



BUILD AMERICA BUREAU

 U.S. DEPARTMENT OF TRANSPORTATION

Federal Financing Tools: TIFIA

SFRPC: Striding Forward - First & Last Mile Innovation in the Region

March 17, 2023

About the Build America Bureau

“National Surface Transportation Innovative Finance Bureau” 49 U.S.C. § 116

We support investment in America’s surface transportation infrastructure by providing financial and technical assistance to sponsors of eligible projects

Financial Assistance

**\$110B available to lend to eligible, compliant, creditworthy projects;
\$15B in Private Activity Bonds to allocate to eligible projects**

Technical Assistance

Train and educate project sponsors on the use of innovative project planning, financing, and delivery techniques



Build America Bureau 101

Mission

Finance transportation projects

- Provide long-term, low-interest loans (TIFIA & RRIF)
- Allocate **Private Activity Bonds (PAB)** **BIL**

Provide technical assistance

- **Grant Programs**
 - Regional Infrastructure Accelerators **NDAAs**
 - Innovative Finance **BIL**
 - Rural-Tribal **BIL**
- **In-house Experts and Advisory Partnerships**
 - Thriving Communities
 - Build America Center

Organization

U.S. DOT

Office of Secretary

Build America Bureau

Outreach & Project Development

- Project Development
- Outreach
- Technical Assistance

Credit Office

- Risk Management
- Underwriting
- Portfolio Mgmt.

Modes

FTA, FRA,
FHWA, FAA,
MARAD

Field
Offices

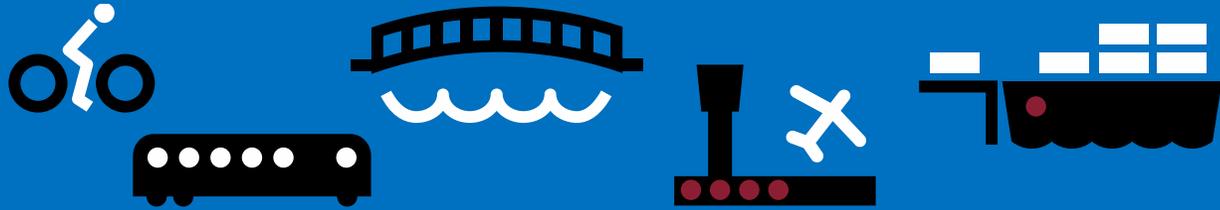
Grant
Programs

HQ TPE
SMEs



Lending Capacity

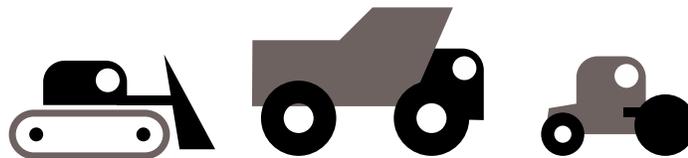
TIFIA
\$80 billion



RRIF
\$30 billion



PABs
\$15 billion



Bipartisan Infrastructure Law



No More
Lead Pipes



High-Speed
Internet Access



Better Roads
and Bridges



Investments in
Public Transit



Upgrade Airports
and Ports



Investment in
Passenger Rail



Network of
Electric
Vehicle Chargers



Upgrade Power
Infrastructure



Resilient
Infrastructure



Investment in
Environmental
Remediation



Bureau Financing Programs

TIFIA

Transportation Infrastructure Finance & Innovation Act of 1998

- Surface transportation and public infrastructure
- Finance up to 33% of eligible project costs (49% for rural, transit, and public infrastructure) **TIFIA 49**

RRIF

Railroad Rehabilitation & Improvement Financing

- Passenger, freight, and commuter rail and transit-oriented development (TOD)
- Finance up to 100% of eligible project costs

Private Activity Bonds

- State/local governments issue tax-exempt bonds
- Private entity responsible for debt service
- Can be used alone or in combination with TIFIA and RRIF

Key Features

- Long-term repayment period
 - Up to 35 years (some 75!)
 - Optional five-year deferral following completion
 - No pre-payment penalty
- Highly customizable to meet borrower needs
- Also offer loan guarantees and lines of credit

LOW INTEREST RATE

3.73%

for 35-year loan as of 3/14/23

Note: TIFIA & RRIF do NOT finance OPERATIONS!



