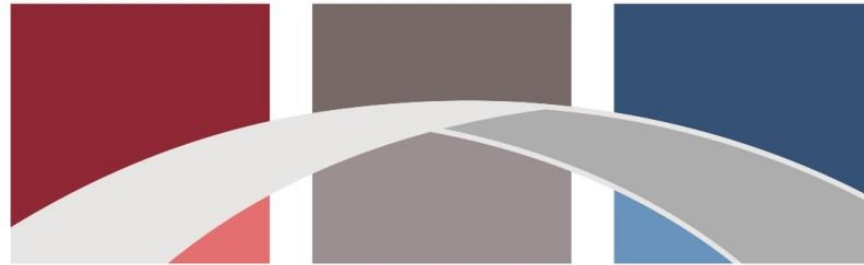


 U.S. DEPARTMENT OF TRANSPORTATION



**BUILD AMERICA BUREAU**

# Bureau Overview





# About the Build America Bureau

**The National Surface Transportation and Innovative Finance Bureau (the Build America Bureau or the Bureau) was established by the Secretary of Transportation on July 20, 2016, in accordance with the Fixing America's Surface Transportation (FAST) Act.**

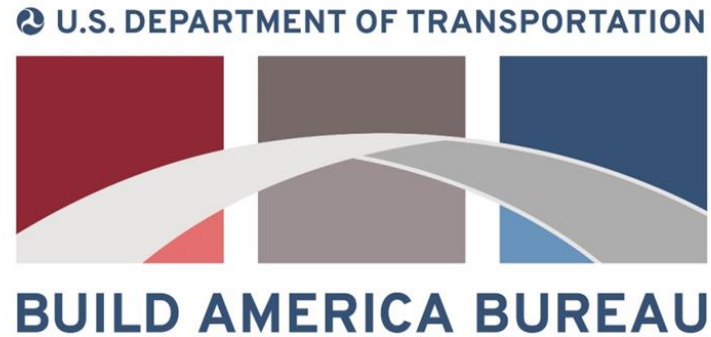
**The Bureau combines the TIFIA and RRIF loan programs, Private Activity Bonds (PABs), and the INFRA grant program all under one roof within the Office of the Undersecretary for Transportation for Policy.**

**The Bureau is organized into three groups:**

- ❖ Outreach and Project Development**
- ❖ Credit Programs**
- ❖ INFRA Grants**

# 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.**



# *Bureau Credit Programs*

# About TIFIA

**The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) established a Federal credit program under the U.S. Department of Transportation (DOT) for eligible transportation projects.**

# Types of TIFIA Credit Assistance

## ❖ Secured (Direct) Loan

- Maximum term of 35 years from substantial completion
- Repayments must start within 5 years after substantial completion

## ❖ Loan Guarantee

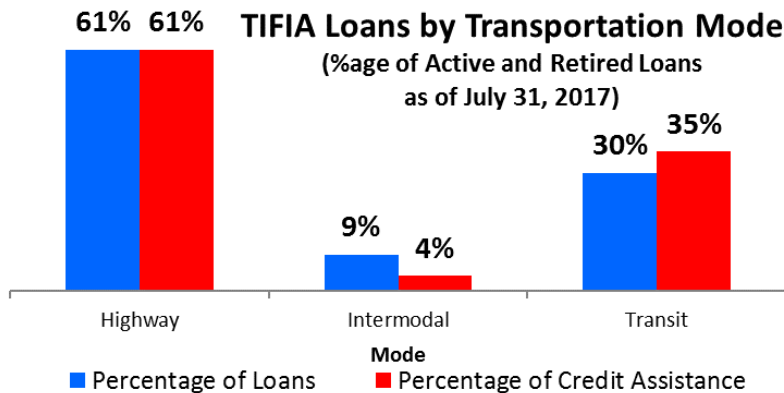
- Guarantees a project sponsor's repayments to non-Federal lender
- Loan repayments to lender must commence within 5 years after substantial completion

## ❖ Line of Credit

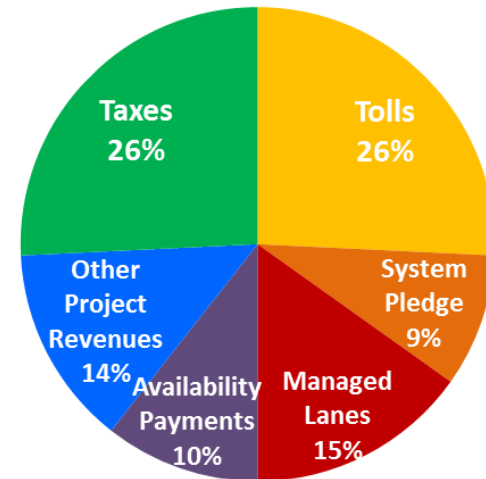
- Contingent loan available for draws as needed up to 10 years after substantial completion of project

