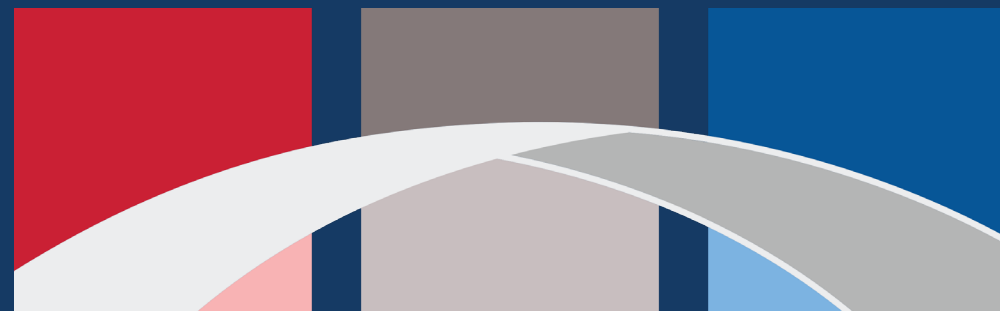




**U.S. Department  
of Transportation**



## **BUILD AMERICA BUREAU**

**Leveraging the Build America Bureau's  
Financial and Technical Support for  
Transportation Projects  
September 19, 2024**

# Build America Bureau

## Advancing Investment in America's Transportation Infrastructure

Point of contact and coordination for federal credit programs, transportation expertise, and strategies to access private capital

### Financial Assistance

Credit assistance for a wide range of eligible projects, \$100 billion available

Tax-exempt bonds for public-private partnerships, \$5 billion available

### Technical Assistance

Grants for project planning and development, and community solutions

Education on innovative project planning, financing tools, and delivery models



# U.S. Department of Transportation

## Office of the Under Secretary of Transportation Build America Bureau

- |                        |                        |
|------------------------|------------------------|
| 👤 Outreach             | 👤 Risk Management      |
| 👤 Technical Assistance | 👤 Underwriting         |
| 👤 Project Development  | 👤 Portfolio Management |

## Operating Administrations

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| • Federal Highway Administration  | • Federal Aviation Administration |
| • Federal Transit Administration  | • Maritime Administration         |
| • Federal Railroad Administration |                                   |

- |                            |                                                  |
|----------------------------|--------------------------------------------------|
| 👥 Regional staff, liaisons | 👥 Planning, environment,<br>construction experts |
| 👥 Grant money              |                                                  |

# Financing Programs

## Low Interest Rates 3.96%

35-year loan, September 16, 2024

## TIFIA and RRIF Key Features

- Loans, loan guarantees, and lines of credit
- Negotiable terms and conditions to meet borrower needs and preferences
- Tailored repayment period
  - Up to 35 years (some up to 75 years)
  - Optional 5-year deferral after completion
- No pre-payment penalty

## TIFIA

Transportation Infrastructure Finance and Innovation Act of 1998

- Surface transportation and public infrastructure
- Finance up to 33-49% of eligible project costs

## RRIF

Railroad Rehabilitation and Improvement Financing

- Passenger, freight, commuter rail and transit-oriented development
- Finance up to 75-100% of eligible project costs

## Private Activity Bonds

State and local governments issue tax-exempt bonds

- Private entity responsible for debt service
- Can be used alone or in combination with TIFIA and RRIF



