

TIFIA 49 - Special Financing for Transit and Transit-Oriented Development

Build America Bureau Financing Opportunities

The U.S. Department of Transportation's Build America Bureau can finance transit and transit-oriented development (TOD) projects that improve or construct public infrastructure or advance economic development. TIFIA 49 makes transit and TOD projects eligible for loans up to the maximum level permitted by law through the Transportation Infrastructure Finance and Innovation Act (TIFIA) program (49 percent of total costs whereas most other projects are eligible for TIFIA loans up to 33 percent):

- Transit projects are those eligible for assistance under Chapter 53 of Title 49, U.S. Code, i.e., projects eligible for FTA funding, such as capital projects or associated improvement infrastructure or vehicles for public transportation systems, including but not limited to bus, subway, light rail, commuter rail, trolley, or ferry, etc.
- TOD projects are those eligible for assistance under 23 U.S.C. § 601(a)(12)(E), i.e., projects to improve or construct public infrastructure that are either (1) located within walking distance (approximately 1/2-mile) of, and accessible to, a fixed guideway transit facility, passenger rail station, intercity bus station, or intermodal facility, including transportation, public utility, or joint development projects, and related infrastructure; or (2) for economic development, including commercial and residential development, and related infrastructure and activities. —(a) that incorporate private investment; (b) that are physically or functionally related to a passenger rail station or multimodal station that includes rail service; (c) for which the project sponsors have a high probability of commencing the contracting process for construction by not later than 90 days after the date on which credit assistance under the TIFIA program is provided for the projects; and (d) that have a high probability of reducing the need for financial assistance under any other Federal program for the relevant passenger rail station or service by increasing ridership, tenant lease payments, or other activities that generate revenue exceeding costs.

TIFIA Federal Requirements, Terms and Conditions

Projects must be at least \$10 million in size and may borrow up to 49 percent of eligible project costs. Projects must comply with applicable federal requirements and policies associated with federal funding programs. TIFIA has favorable terms including low interest rates (Treasury rate), interest does not accrue until proceeds are drawn, flexible amortization, up to 35 year repayment period, deferrable for five years after substantial project completion and no pre-payment penalty.

Denver Union Station

\$500 million in public investment transformed a decommissioned rail-yard into a vibrant, mixed-use area, with \$3.5 billion in private development projects as well as more than \$2 billion in economic impact annually.



Transit
Corridor
Development
Phoenix,
Arizona

ABOUT the BUREAU

The Bureau advances investment in America's transportation infrastructure with low-interest, long-term loans:

- 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

We're Easy to Reach!

Build America Bureau staff is able to provide technical assistance for transit or TOD projects exploring TIFIA, public-private partnerships, or any other kind of innovative finance.

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