

 U.S. DEPARTMENT OF TRANSPORTATION



BUILD AMERICA BUREAU

Build America Bureau

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Project Development



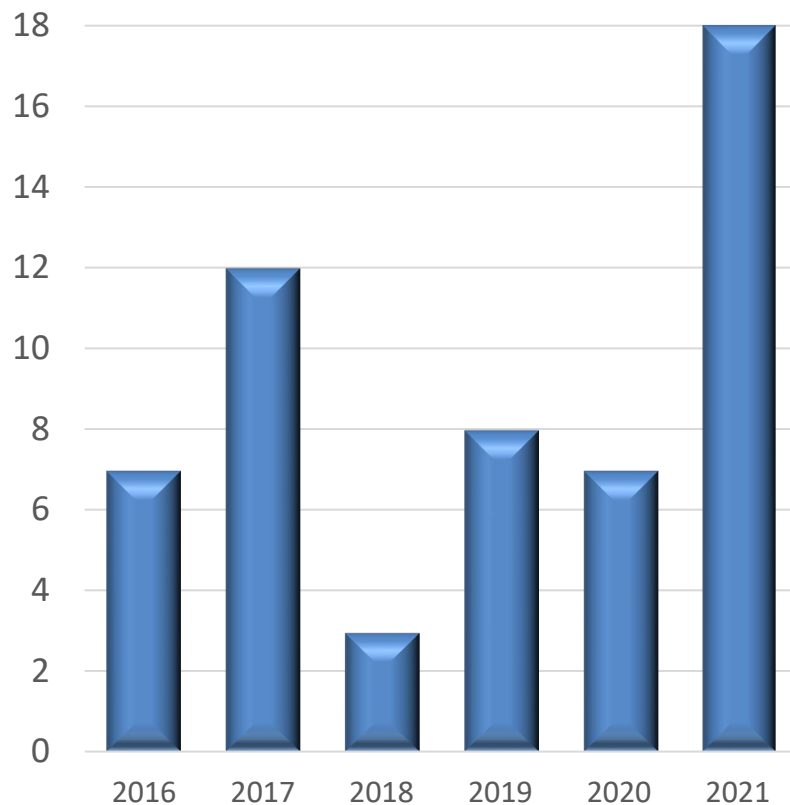
About the Bureau

- US DOT's "one-stop-shop" for federal transportation finance programs and technical assistance
- **Delivering More Good Projects Faster:** The Bureau advances investment in America's transportation infrastructure by:
 - Providing low-interest, long-term loans for urban, suburban, and rural projects;
 - Clearing roadblocks for credit worthy projects;
 - Encouraging best practices in project planning, financing, and delivery; and
 - Fully using available lending capacity while protecting taxpayer resources.

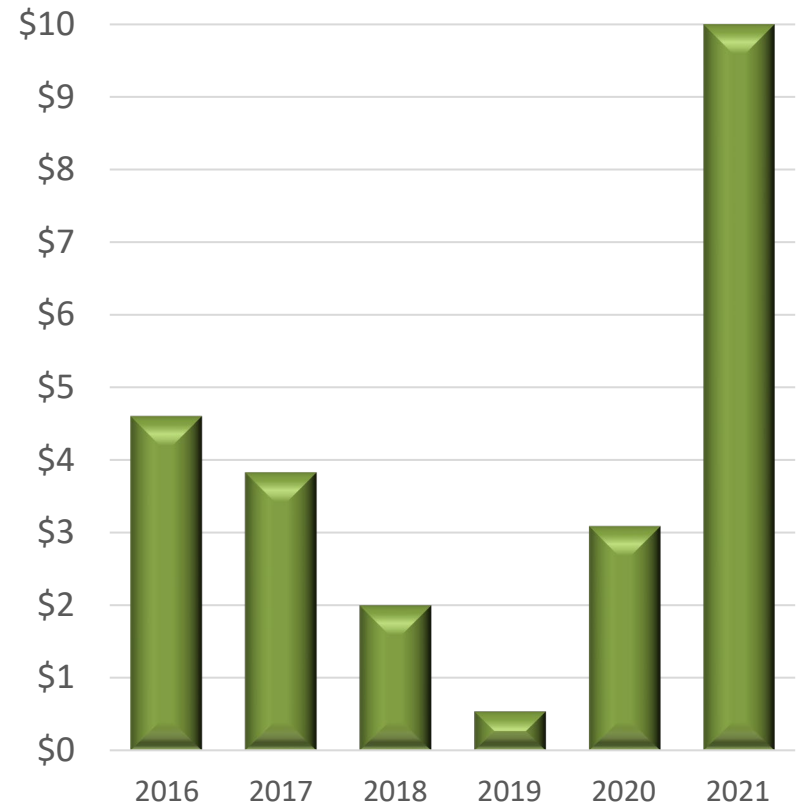
Build America Bureau Lending

Fiscal Years 2016 to 2021

Number of Loans



Value of Loans (\$ billion)



