

 U.S. DEPARTMENT OF TRANSPORTATION



**BUILD AMERICA BUREAU**

**October 2017**

**Martin Klepper**  
**Executive Director**



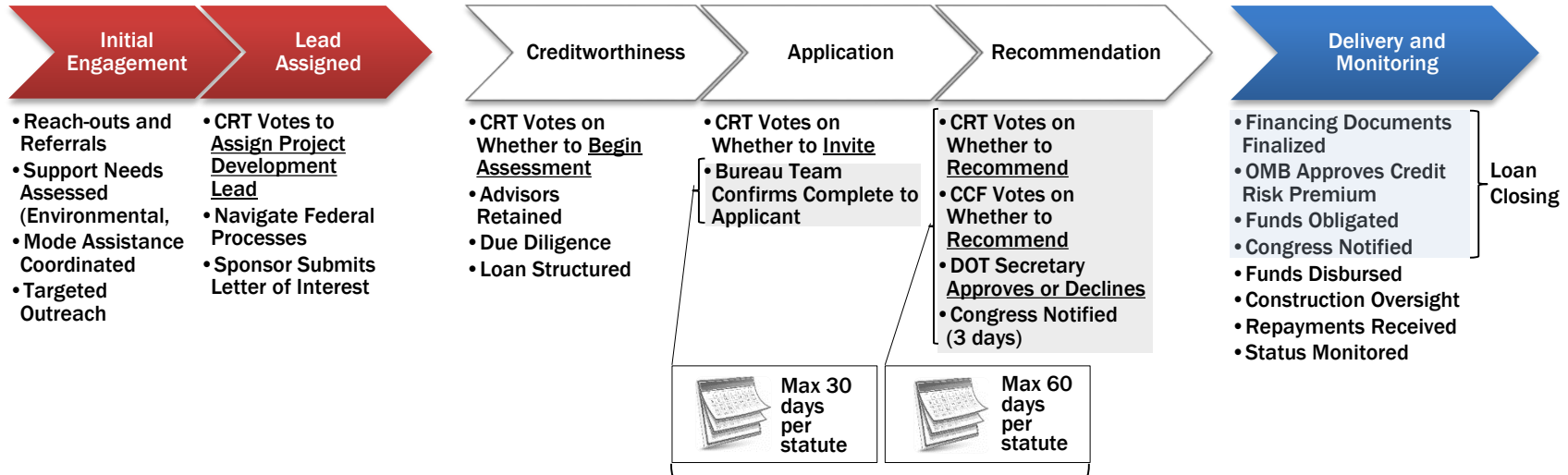
# Bureau Objectives

- ❖ **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.**



BUILD AMERICA BUREAU

# STEPS TO A TIFIA OR RRIF LOAN



90 days from application submission



# 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

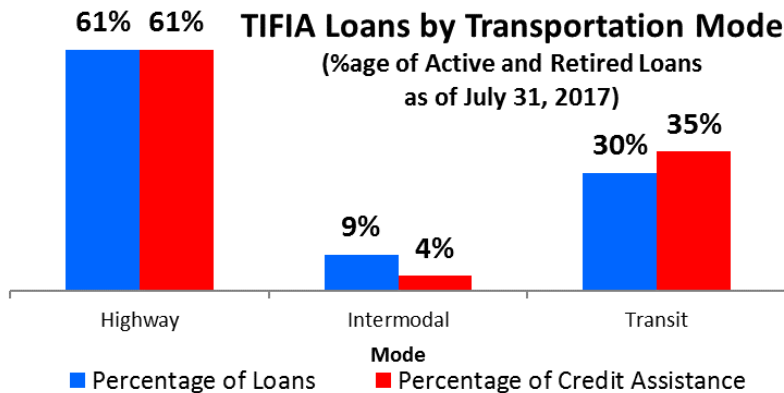
Refinance of above

**NO OPERATIONS**

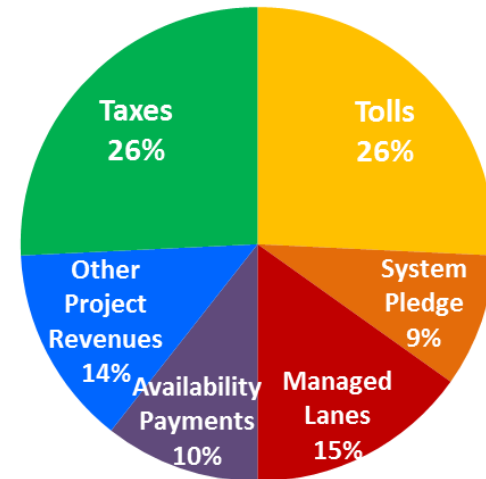


# TIFIA Portfolio Statistics

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).

