

State Infrastructure Bank (SIB)



Melinda Lawrence
SIB Administrator
Budget & Forecasting
Ohio Department of Transportation

History & Background

- Created in 1995 by U.S. Congress
- State of Ohio “Firsts”
 - Creation
 - Loan
 - Transit
 - Aviation
- Title XXIII Eligible projects
 - Highway
 - Transit
- Expanded by Ohio Legislature to include County and Local roads, aviation and water projects.

History & Background

Fund Capitalization

Federal Funds	\$87 m
State General Revenue Funds (GRF)	\$40 m
State Motor Fuel Tax (MFT)	<u>\$10 m</u>
Total	\$137 m

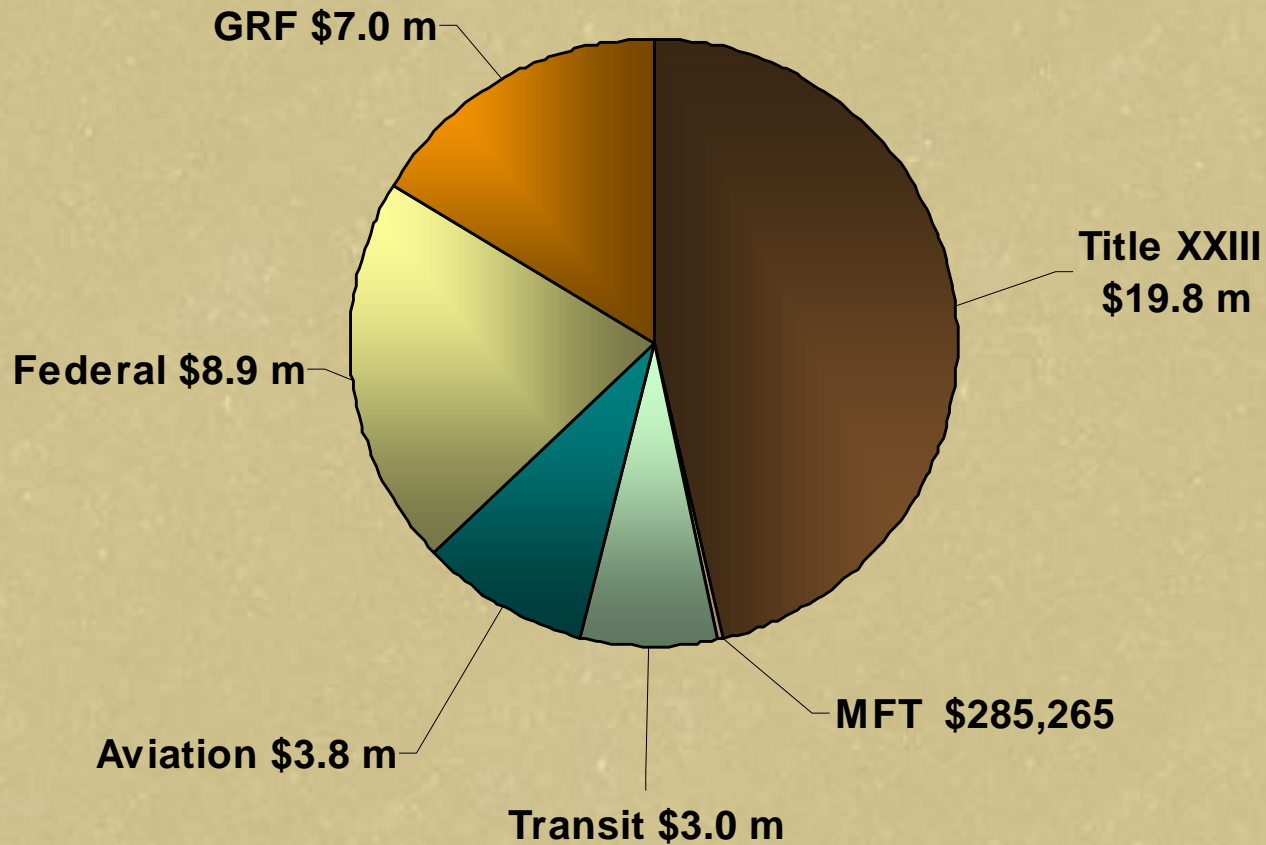
Funding Sources

- **Federal – 1st Generation**
 - Original Federal funds that capitalized the bank.
 - All federal regulations must be followed.
- **Title XXIII – 2nd Generation (“Washed Funds”)**
 - Funds repaid from borrowers that used 1st generation funds.
 - The only federal regulation is the project qualifies as Title XXIII eligible.