Eligible Projects and Borrowers

TIFIA

Eligible Projects

- Roadways & bridges
- Transit vehicles & facilities
- Intercity rail and bus vehicles & facilities
- Bicycle & pedestrian infrastructure
- Transit-oriented development - public infrastructure
- Airports
- Seaports

Eligible Borrowers

- State, tribal, county, municipal governments
- State Infrastructure Banks
- Private entities/developers
- Special authorities
- Transportation improvement districts

RRIF

Eligible Projects

- Freight or passenger rail vehicles, facilities, or equipment, including intermodal facilities
- Landside infrastructure for seaports with rail service
- Transit-oriented development – economic development

Eligible Borrowers

- Railroads
- State and local governments
- Government authorities & corporations
- Interstate compacts (410(a)) Amtrak Reform & Acc. Act of 1997
- Limited option freight shippers
- Joint ventures



TIFIA 49

Historically capped at 33%

Maximizes lending authority up to 49% for select project types:

PHASE 1



TRANSIT

(Ch. 53 eligible)



PUBLIC INFRASTRUCTURE

(near qualifying stations)

Phase 2 under development



Rural Project Initiative (RPI)

- **Additional Requirements:**

- **Rural Project:** Located outside of a Census-defined urbanized area with population greater than 150,000
- **Maximum Project Cost:** \$100 million or less

- **Additional Benefits:**

- Finance up to **49% of costs**
- Fixed rate of **½ Treasury rate**
- **Reduced or waiver borrower advisor fees**



