



BUILD AMERICA BUREAU

 U.S. DEPARTMENT OF TRANSPORTATION

RRIF and RRIF Express Program Updates

Prepared for:
Pacific Northwest Region (PNWR) – Regional Infrastructure Accelerator (RIA)

About the Bureau

U.S. DOT's "go-to-shop" for Federal transportation finance programs and technical assistance

Delivering More Good Projects Faster
Low-interest, long-term loans for transportation infrastructure

Outreach

\$110 Billion to lend

Non-traditional and
Underserved Borrowers

Advocacy

Clearing roadblocks

Streamlining processes

Technical Assistance

Training
Education
Information
Best practices

Build America Bureau

Advancing investment in America's transportation infrastructure

- Lending Federal funds to qualified borrowers
- Clearing roadblocks for credit worthy projects
- Encouraging best practices in project planning, financing, and delivery
- Fully using available lending capacity while protecting taxpayer resources

U.S. Department of Transportation

Office of the Secretary of Transportation

- **Build America Bureau**

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

Operating Administrations

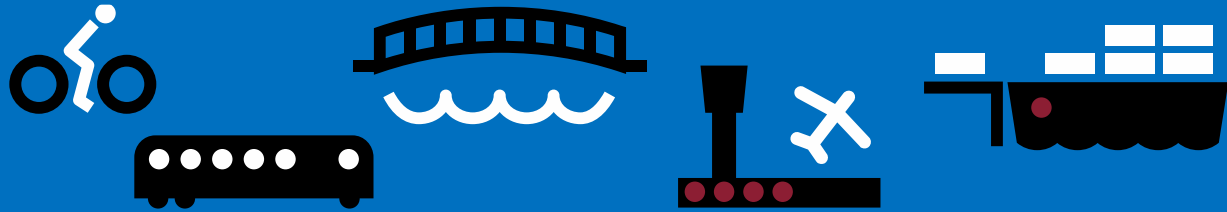
- Federal Highway Administration
- Federal Aviation Administration
- Federal Transit Administration
- Maritime Administration
- Federal Railroad Administration