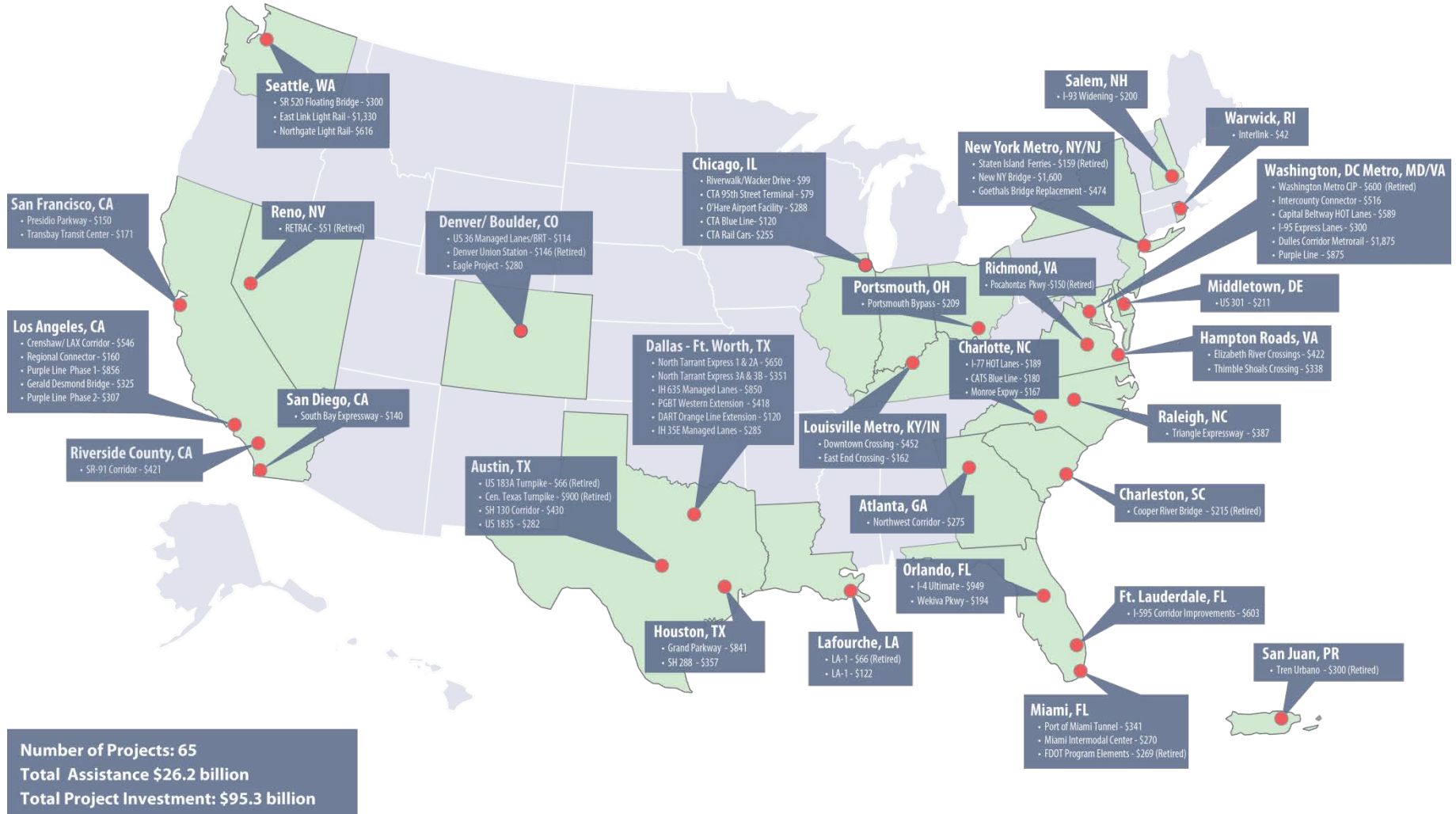


Proportion of TIFIA Loans By Revenue Pledge  
(as of July 31, 2017)



# TIFIA Approved Projects

(TIFIA Instruments in \$Millions)





# RRIF Portfolio

To date, RRIF has approved 36 loans to fund over \$5 billion of infrastructure in 27 states.



# TIFIA Revenue Pledges

<b>User-backed Financings</b>	<b>Pledged Revenues</b>
South Bay Expressway	<b>Facility Tolls</b>
Central Texas Turnpike	
Pocahontas Parkway	
I-495 Capital Beltway/HOT Lanes	
Intercounty Connector	
Triangle Expressway	
North Tarrant Express	
Miami Intermodal Center RCF	<b>Rental car customer facility charges</b>
Warwick Intermodal Station	
<b>Tax-backed Financings</b>	<b>Pledged Taxes</b>
Miami Intermodal Center GP	<b>State fuels excise taxes</b>
Washington Metro CIP	<b>Local government contributions</b>
Cooper River Bridge	<b>State and county contributions</b>
Transbay Transit Center	<b>Tax increment financing</b>
Denver Union Station	<b>Local sales taxes and tax increment financing</b>
<b>Other</b>	<b>Pledged Payments</b>
Port of Miami Tunnel	<b>Availability payments</b>
I-595 Corridor Roadway Improvements	
Staten Island Ferries and Terminals	<b>Tobacco settlement payments</b>

# Bureau Loans Closed in 2017

Close Date	Project Name	Project Size (millions)	Loan Size (millions)	State	Description
Jan 31	Monroe Expressway	\$730.9	\$166.5	NC	Construction of new four-lane, 19.7-mile tolled expressway near Monroe, NC.