# Bureau Financing Programs

|                      |                   | TIFIA                                                                                                                                                                                                                                           | RRIF                                                                                                                                                | PABs                                                                                                                                      |
|----------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| General Features     | Program Type      | <ul style="list-style-type: none"> <li>Federal credit assistance</li> </ul>                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Federal credit assistance</li> </ul>                                                                         | <ul style="list-style-type: none"> <li>Conduit-issued debt financing (<i>not</i> federal credit assistance)</li> </ul>                    |
|                      | Credit Products   | <ul style="list-style-type: none"> <li>Direct loans; loan guarantees; lines of credit</li> </ul>                                                                                                                                                | <ul style="list-style-type: none"> <li>Direct loans; loan guarantees</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>Allocation of tax-exempt municipal bonding authority</li> </ul>                                    |
|                      | Eligible Projects | <ul style="list-style-type: none"> <li>Surface transportation and public infrastructure projects</li> </ul>                                                                                                                                     | <ul style="list-style-type: none"> <li>Railroad, seaport (with rail service), and economic development projects</li> </ul>                          | <ul style="list-style-type: none"> <li>Highway or freight transfer projects that involve private activity</li> </ul>                      |
| Program Requirements | Cost Parameters   | <ul style="list-style-type: none"> <li>Min. project cost: &gt; \$50 M, &gt; \$15 M for ITS, &gt; \$10 M for TOD and local</li> <li>Max. project cost: n/a</li> <li>Max. loan to value: 33-49%</li> <li>Max. fed. grants + loans: 80%</li> </ul> | <ul style="list-style-type: none"> <li>Min. project cost: n/a</li> <li>Max. project cost: n/a</li> <li>Max. loan to value: 75-100%</li> </ul>       | <ul style="list-style-type: none"> <li>Min. project cost: n/a</li> <li>Max. project cost: n/a</li> <li>Max. loan to value: n/a</li> </ul> |
|                      | Credit Rating     | <ul style="list-style-type: none"> <li>Senior debt and TIFIA must be rated investment grade (BBB- or higher)</li> </ul>                                                                                                                         | <ul style="list-style-type: none"> <li>No credit rating requirement</li> </ul>                                                                      | <ul style="list-style-type: none"> <li>n/a</li> </ul>                                                                                     |
|                      | Credit Subsidy    | <ul style="list-style-type: none"> <li>Appropriated by Congress</li> </ul>                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Limited appropriations; credit risk premium (CRP) paid by borrower, refunded after loan is repaid</li> </ul> | <ul style="list-style-type: none"> <li>n/a</li> </ul>                                                                                     |

# Eligible Project Types and Borrowers

|                      | TIFIA                                                                                                                                                                                                                                                                                                                                                                                             | RRIF                                                                                                                                                                                                                                                                 |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project Types</b> | <ul style="list-style-type: none"> <li>• Roadways and bridges</li> <li>• Transit facilities and vehicles</li> <li>• Bicycle and pedestrian infrastructure</li> <li>• Intelligent transportation systems</li> <li>• Transit-oriented development</li> <li>• Intermodal connectors</li> <li>• Intercity rail, vehicles and facilities</li> <li>• Commercial seaports</li> <li>• Airports</li> </ul> | <ul style="list-style-type: none"> <li>• Freight rail facilities</li> <li>• Freight transfer facilities</li> <li>• Passenger rail vehicles, stations, and equipment</li> <li>• Transit-oriented development</li> <li>• Intermodal equipment or facilities</li> </ul> |
| <b>Borrowers</b>     | <ul style="list-style-type: none"> <li>• State, tribal, county, municipal governments</li> <li>• State infrastructure banks</li> <li>• Private entities</li> <li>• Special purpose authorities</li> <li>• Transportation improvement districts</li> </ul>                                                                                                                                         | <ul style="list-style-type: none"> <li>• Railroads</li> <li>• State and local governments</li> <li>• Government-sponsored authorities and corporations</li> <li>• Interstate compacts</li> <li>• Joint ventures</li> </ul>                                           |

# Federal Requirements

## National Environmental Policy Act (NEPA)

- Federal environmental review and final determination (i.e., CE, FONSI, or ROD)

## Uniform Relocation Assistance and Real Property Acquisition Act (URA)

- Just relocation assistance and compensation to persons displaced by Federally assisted projects

## Planning & Programming

- Most TIFIA projects consistent with RTP and/or STP, and included in TIP and/or STIP
- RRIF rail projects consistent with state rail plans

## Build America, Buy America Act (BABAA)

- Domestic sourcing of steel, iron, manufactured goods, and construction materials

## Davis-Bacon and Related Acts

- Prevailing wages and labor standards for contractors and subs on federally assisted contracts

## Other Modal Requirements

- Project oversight regime of modal grant programs e.g., a transit project receiving a RRIF loan must comply with all FTA (Ch. 53) grant requirements

# TIFIA Rural Project Initiative (RPI)

## Requirements:

- **Rural** = not in an urban area or in an urban area that has a population less than 150,000
- **Total Project Cost** = \$10 – \$100 million