- Regional staff
- Planning, environment, construction experts
- Grant money

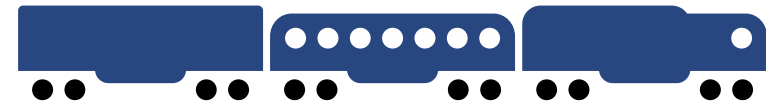


Lending Capacity

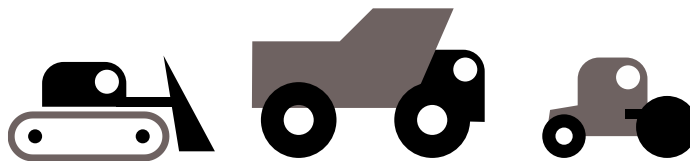
TIFIA
\$70 billion



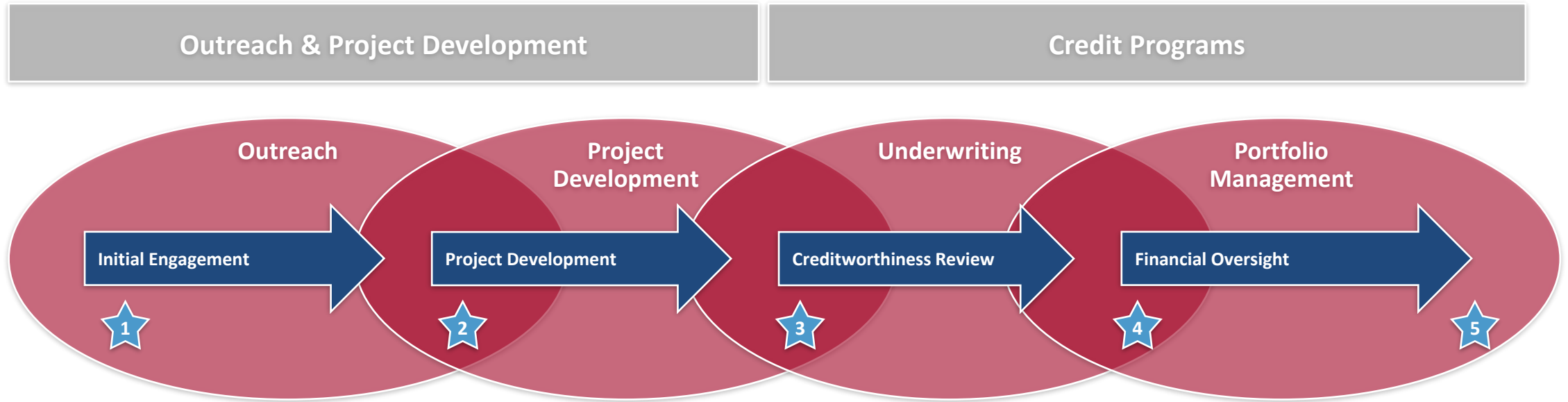
RRIF
\$35 billion



PABs
\$15 billion

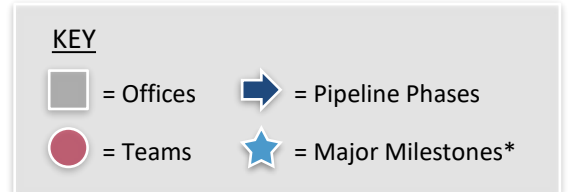


Bureau Credit Assistance Process



Multistage review process with designated staff to assist at each stage

**Spacing of the milestones is not to time-scale*



Major Bureau 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 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

3.40%

for 35-year loan as of 09/22



Eligible Projects and Borrowers

TIFIA

Eligible Projects

- Roadways and bridges
- Transit vehicles & facilities
- Bicycle & pedestrian infrastructure
- Intelligent transportation systems
- Transit-oriented development
- Intermodal connectors
- Intercity rail/bus vehicles & facilities
- Commercial seaports
- Airports (New)

Eligible Borrowers

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

RRIF

Eligible Projects

- Acquisition of railroad equipment/facilities
- Freight rail facilities
- Freight transfer facilities
- Landside port infrastructure
- Passenger rail vehicles, stations & equipment
- Transit-oriented development
- Intermodal rail equipment or facilities

Eligible Borrowers

- Railroads
- State and local governments
- Government-sponsored authorities and corporations
- Port Authorities
- Interstate compacts
- Joint ventures



Program Highlight - RRIF Express

Benefits

- Streamlined application process & reduced fees for smaller projects
- DOT pays Credit Risk Premium (up to 10% loan value)
- Expedited Processing
- Advisory fee assistance
- Up to 35-year term (some up to 75)

Eligible Borrowers

- Class II & III Railroads
- Commuter Railroads
- Joint Ventures

Eligible Projects

- Total project cost up to \$150 million
- Track improvement
- Bridge rehabilitation
- Rolling stock acquisition
- Planning and design
- Refinancing eligible debt (up to 75%)

Other Features

- Repayment may not rely solely on project revenue
- Loan terms customizable to meet small business/small borrower needs
- Small business eligible borrowers may apply without audited financial statements



RRIF Express Challenges

Application

- Notice of Funding Opportunity
- Financial Model Development
- Loan Sizing
- Financial Structure
- Nature and Stability of Cash Flows

Evaluation

- Time
- Cost
- National Environmental Policy Act (NEPA)
- Financial Model Review



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

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

Streamlines processing and increases transparency

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



CONTACT US!

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TIFIA Rural Project Initiative (RPI)

Rural: Outside urbanized area of population
> 150,000

Project costs between \$10 million and \$100 million

TIFIA can finance up to 49 percent of eligible project costs

Fixed rate at one-half Treasury rate

DOT can cover borrower fees



ONE-HALF THE U.S. TREASURY RATE

1.7%

as of 9/22



Technical Assistance Programs

Build America Center

\$5 Million Cooperative agreement with
U of MD and four universities
Training and support to project sponsors

Regional Infrastructure Accelerators

\$10 million, two-year demonstration program
Regional Bureau “field” offices
5 Awarded
5 More to be announced

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.

Technical Assistance Grants for Asset Concession Projects

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

