October 2017

Martin Klepper
Executive Director
Bureau Objectives

- Consolidate DOT’s key Finance Programs and finance expertise.
- Provide a one-stop shop for streamlining credit processes.
- Administer the DOT Credit and Grant programs, including project credit reviews, due diligence, loan negotiation and documentation.
- Provide project outreach and development assistance.
- Promote public-private partnerships.
- Advance large, complex, multi-modal, multi-jurisdictional projects.
- Utilize the expertise of DOT Operating Administrations.
**Steps to a TIFIA or RRIF Loan**

**Outreach**
- Reach-outs and Referrals
- Support Needs Assessed (Environmental, Mode Assistance Coordinated)
- Targeted Outreach

**Project Development**
- CRT Votes to Assign Project Development Lead
- Navigate Federal Processes
- Sponsor Submits Letter of Interest

**Credit Assessment (Underwriting)**
- CRT Votes on Whether to Begin Assessment
- Advisors Retained
- Due Diligence
- Loan Structured

**Authorization**
- CRT Votes on Whether to Invite Bureau Team
- Bureau Team Confirms Complete to Applicant

**Recommendation**
- CRT Votes on Whether to Recommend
- CCF Votes on Whether to Recommend
- DOT Secretary Approves or Declines
- Congress Notified

**Implementation**
- OMB Approves Credit Risk Premium
- Funds Obligated
- Congress Notified
- Funds Disbursed
- Construction Oversight
- Repayments Received
- Status Monitored

**Delivery and Monitoring**
- Financing Documents Finalized
- Loan Closing

**Authorization**
- Congress Notified
- Funds Disbursed
- Construction Oversight
- Repayments Received
- Status Monitored
TIFIA and RRIF Program Benefits

- Long term, fixed cost, permanent, up-front financing
- Borrower/Revenue source may be minimum investment grade
- Non recourse financing—project cash flow supported
- Funds drawn as needed
- Flexible amortization
- No pre-payment penalty
- Low interest rates

Low Interest Rate - Interest rate on 10/02/2017 was 2.86% for a 35-year loan
Eligible Borrowers and Projects (TIFIA)

**BORROWERS**
- State Governments
- State Infrastructure Banks
- Local Governments
- Special Authorities
- Transportation
- Improvement Districts
- Private Companies (with public planning sponsor)

**PROJECTS**
- Highways and Bridges
- Intelligent Transportation Systems
- Intermodal Connectors
- Transit Vehicles and Facilities
- Intercity Buses and Facilities
- Freight Transfer Facilities
- Pedestrian and Bicycle Infrastructure Networks
- Transit-Oriented Development
- Rural Infrastructure Projects
- Passenger Rail Vehicles and Facilities
- Surface Transportation Elements of Port Projects
- NO OPERATIONS
Eligible Borrowers and Projects (RRIF)

**BORROWERS**
- Railroads
- State and Local Govs
- Government sponsored authorities and corporations
- Interstate compacts (410(a)) Amtrak Reform and Acc. Act of 1997
- Limited option freight shippers
- Joint Ventures

**PROJECTS**
- Design/planning
- Freight Rail Facilities
- Freight Transfer Facilities
- FRA-Regulated Commuter Rail Facilities
- Passenger Rail Vehicles and Equipment
- Transit-Oriented Development
- “Intermodal” or Rail Equipment or Facilities
- Refinance of above
- NO OPERATIONS
TIFIA Portfolio Statistics

Since program inception, TIFIA has approved 77 loans totaling over $28 billion to stimulate over $102 billion of transportation infrastructure investments in 21 states (plus the District of Columbia & Puerto Rico).