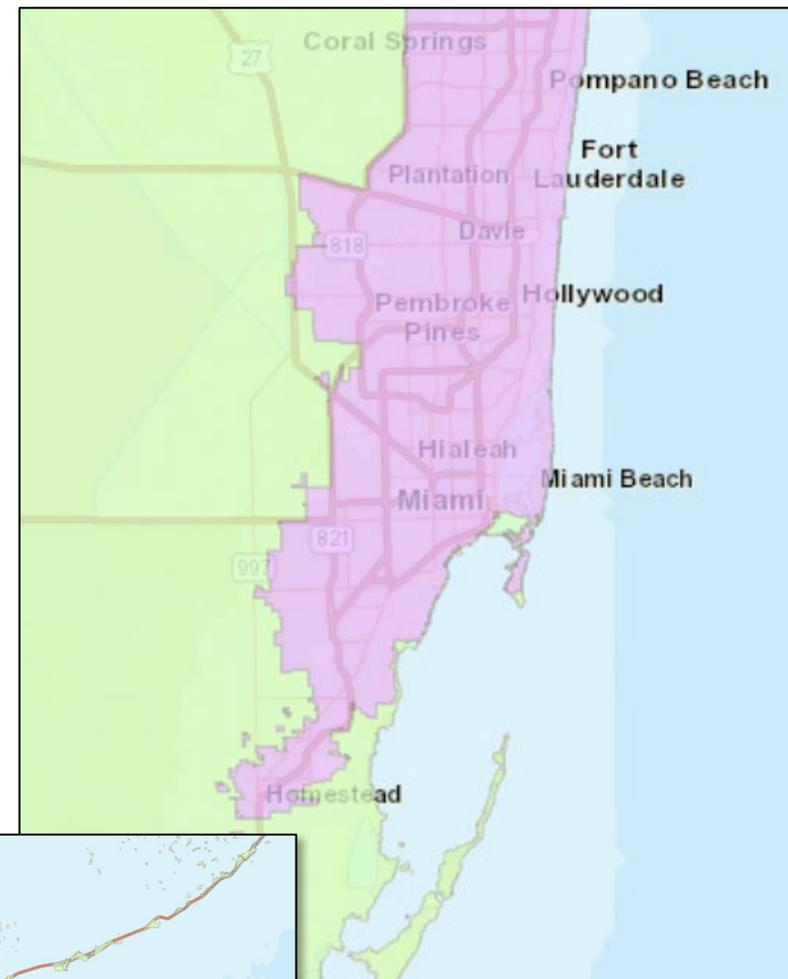
½ U.S. Treasury rate =
1.87% on 3/14/23



MST O&M Facility
Monterey, CA



RTA O&M Facility
San Luis Obispo, CA



 **TIFIA Rural Areas**

Key Program Requirements

TIFIA

- Minimum project costs must exceed \$10 million
- Maximum loan value 33% of eligible project costs (49% for RPI and under TIFIA49 program)
- Total Federal Assistance capped at 80% of project costs
- Bureau pays Credit Subsidy
- Senior debt must receive investment grade ratings (BBB-/Baa3) from nationally recognized credit rating agencies
- Project must have a dedicated revenue source that is pledged to secure debt service

RRIF

- No minimum project cost. No maximum loan value
- Maximum loan value 75% of eligible project costs for TOD
- Borrower pays Credit Risk Premium**
- Borrower can often reduce costs by offering collateral

TIFIA and RRIF

- Project must meet applicable Federal requirements (NEPA, Buy America, Davis-Bacon, etc.)
- Funding can serve as non-federal match for federal grants