## Benefits:

- **Borrower advisor fees waived** (projects under \$75 M)
- Low fixed interest rate (**2.01% if closed today**) and maximum loan to value (**49% of costs**)



**½ US Treasury rate**  
for 35-year loans and  
**up to 49% of costs**  
vs. traditional 33%

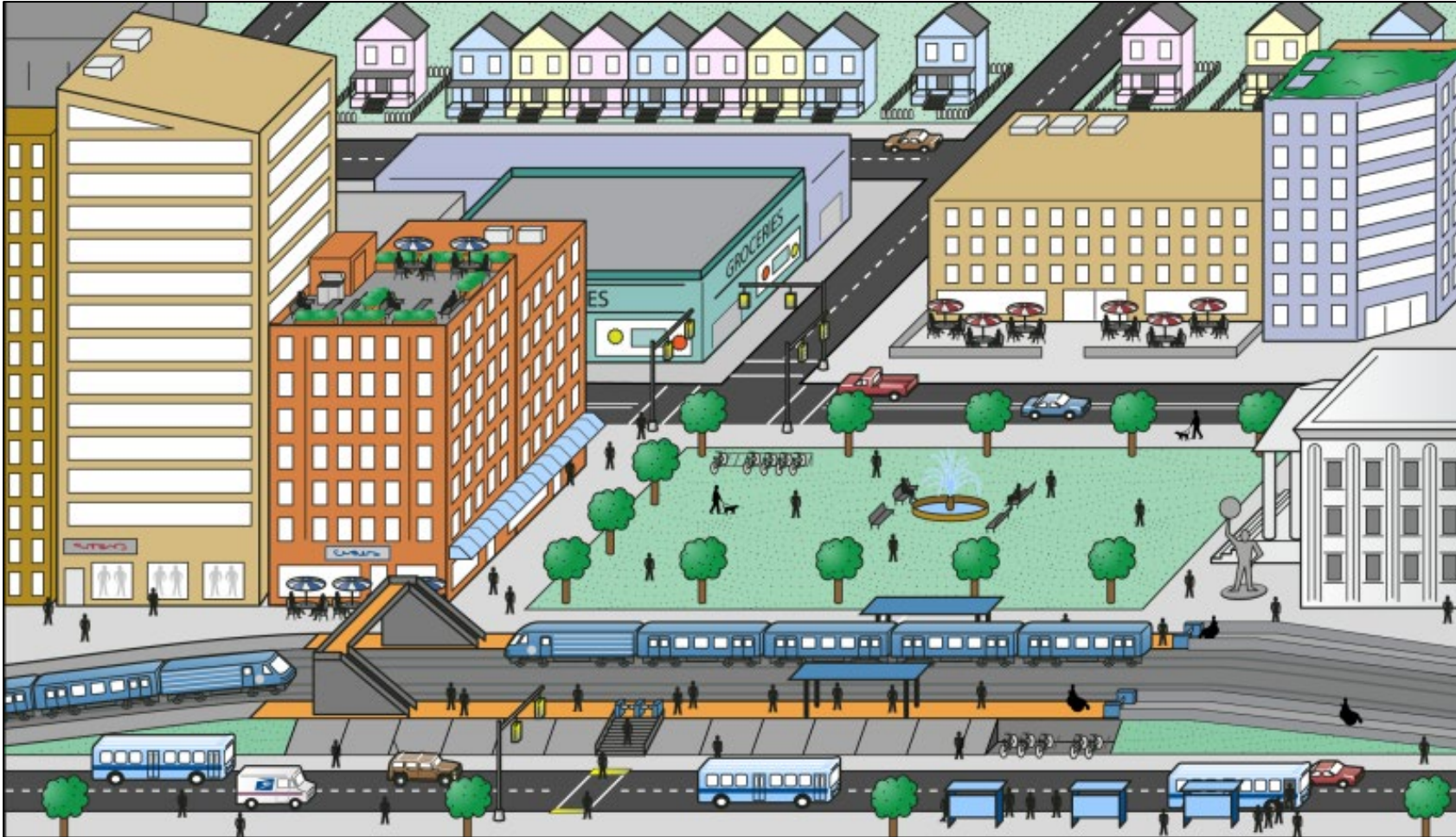


**MST O&M Facility**  
Monterey-Salinas, CA



**RTA O&M Facility**  
San Luis Obispo, CA

# Transit-Oriented Development (TOD) Eligibilities



***Transit (TIFIA) and  
Railroad (RRIF)***

***Joint Development  
(TIFIA)***

***Public Infrastructure  
(TIFIA)***

***Economic Development  
(RRIF)***

# TIFIA and RRIF TOD Eligibility

|                                             | TIFIA                                                                                                                                                                                                                                     | RRIF                                                                                                                                                                                           |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Relationship to Qualifying Station/Facility | <ul style="list-style-type: none"><li>• Within walking distance (½ mile) of:<ul style="list-style-type: none"><li>– Fixed Guideway Transit Station*</li><li>– Intercity Rail Station*</li><li>– Intercity Bus Station</li></ul></li></ul> | <ul style="list-style-type: none"><li>• Within walking distance (½ mile) of:<ul style="list-style-type: none"><li>– Commuter Rail Station</li><li>– Intercity Rail Station</li></ul></li></ul> |
| Project Types                               | <ul style="list-style-type: none"><li>• Public Infrastructure</li><li>• Economic Development* that includes Public Infrastructure improvement</li><li>• Joint Development</li></ul>                                                       | <ul style="list-style-type: none"><li>• Economic Development</li></ul>                                                                                                                         |

**Note:** TIFIA can fund projects eligible under FTA grant programs, including but not limited to the TIFIA-eligible stations, while RRIF can fund projects for RRIF-eligible stations.

\*TIFIA Economic Development projects must be within walking distance (½ mile) of a station with eligible rail service. See TOD FAQs for more details: <https://www.transportation.gov/buildamerica/TOD/faqs>

# TOD Project Types Definitions

## Public Infrastructure

- **Public** means:
  - owned, developed, or operated by the public sector;
  - open to the public, provides a public service, or serves a public purpose (i.e., confers a public benefit, can be demonstrated by public financial assistance)
- **Infrastructure** means:
  - Elements of projects that prepare a site for development, such as land acquisition, demolition of existing structures, utilities, etc.
  - Ground-up construction and development of buildings and facilities