# 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)



# 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**

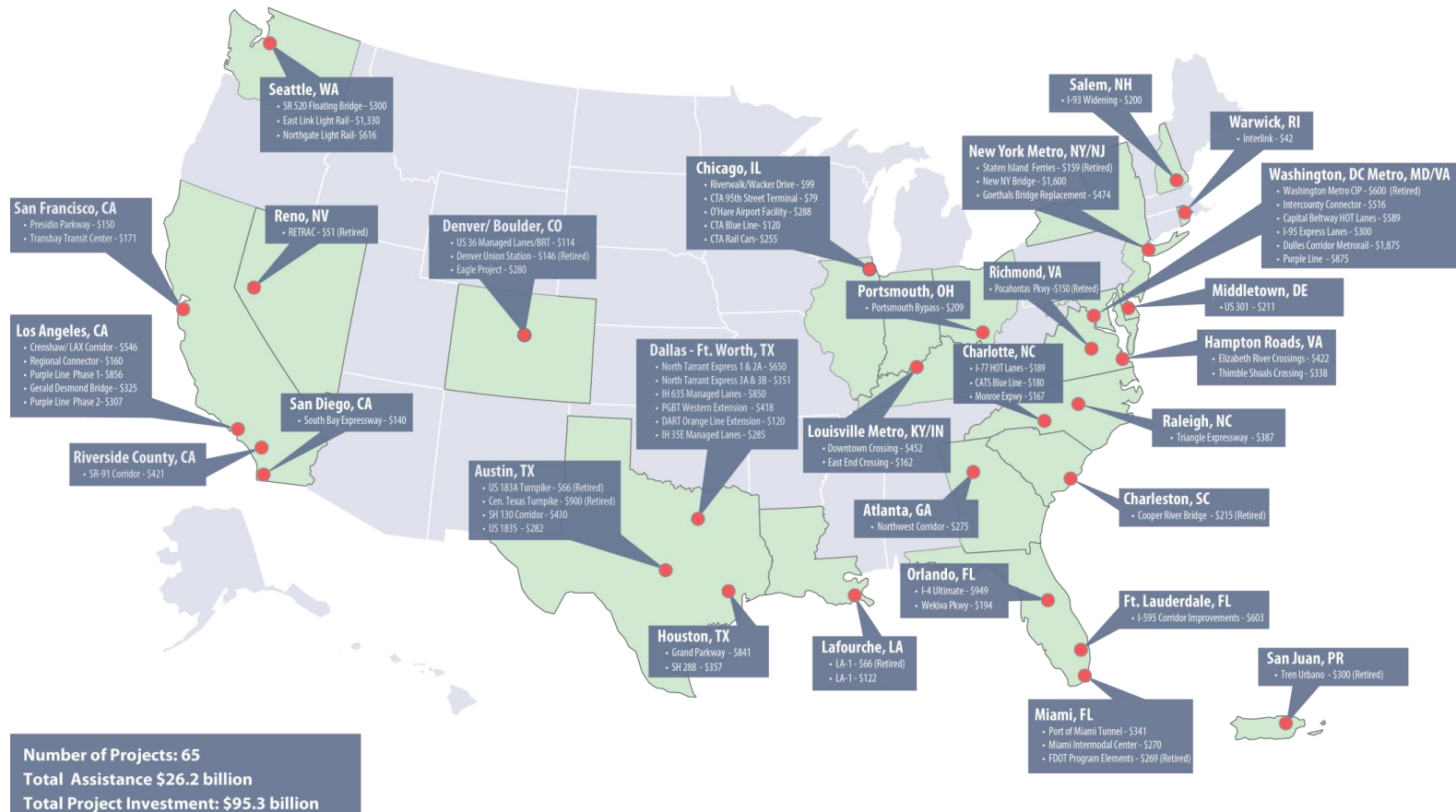


# TIFIA Major Requirements

- ❖ **Minimum anticipated project costs exceeding \$10 million**
- ❖ **Limited to 33% of reasonably anticipated eligible project costs unless the sponsor provides a compelling justification for up to 49%**
- ❖ **Senior debt must receive two investment grade ratings (BBB-/Baa3) from nationally recognized credit rating agencies**
- ❖ **The project must be included in the relevant State's transportation planning and programming cycle**
- ❖ **The project must have a dedicated revenue source, such as user fees or taxes, that are pledged to secure debt service payments for both the TIFIA and senior debt financing**

# TIFIA Approved Projects

## (TIFIA Instruments in \$Millions)



# About RRIF

**The Railroad Rehabilitation & Improvement Financing (RRIF) program was established by the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) and amended by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU) to provide direct loans and loan guarantees totaling up to \$35 billion to finance development of railroad infrastructure.**

# Types of RRIF Credit Assistance

## ❖ Secured (Direct) Loan

- Maximum term of 35 years from substantial completion
- Repayments must start within 5 years after substantial completion

## ❖ Loan Guarantee

- Guarantees a project sponsor's repayments to non-Federal lender
- Interest rate on a guaranteed loan must be reasonable and based on prevailing private capital market rates for similar credits

# 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**



# RRIF Portfolio

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



# 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 4/2/2018  
was 2.99% for  
a 35-year loan**

# STEPS TO A TIFIA OR RRIF LOAN