Funding Sources

- **State Funds**
 - General Revenue Funds (GRF), aviation, port authority
 - Motor Fuel Tax (MFT) for road projects only
- **Aviation (GRF only)**
- **Transit (Federal)**

SIB Account Balances as of September 30, 2005



Total SIB Balance \$42.8 m

Available for Loans

Sources of Repayment

- Gasoline Tax
- Non-tax revenues (fines, penalties, interest, fees)
- Tax Increment Financing (TIF)
 - requires secondary repayment source
- Property Assessments
- License plate and registration fees
- Passenger Facility Charges
- Parking Fees
- Earmarks/Grants

Eligible Projects

- Federal, State & Local Roads
- Mass Transit
- Port Facilities
- Aviation Hangars, Runways, Terminals
- Rails to Trails/Bicycle Paths
- Erosion Control

Eligible Borrowers

- Transit Authorities
- Metropolitan Planning Organizations
- Cities
- Villages
- Counties
- Townships
- Port Authorities

Loan Terms

- No set loan limit with the exception of GRF funds
 - GRF funds are flexible and limited
 - Loan limited amount from \$100,000 – \$4,000,000
- 100% financing available
- Maximum term 10 years

Loan Terms continued

- Interest is $\frac{3}{4}$ of prime rate or lower
 - currently 3%
- Closing costs can be financed into loan
 - \$2,000 to \$10,000
- Prepayment penalty for the first 36 months of the loan

Loan Features

- No interest during first year
- Interest accrues beginning second year
- Payment is due the first day of the 31st month from the first disbursement of funds
- Process takes 30 to 60 days
 - Based on Local Government response time
- Applications accepted year round

Example of Payment Schedule

- Loan Closes January 2006
- First Disbursement February 2006
- 1st year interest free February 2007
- 2nd year interest accrues February 2008
- Repayment Starts August 1, 2008

Sample Debt Schedule

	<u>Date</u>	<u>Principal Payment</u>	<u>Interest Payment @ 3.00%</u>	<u>Accrued Interest</u>	<u>Total Payment</u>	<u>Outstanding Balance on Loan</u>
Disbursement	2/1/2006					5,075,000.00
Payment Waived	2/1/2007	0.00	0.00	0.00	0.00	5,075,000.00
Interest Accrues	2/1/2008	0.00	0.00	152,250.00	0.00	5,227,250.00
	8/1/2008	315,812.05	52,272.50	0.00	368,084.55	4,911,437.95

Borrowers first payment due August 1, 2008

Eligible / Ineligible Costs

- **Right of Way**
 - Appraisal
 - Acquisition

 - **Design**
 - Preliminary (PE)
 - Detailed

 - **Construction**
 - Engineering/Inspection
-
- **Ineligible Costs**
 - Environmental

Environmental Requirements

- Projects utilizing Federal funds (1st Generation) require full National Environmental Policy Act (NEPA) documentation
- Projects utilizing Title XXIII or State funds must satisfy state environmental requirements
- ODOT qualified consultants must be used