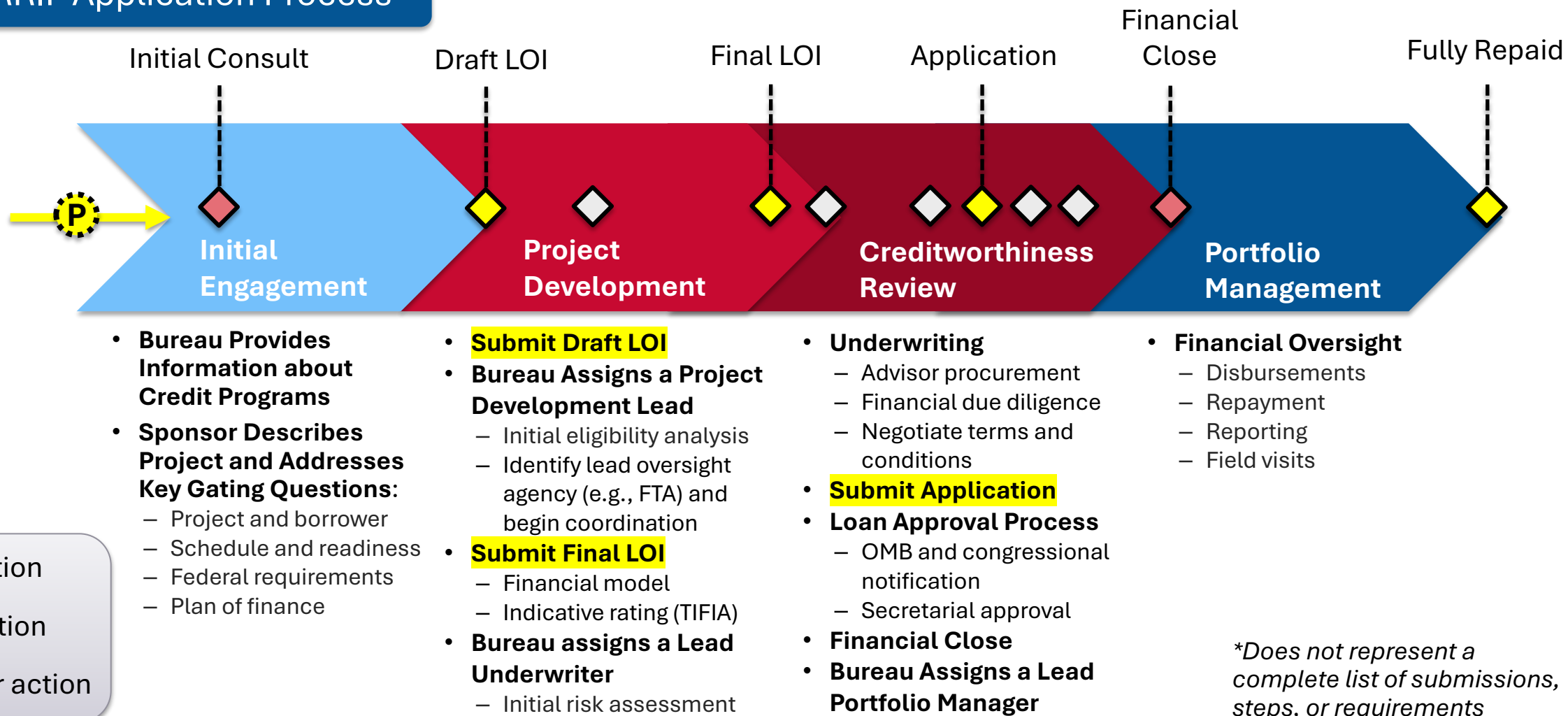
## Economic Development

- Includes [but not limited to] commercial and residential development, and related infrastructure that is:
  - Revenue-generating for the related transit or rail station or service
  - **Non-federal match and private investment:**
    - TIFIA non-federal match >20% of total costs
    - TIFIA private investment >0%
    - RRIF non-federal match >25% of total costs
    - RRIF Private Investment >20% of total costs

**Note:** TIFIA-eligible economic development projects must also include a public infrastructure project. See TOD FAQs for more details: <https://www.transportation.gov/buildamerica/TOD/faqs>

# Working with the Bureau

## TIFIA and RRIF Application Process\*



# Technical Assistance Grant Programs

## Thriving Communities Program

- \$25 M in FYs 2022 and 2023 (\$50 M total)
- Support disadvantaged and lower-capacity communities across project planning and scoping, development and design, and delivery

## Regional Infrastructure Accelerators

- \$34 M awarded to 24 recipients
- Build capacity to incubate good projects and accelerate delivery through innovative approaches
- Assistance in project planning, revenue forecasting, preliminary engineering and design, and statutory and regulatory compliance analyses

## Rural and Tribal Assistance

- 5-year pilot program
- \$3.4 M awarded to 13 communities, 7 Tribes
- Advance early project development by funding technical, legal and financial activities
- \$27 M grant cycle open fall 2024

## Innovative Finance and Asset Concessions

- 5-year program (\$100 M total), **FY24 awards coming soon**
- Help project sponsors identify underutilized assets with potential to generate economic development
- Increase capacity for innovative financing and project delivery and form partnerships with the private sector

# Technical Assistance Resources

## Direct Technical Assistance and Strategic Partnerships

- Customer focused, place-based with local leaders, decisionmakers, and stakeholders
- Innovative project delivery, financing and funding

## Project Initiation Accelerator

- Provide hands-on, targeted technical assistance to accelerate completion of grant agreements.

## Build America Center

- Mobilize use of innovative finance, funding, and project delivery for transportation infrastructure projects. Lead cutting-edge research, innovative training, and customized technical assistance

## Reconnecting Communities Institute

- DOT's center for learning to restore and reconnect communities harmed, isolated, and cut off from opportunity by transportation infrastructure

## Thriving Communities Network

- Knowledge sharing network of Thriving Communities recipients and Capacity Builders

## DOT Navigator

- Internet resources to help communities find and understand how to apply for grants and plan for and deliver transformative infrastructure projects and services

# Contact us!



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