

 U.S. DEPARTMENT OF TRANSPORTATION



**BUILD AMERICA BUREAU**

# The Build America Bureau

## Reimagining “Innovative” Finance & Procurement for the Future

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Executive Director

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# The Build America Bureau's Mission

The **Build America Bureau** serves as a single point of contact and coordination for states, municipalities, and other project sponsors looking to:

## EXPAND

the use of Federal transportation credit programs, such as TIFIA and RRIF, and diversify the project portfolio

## INNOVATE

new approaches to project financing and delivery, and promote best practices across credit programs and modal teams

## DELIVER

streamlined technical and financial assistance to accelerate delivery of critical transportation infrastructure

# Our products: TIFIA

—Transportation Infrastructure Finance & Innovation Act of 1998

- Long-term repayment period
  - Up to 35 years
  - Can be deferred for five years following substantial completion
  - No pre-payment penalty
- Finance up to 33% of eligible project costs
- Draw funds as needed; only pay interest on drawn funds
- Highly customizable to meet borrower needs
- Also offer loan guarantees and lines of credit

## Low Interest Rate

**2.08%** for a 35-year loan  
(on 10/2/19)

# TIFIA Rural Project Initiative (RPI)

- Outside Census-defined urbanized areas with a population > 150,000
- Finance up to **49%** of eligible project costs
- Fixed rate of **½ the U.S. Treasury** rate
- Can **cover borrower fees**



½ the U.S. Treasury rate

**1.04%** (on 10/2/2019)\*

*\*while funds last*

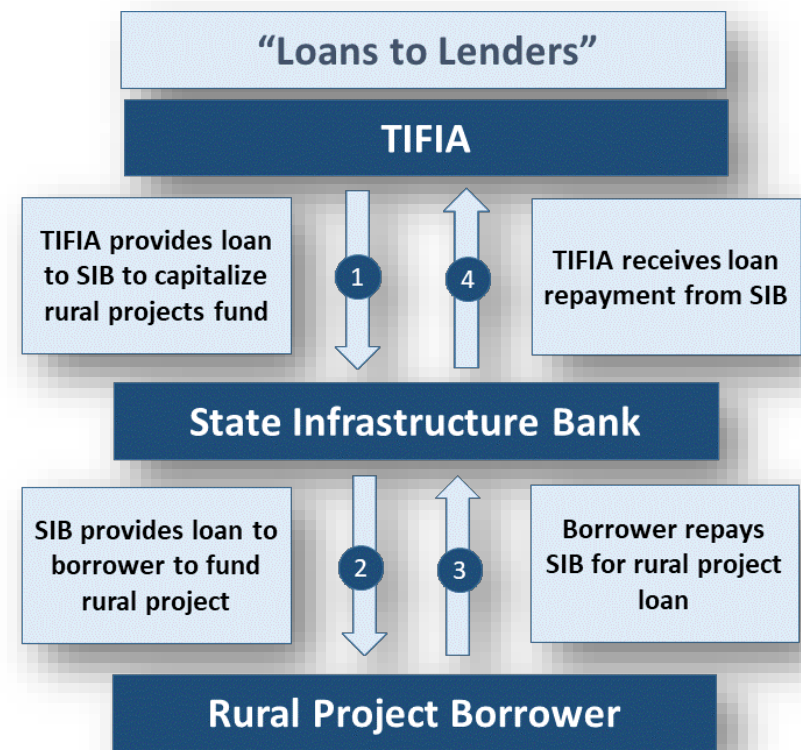
**~40% of county roads are  
inadequate for travel**

**38,000 rural bridges are  
in “poor” condition**



# State Infrastructure Banks (SIBs)

- SIBs are revolving funds for surface transportation projects
- SIBs can borrow up to \$100 million from TIFIA to capitalize a Rural Projects Fund (RPF)
- RPFs “on-loan” to eligible rural projects
- Typical borrower is a local public agency, but public and private entities can borrow
- SIBs must be administered by a State DOT



# Our products: RRIF

## —Railroad Rehabilitation & Improvement Financing

- Very similar to TIFIA (Long-term, fixed interest, flexible amortization, no pre-payment penalty, etc.)
- Can finance up to 100% of eligible project cost
- The credit risk premium is offset using
  - Upfront payment by the borrower
  - Collateral
  - Adjustment to the interest rate

### Low Interest Rate

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(on 10/2/19)

# Our products: PABs

## —Private Activity Bonds

- Authorized to allocate \$15 billion in PABs
- State or local government issues tax-exempt bonds on behalf of a private entity
- Private entity/developer responsible for all debt service
- Can be used separate or in combination with other Federal financing tools

# We would love to work with you

You can reach us at:

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More information available on:

[www.Transportation.gov/BuildAmerica](http://www.Transportation.gov/BuildAmerica)