

Monterey-Salinas Transit District

Monterey-Salinas, CA



New Bus Operations and Maintenance Facility in King City

Project Summary

The Monterey-Salinas Transit District in northern California has a service area of 295 square miles. Buses serving rural communities in South County must drive 50 miles from the transit agency's facility in Salinas just to start their routes. Storing and maintaining buses near the start of these routes in King City would reduce vehicle wear and tear, fuel costs, greenhouse gas emissions, and labor expenses.

The Solution

Through the Build America Bureau's Transportation Infrastructure Finance and Innovation Act Rural Projects Initiative (TIFIA RPI), Monterey-Salinas Transit District was awarded a low-cost loan to construct a new bus operations and maintenance facility in King City.

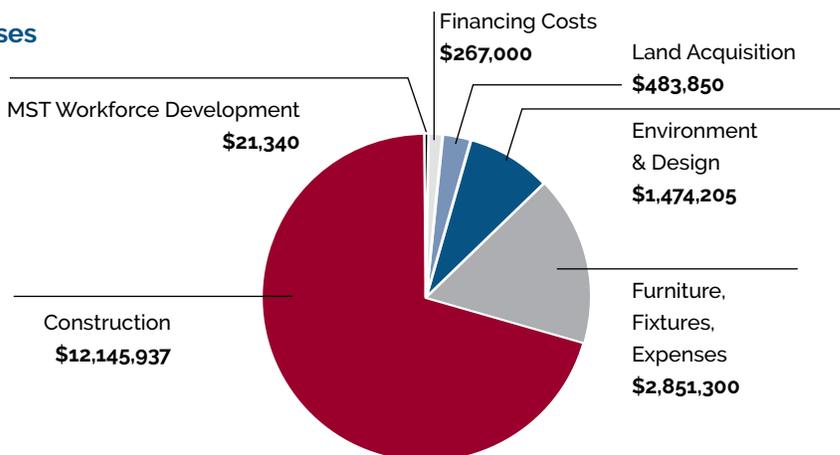
The Future

Monterey-Salinas Transit District's new 11,000-square-foot facility in King City accommodates up to 40 buses as well as 35 staff that support critical operations, maintenance, and administrative services. The agency celebrated completion of its new facility in October 2021 and service out of King City began in December 2021.



Local officials and Monterey-Salinas Transit District staff at the groundbreaking for the new facility. Image source: Monterey-Salinas Transit District.

Funding Uses



Funding Sources



Monterey-Salinas Transit District: New Bus Operations and Maintenance Facility in King City

Specific TIFIA RPI Benefits

- Funds 49 percent of agency's \$17.2 million project costs.
- Requires no principal payments from agency for the first 5 years, followed by payments for 30 years at a fixed rate of 0.78 percent.
- Offers agency cost savings of approximately \$5 million in interest payments when compared to traditional financing options.
- Offers loan maturity of more than 34 years, which is not available on the commercial market.
- Offers repayment profile tailored to fit within forecasted revenues and operating costs.

About TIFIA RPI

Rural communities frequently find it challenging to identify the financial resources required to fund critical infrastructure projects, which are key to improving the economy and the quality of life of all Americans. TIFIA RPI makes loans more accessible to small rural communities with transportation needs. With TIFIA RPI, eligible organizations in qualified rural areas with projects between \$10 million and \$100 million in total cost can see significant savings compared to traditional TIFIA loans and other commercial financing options.

For more information about TIFIA RPI, including detailed definitions of statutory terms and eligibility requirements, [visit the Bureau's TIFIA RPI web page](#).

TIFIA RPI Loan

Loans for up to **49 percent** of eligible project costs.

TIFIA RPI loans have fixed interest rates **equal to one-half** of the U.S. Treasury rate at the time of closing.

U.S. DOT can cover **borrower fees**.

Standard TIFIA Loan

Loans for up to **33 percent** of eligible project costs.

Traditional TIFIA loans have interest rates **equal to** the U.S. Treasury rate at the time of closing.

"MST partnered with the Bureau and took this project from concept to reality with ... a 35-year loan at 0.78 percent interest rate, saving taxpayers over \$5 million."

Mike LeBarre
Mayor of King City