Major Programs

TIFIA

Transportation Infrastructure Finance & Innovation Act of 1998

- Surface transportation and public infrastructure
- Finance up to 33%* of eligible project costs

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 in combination with TIFIA and RRIF

Key Features

- Long-term repayment period
 - Up to 35 years
 - Can be deferred for five years following substantial completion
 - No pre-payment penalty
- Highly customizable to meet borrower needs
- Also offer loan guarantees and lines of credit

Low Interest Rate

1.85% for 35-year loan
as of 12/14/21

TIFIA Rural Project Initiative (RPI)

- Rural: Outside a Census-defined urbanized area of population greater than 150,000
- Project costs between \$10 million and \$100 million
- TIFIA can finance up to **49 percent** of eligible project costs
- Fixed rate at **½ Treasury** rate
- DOT can **cover borrower fees**



½ the U.S. Treasury rate
0.925% as of 12/14/2021

Webinar recording available:

<https://www.transportation.gov/office-policy/rural/routes-webinar-tifia-rpi>



Other Recently Implemented Programs

- RRIF Express
 - Streamlined application process and reduced fees for smaller rail projects (including short-line)
 - 10 letters of interest received
 - First 2 loans expected to close this winter
- TIFIA Lite
 - Streamlined application process for experienced borrowers
 - Loans up to \$100 million



Bipartisan Infrastructure Law Changes

TIFIA

- Loans for new types of projects including airports
- Expands transit-oriented development eligibility
- Relaxes the requirements for investment-grade ratings
- Expands loan terms from 35 years to up to 75 years for projects with an estimated life of 50+ years
 - Lowering payments
 - More than doubling loan length
- Streamlines processing and increases transparency

RRIF

- Credit Risk Premium to be repaid to the borrower with interest when the loan is repaid
- Discretionary credit assistance \$50 million per year for each fiscal year 2022 through 2026
 - \$70 million for the return of credit risk premiums. This change is subject to Appropriations.
- Up to 75-year loans for projects anticipated to last 50+ years
 - Lowering payments
 - More than doubling the length of the loan



Bipartisan Infrastructure Law Changes

- **Private Activity Bonds (PABs) additional authorization of \$15 Billion**
- Previous PABs cap reached in 2021 (\$15 billion authorized in SAFETEA-LU, 2005)



New Grant Programs

Rural & Tribal Assistance Pilot Program

- A \$12 million, 5-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
 - help pay for early development activities such as:
 - feasibility studies
 - revenue forecasting
 - preliminary engineering
 - environmental review

Technical Assistance Grants for Asset Monetization Projects

- Total of \$100 million over 5 years
- Fund state and local government technical, financial, and legal advisory service costs for alternative project delivery
- Covers pre-implementation costs, including:
 - identifying appropriate assets or projects for asset concessions,
 - developing and issuing requests for proposals,
 - risk analysis, and other activities



Value for Money (VfM) Requirements

- Detailed VfM analysis and assessment required
 - Major Highway Projects (costing more than \$500 million) that are P3s
 - P3 projects costing more than \$100 million seeking TIFIA financing
 - ANY project costing more than \$750 million seeking TIFIA or RRIF financing
- Review and certification of private partner compliance with the P3 agreement within three years after opening to traffic

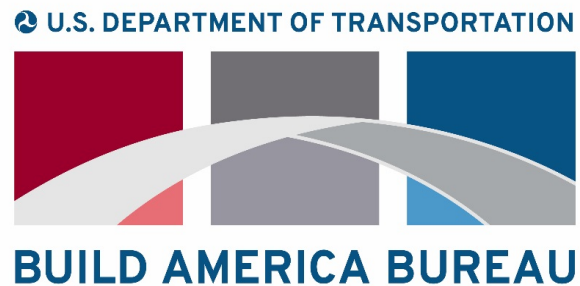


Bureau Implementation of BIL

- Immediately implement some changes, such as the additional capacity to approve private activity bonds.
- Engage with partners and stakeholders on implementing such provisions as new TOD eligibilities and longer repayment terms.
- Work with the Office of the Secretary (General Counsel, Policy, Budget, and others) and Operating Administrations on comprehensive interpretations of and implementation plans for new provisions and revisions.
- Roll out fact sheets and guidance materials early in CY 2022



Thank You!



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<https://www.transportation.gov/BuildAmerica>