TIFIA Loans by Transportation Mode

<table>
<thead>
<tr>
<th>Mode</th>
<th>Percentage of Loans</th>
<th>Percentage of Credit Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>Intermodal</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Transit</td>
<td>30%</td>
<td>35%</td>
</tr>
</tbody>
</table>
To date, RRIF has approved 36 loans to fund over $5 billion of infrastructure in 27 states.
# TIFIA Revenue Pledges

<table>
<thead>
<tr>
<th>User-backed Financings</th>
<th>Pledged Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Bay Expressway</td>
<td>Facility Tolls</td>
</tr>
<tr>
<td>Central Texas Turnpike</td>
<td></td>
</tr>
<tr>
<td>Pocahontas Parkway</td>
<td></td>
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<tr>
<td>I-495 Capital Beltway/HOT Lanes</td>
<td></td>
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<tr>
<td>Intercounty Connector</td>
<td></td>
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<tr>
<td>Triangle Expressway</td>
<td></td>
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<tr>
<td>North Tarrant Express</td>
<td></td>
</tr>
<tr>
<td>Miami Intermodal Center RCF</td>
<td>Rental car customer facility charges</td>
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<tr>
<td>Warwick Intermodal Station</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax-backed Financings</th>
<th>Pledged Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miami Intermodal Center GP</td>
<td>State fuels excise taxes</td>
</tr>
<tr>
<td>Washington Metro CIP</td>
<td>Local government contributions</td>
</tr>
<tr>
<td>Cooper River Bridge</td>
<td>State and county contributions</td>
</tr>
<tr>
<td>Transbay Transit Center</td>
<td>Tax increment financing</td>
</tr>
<tr>
<td>Denver Union Station</td>
<td>Local sales taxes and tax increment financing</td>
</tr>
</tbody>
</table>

## Other

<table>
<thead>
<tr>
<th>Pledged Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port of Miami Tunnel</td>
</tr>
<tr>
<td>I-595 Corridor Roadway Improvements</td>
</tr>
<tr>
<td>Staten Island Ferries and Terminals</td>
</tr>
<tr>
<td>Close Date</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Jan 31</td>
</tr>
<tr>
<td>June 7</td>
</tr>
<tr>
<td>June 9</td>
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<tr>
<td>June 22</td>
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<tr>
<td>June 27</td>
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<tr>
<td>July 20</td>
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<tr>
<td>July 21</td>
</tr>
<tr>
<td>July 26</td>
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</tbody>
</table>
## Additional Bureau Actions in 2017

<table>
<thead>
<tr>
<th>Date</th>
<th>Project Name</th>
<th>Project Size (millions)</th>
<th>State</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 28</td>
<td>SH130</td>
<td>$1,328</td>
<td>TX</td>
<td>Following the development of a plan of reorganization, the SH-130 Segments 5&amp;6 Project emerged from bankruptcy. The sources of funds for the original 2007 project included a $429 million TIFIA loan.</td>
</tr>
</tbody>
</table>
Bureau P3 Best Practices Initiatives

- Case Study webinars on recent P3s and innovative financing strategies
  - Pennsylvania Rapid Bridge Replacement P3
  - Denver Union Station Development
  - Denver Eagle Commuter Rail P3
  - Priced Managed Lanes
- Report on Successful Practices for P3s
- Guidebook to Financing Highway P3s
- Discussion Papers:
  - Revenue Risk Sharing for Highway P3s
  - Uses of Performance Requirements in P3s
  - Early Involvement of Private Developers in the Consideration of Long-Term P3 Concession Options
- Report on Highway P3 Concessions In the United States (since 1992)
- Peer exchanges / multi-day trainings for state and local government officials focused on P3s and innovative finance strategies, including Value for Money training
Private Activity Bonds (PABs)

- Secretary of Transportation is authorized to allocate $15 billion of PABs for qualified highway or surface freight transfer facilities
- State or local governments issue tax-exempt bonds on behalf of a private entity
- Private entity/developer responsible for all PABs debt service (PABs are not a moral or legal obligation of a governmental issuer)
- To date, over $11 billion of PABs have issued or allocated
  - Nearly $6.5 billion of PABs issued for 17 projects
  - Over $4.7 billion of PABs allocated for five projects
- Can be used in combination with TIFIA credit assistance
Bureau Activities & Accomplishments

- Master Credit Agreement
- Streamlined loan processing for TIFIA
- Combined credit process for TIFIA and RRIF
- Establish credit guidelines
- Expedite hiring of advisors
- Development of papers addressing P3 tax and procurement issues
- Establish Credit Review Team and Council on Credit and Finance
- Establish Team for Outreach and Project Development
- Guidelines for transit-oriented development (TOD) Projects
- Small Loan Initiative