plan. The discussion should identify the primary reasons for the change, actions taken to monitor and control cost growth, and scope changes that have contributed to the change.

ANNUAL UPDATES	
November 8, 2016	Below is the updated cost projection table shown previously in Figure 3. PIN 100286.00 was let to contract in May 2016. At this time, there is no change to the schedule for PINS 100281.02 and 100281.03. The plan is to let them both to contract in December 2017 pending available funds.

COMPARISON OF INITIAL COST PROJECTIONS AND ACTUAL COSTS FOR SR-109							
	STATE PROJECT #	ESTIMATED FEDERAL FUNDS*	ACTUAL FEDERAL FUNDS*	ESTIMATED STATE FUNDS	ACTUAL STATE FUNDS	ESTIMATED TOTAL FUNDS	ACTUAL TOTAL FUNDS
SUMNER COUNTY (PIN 100286.00)							
Preliminary Engineering	83010-0219-14	\$208,000	\$204,716	\$52,000	\$51,179	\$260,000	\$255,985
Preliminary Engineering	83010-1216-14	\$507,850	\$507,850	\$126,962	\$126,962	\$634,812	\$634,812
Right-of-way	83010-2216-14	\$0	\$0	\$354,830	\$354,830	\$354,830	\$354,830
Right-of-way	83010-2219-14	\$2,528,000	\$1,688,218	\$632,000	\$422,055	\$3,160,000	\$2,110,273
Construction	83010-3219-14	\$13,711,210	\$12,464,735	\$3,427,802	3,116,184	\$17,139,012	\$15,580,919
WILSON							

COUNTY (PIN 100281.02)						
Preliminary Engineering	95012-0221-14	\$574,316		\$143,579		\$717,895
Preliminary Engineering	95012-1221-14	\$1,460,000		\$365,000		\$1,825,000
Right-of-way	95012-2221-14	\$11,799,600		\$2,949,900		\$14,749,500
Construction	95012-3226-14	\$17,566,241		\$4,391,560		\$21,957,801
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Preliminary Engineering	95012-1222-14	\$1,810,253		\$452,563		\$2,262,816
Right-of-way	95012-2222-14	\$12,216,800		\$3,054,200		\$15,271,000
Construction	95012-3225-14	\$27,247,425		\$6,811,856		\$34,059,281
TOTAL		\$89,629,695		\$22,762,252		\$112,391,947
*Includes National Highway System, National Highway Performance Program, and High Priority Program funds.						

11. Cost and Funding Trends Since Initial Financial Plan

The purpose of this section is to identify the trends that have impacted project costs and funding since the initial Financial Plan. The discussion should include the probable reasons for the trends and assess the implications for the remainder of the project.

ANNUAL UPDATES	
November 8, 2016	Governor Haslam did not recommend any changes in Tennessee law to address transportation funding during the 2016 session of the Tennessee General Assembly. However, the governor tentatively plans to do so during the 2017 session.

12. Summary of Schedule Changes Since Last Year’s Financial Plan

The purpose of this section is to list those changes that have caused the completion date for the project and/or funded phase to change since the last Financial Plan. The discussion should identify the reasons

for the change, actions taken to monitor and control schedule growth, and scope changes that have contributed to the change.

ANNUAL UPDATES	
November 8, 2016	<ul style="list-style-type: none"> • PIN 100286.00 (North of the Cumberland River Bridge to SR-109 Bypass South of Gallatin) in Sumner County was let to contract on May 13, 2016 and estimated to be complete on November 2, 2017. • At this time, there is no change in the forecasted schedule for PIN 100281.02 (From North of SR-24 (US-70) to South of Dry Fork Creek) in Wilson County and PIN 100281.03 (From South of Dry Fork Creek to South of Cumberland River) in Wilson County, which is to let them both to contract in December 2017 pending available funds.

13. Schedule Trends Since Initial Financial Plan

The purpose of this section is to identify the trends that have impacted project schedule since the initial Financial Plan. The discussion should include the probable reasons for these trends and assess the implications for the remainder of the project.

ANNUAL UPDATES	
November 8, 2016	There have been no discernible schedule trends impacting the schedule of these projects.