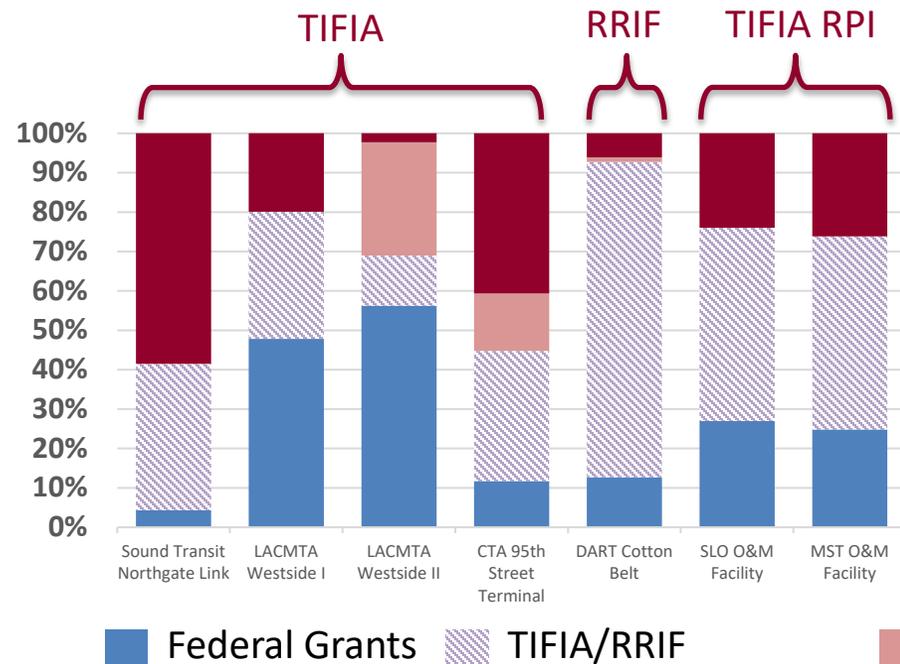


Example Grants and Loans

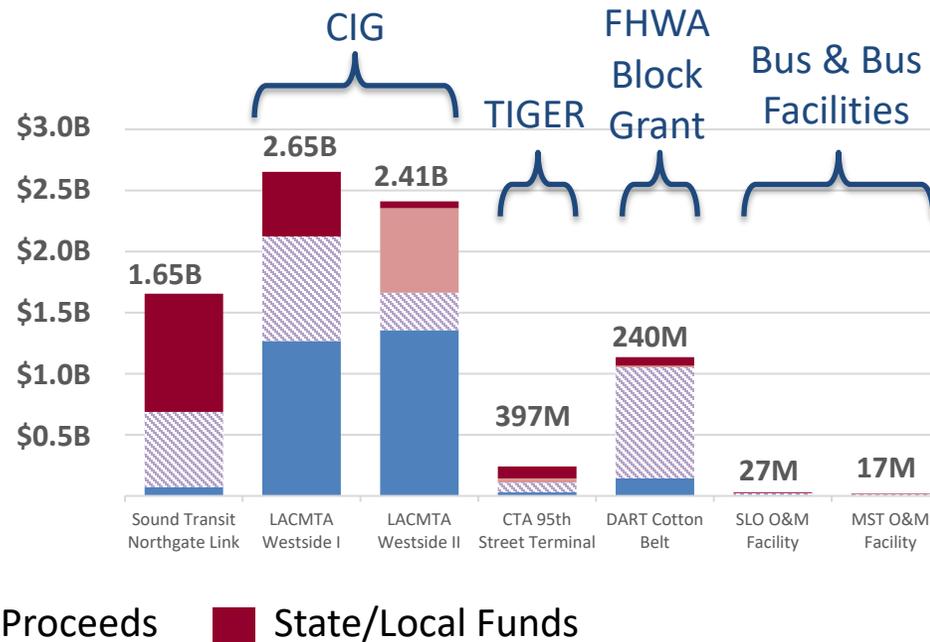
Bureau loans:

- provide a key financing gap for projects of all sizes
- are often leveraged alongside federal grants to deliver capital projects
- offer a strategic role and benefit to a wide spectrum of projects and borrowers