www.dot.state.oh.us/consultant.htm

Loan Application Process

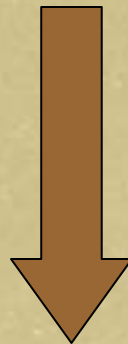
Loan Applicant



SIB Administrator



Independent Financial Advisor
Legal Advisor – Attorney General

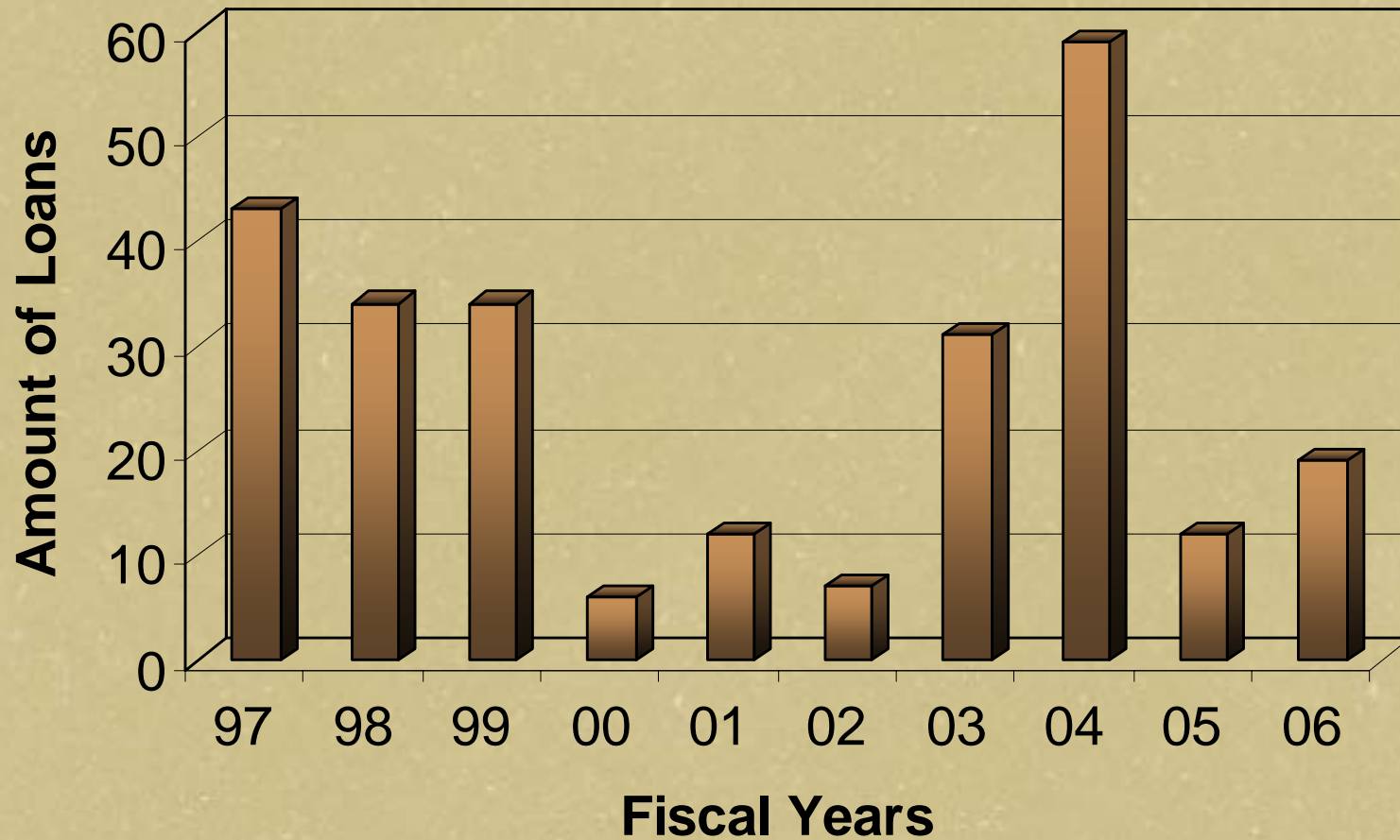


SIB Loan Committee

SIB Loan Committee

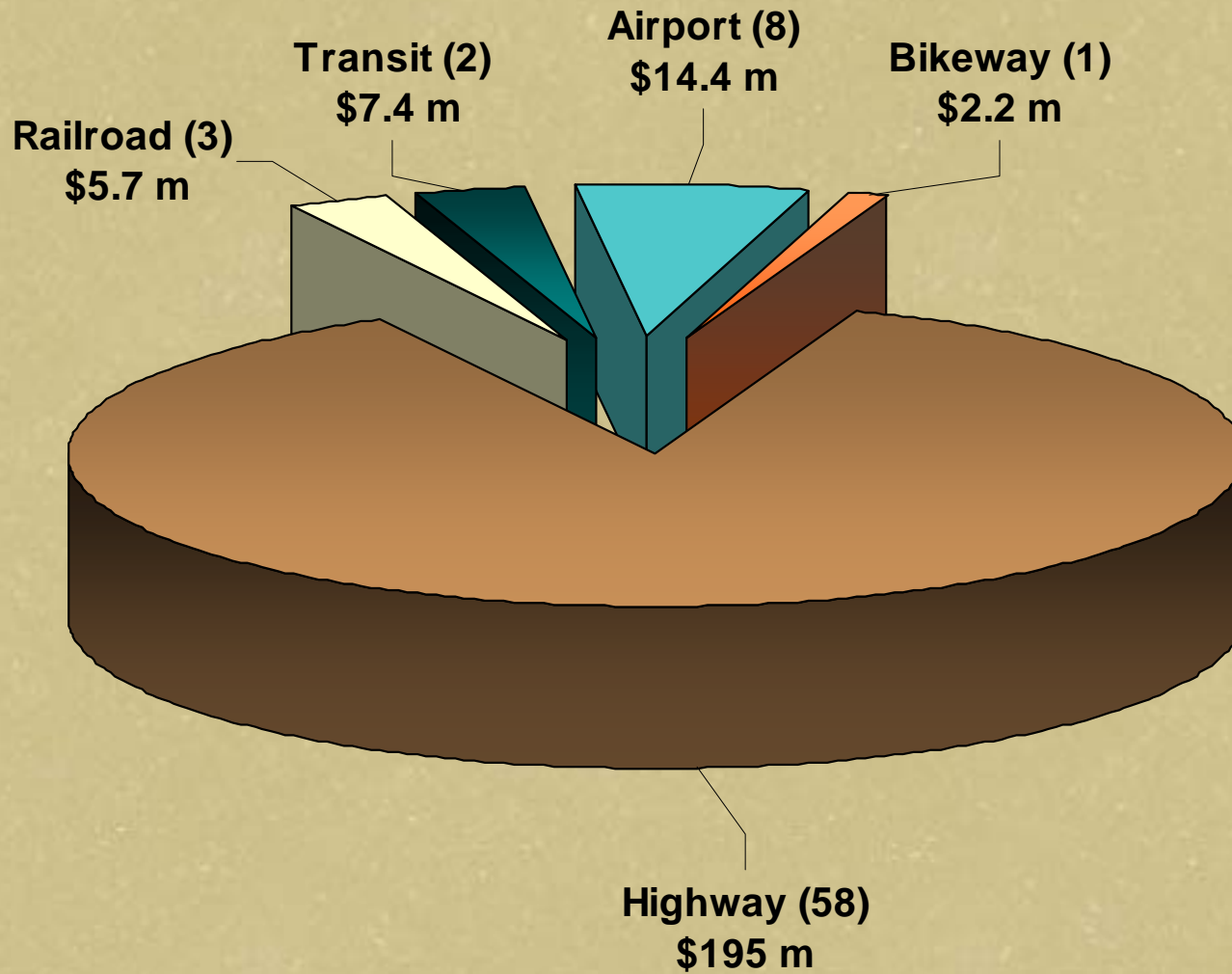
- Chief of Staff
- Finance, Deputy Director
- Local Programs, Deputy Director
- Production Management, Deputy Director