June 7	C-470 Express Lanes	\$325.1	\$106.9	CO	Add. capacity for existing highway, including express toll lanes in the Denver region.
June 9	BelRed Street Network	\$317.2	\$99.6	WA	Construction of 12 multimodal roadways planned for in Bellevue, WA.
June 22	Sound Transit Ops & Maintenance Facility: East	\$265.6	\$87.7	WA	Construction of new facility for vehicles for expansion of Seattle's light rail system.
June 27	Mid-Coast Corridor	\$2,000	\$537.5	CA	Construction of extension / upgrades for San Diego's existing light rail infrastructure.
July 20	I-15 Express Lanes	\$461	\$152.2	CA	New managed lanes in each direction of this corridor in Riverside Co.
July 21	Moynihan Train Hall	\$1,850	\$526.1	NY	Redevelopment of the Farley Building as a new train hall for Amtrak and LIRR.
July 26	I-405 Improvement Project	\$1,900	\$628.9	CA	New general purpose / managed lane in each direction of this corridor in Orange Co.

# Additional Bureau Actions in 2017

Date	Project Name	Project Size (millions)	State	Description
June 28	SH130	\$1,328	TX	Following the development of a plan of reorganization, the SH-130 Segments 5&6 Project emerged from bankruptcy. The sources of funds for the original 2007 project included a \$429 million TIFIA loan
July 25	I-395	\$500	VA	US DOT approved material changes to existing legal agreements for the I-95 TIFIA loan to enable financial close on the I-395 Express Lanes Project Extension

# 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