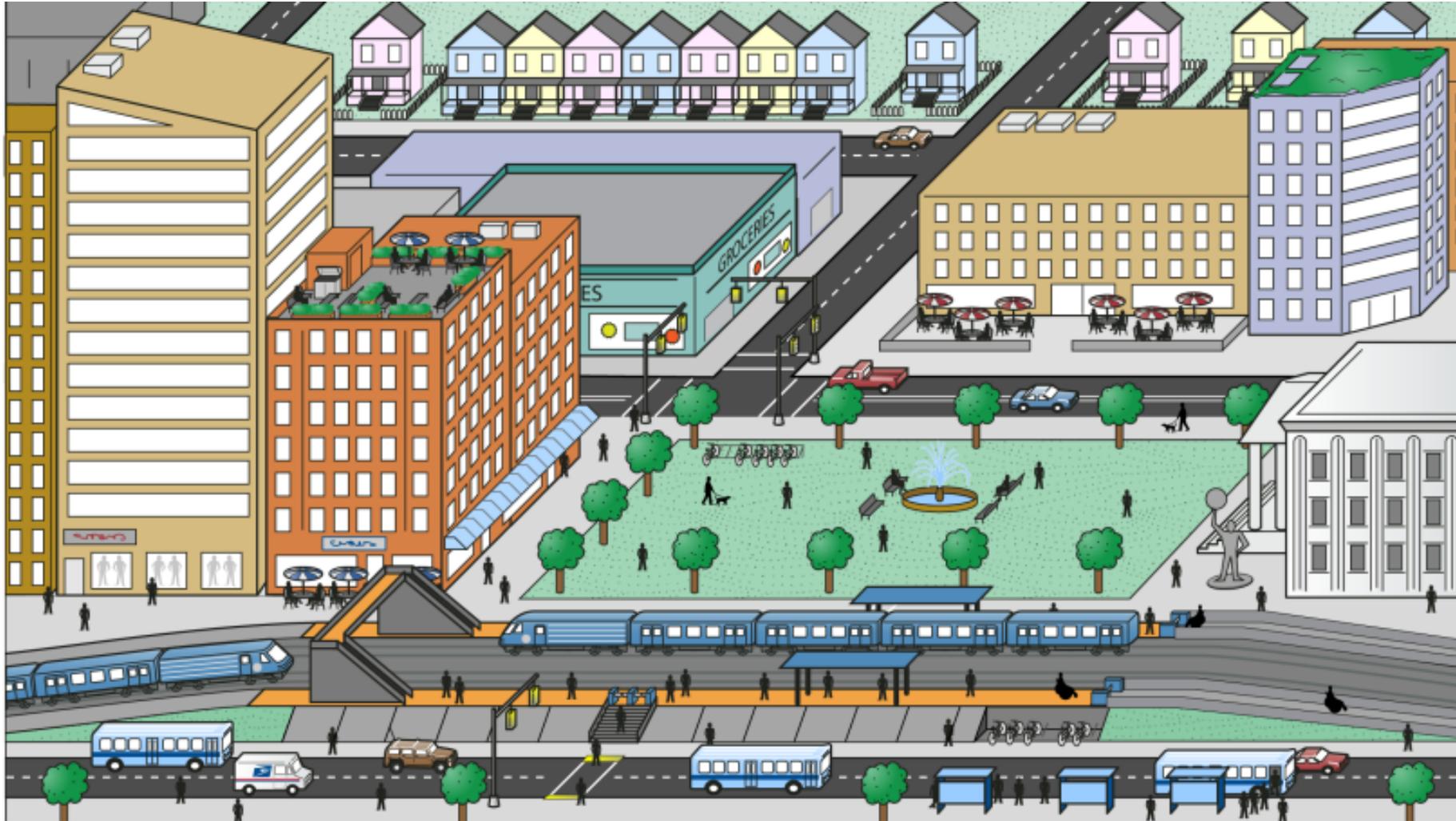
Loan Program



Federal Grants



Transit-Oriented Communities



*Surface
Transportation*

*Joint
Development*

*Public
Infrastructure*

*Economic
Development*



Sustainable Community Investments

Case Study: Bel-Red Neighborhood - Bellevue, WA



Image Source: Sound Transit

Major Investments

- New light rail corridor
- Light rail O&M facility
- Multimodal upgrades to construct and improve street grid: “Complete Streets”
- Joint development - affordable housing
- Other private commercial development

Key Partners

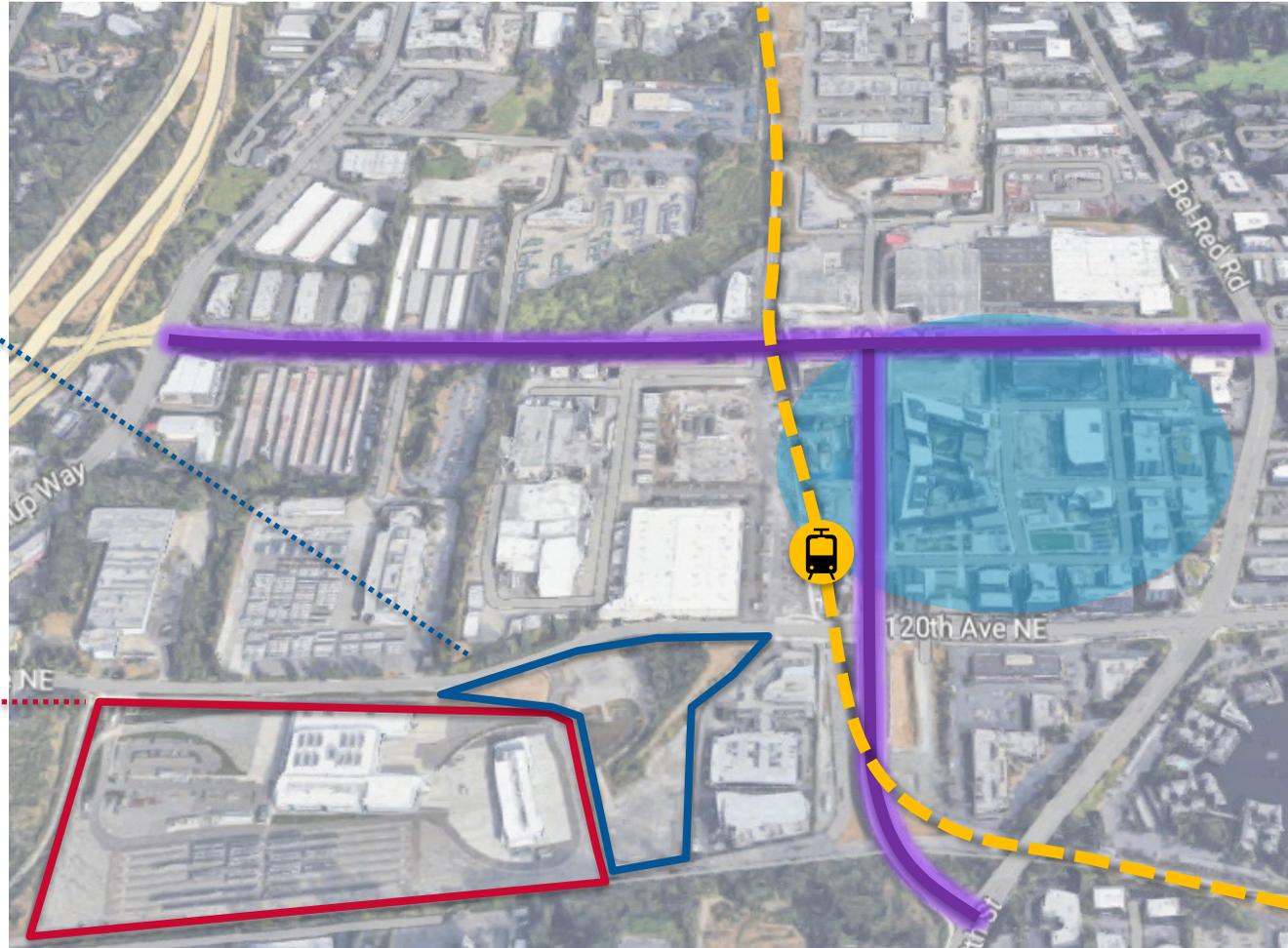
- Sound Transit
- City of Bellevue, WA
- Federal Transit Administration
- Federal Highway Administration
- Build America Bureau
- Private developers: affordable housing, office

Bel-Red Neighborhood Projects

Joint Development



O&M Facility East



Private Development



East Link Extension



Bel-Red Street Network



Image Sources: Sound Transit, City of Bellevue



Technical Assistance Programs

Thriving Communities

Creates cohorts of similar communities to receive technical assistance to improve planning and project development outcomes, aiding disadvantaged communities

Regional Infrastructure Accelerators

\$22 million, demonstration program
Regional Bureau “field” offices
10 Awarded
\$12 million NOFO coming soon

Rural & Tribal Assistance Pilot Program

\$10 million, five-year pilot program to provide rural state, local and tribal governments with technical assistance such as engineering, legal or financial expertise

Innovative Financing Advisory Services Program (IFASP)

Total of \$100 million over five years to fund state and local government technical, financial, and legal advisory service costs for alternative project delivery



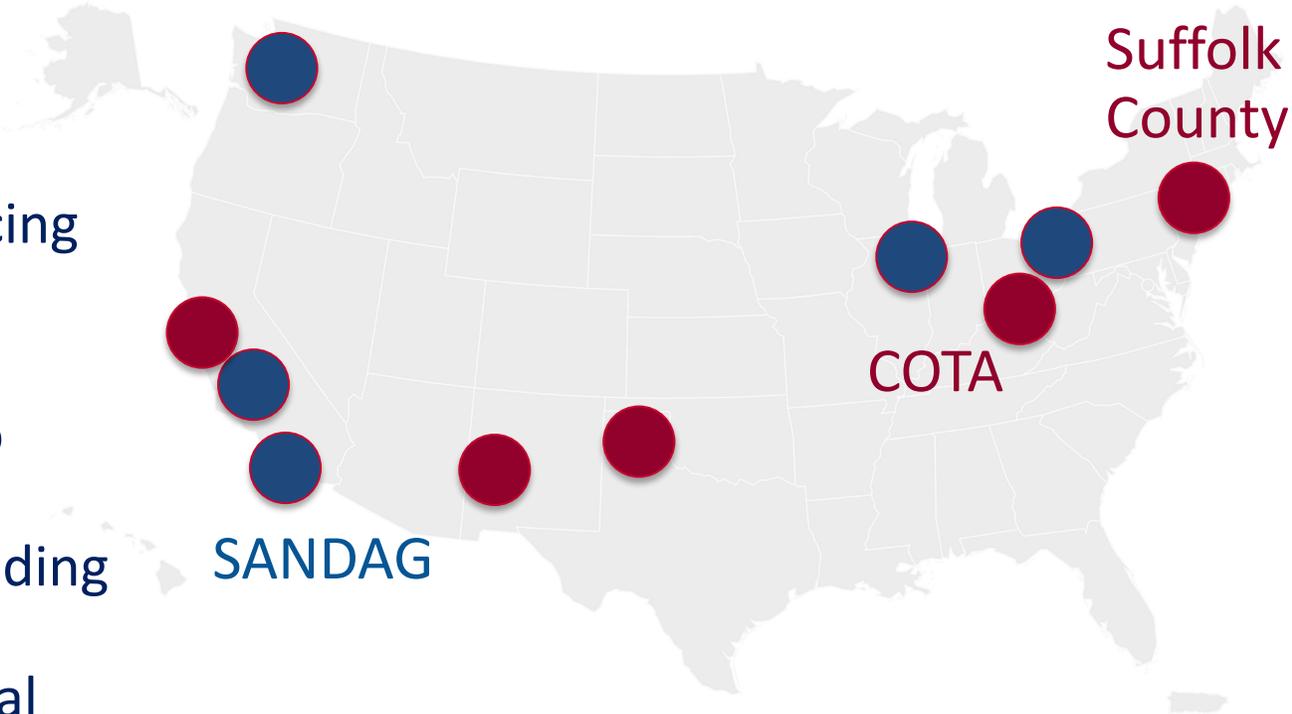
Regional Infrastructure Accelerators

Purpose

- Funds pre-planning resources & capacity
- Expedites regional transportation projects
- Improves access to billions in Bureau financing

Highlights

- \$10m awarded to 10 accelerators over two rounds
- NDAA appropriated additional \$24m in funding for future rounds
- 2nd round included TOD project and regional transit planning effort
- Rural and urban regions of different scales



● 1st round awards ● 2nd round awards

New Grant Programs – Bipartisan Infrastructure Law

Innovative Finance

\$100 million, five-year program to provide funding to state and local governments:

- Technical, financial, and legal advisory service costs for alternative project delivery
- Covers pre-implementation costs for P3 models, including:
 - Identifying appropriate assets or projects for concessions
 - Developing and issuing requests for proposals
 - Conducting VfM analysis and risk analysis
 - Project structuring

Rural & Tribal

\$10 million, five-year pilot program to provide rural state, local and tribal governments with:

- Technical, legal, and financial advisory assistance
- Evaluate potential projects to be delivered through alternative delivery methods
- Pay for early development activities such as:
 - Feasibility studies
 - Revenue forecasting
 - Preliminary engineering
 - Environmental review



Thriving Communities Program



<https://www.transportation.gov/grants/thriving-communities>

- TCP provides tools to ensure that under-resourced communities can access the historic funding provided in the Bipartisan Infrastructure Law (BIL)
- Authorized by FY22 Appropriations for \$25 million through end of 2024
- Bureau will support the technical assistance delivery



Technical Assistance Services



Build America Center

In House Services

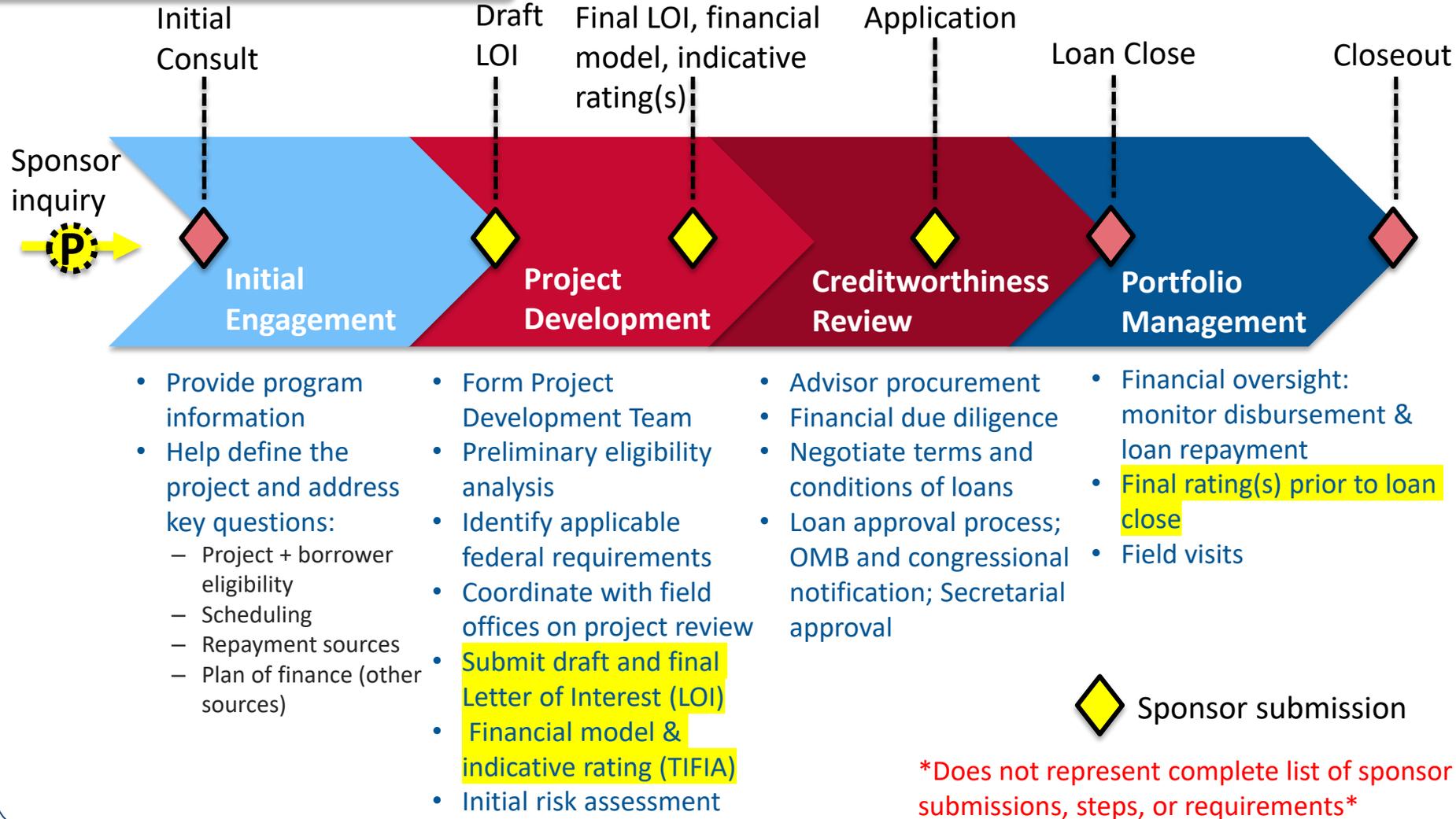
Innovative delivery, P3 and finance training
Best practices and peer to peer exchange
Improved environmental review & permitting processes

Set up workshops, peer exchanges, and other educational sessions with in-house experts and DOT resources beyond the Bureau

Collaboration between FHWA, Build America Bureau and Five Prominent Universities - BAC.UMD.EDU

Working with the Bureau

TIFIA & RRIF Application Process



Technical Assistance

- Bureau staff always available to provide guidance and feedback, connect subject matter experts, and explore innovative funding-financing options
- Technical assistance grant funding opportunities available



CONTACT US!



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