State Infrastructure Bank Loans



85 loan agreements totaling over \$252 m

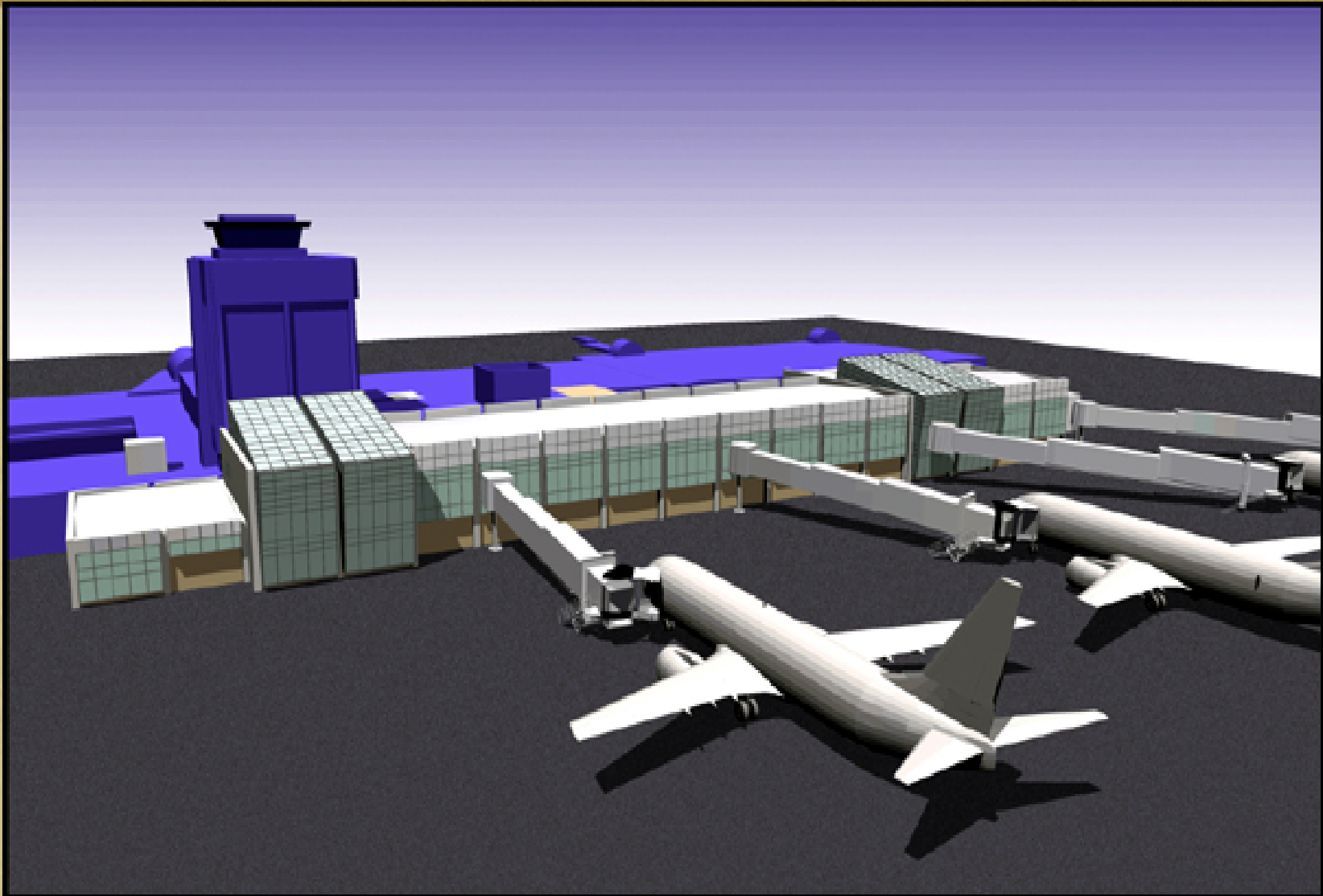
Modes of SIB Loans



Akron Canton Airport Baggage Claim



Akron Canton Regional Airport



Berea – Bagley Road Grade Separation



Summit County – State Road



Summit County – Tuscarawas Bridge



Muskingum TID – Northpointe Drive

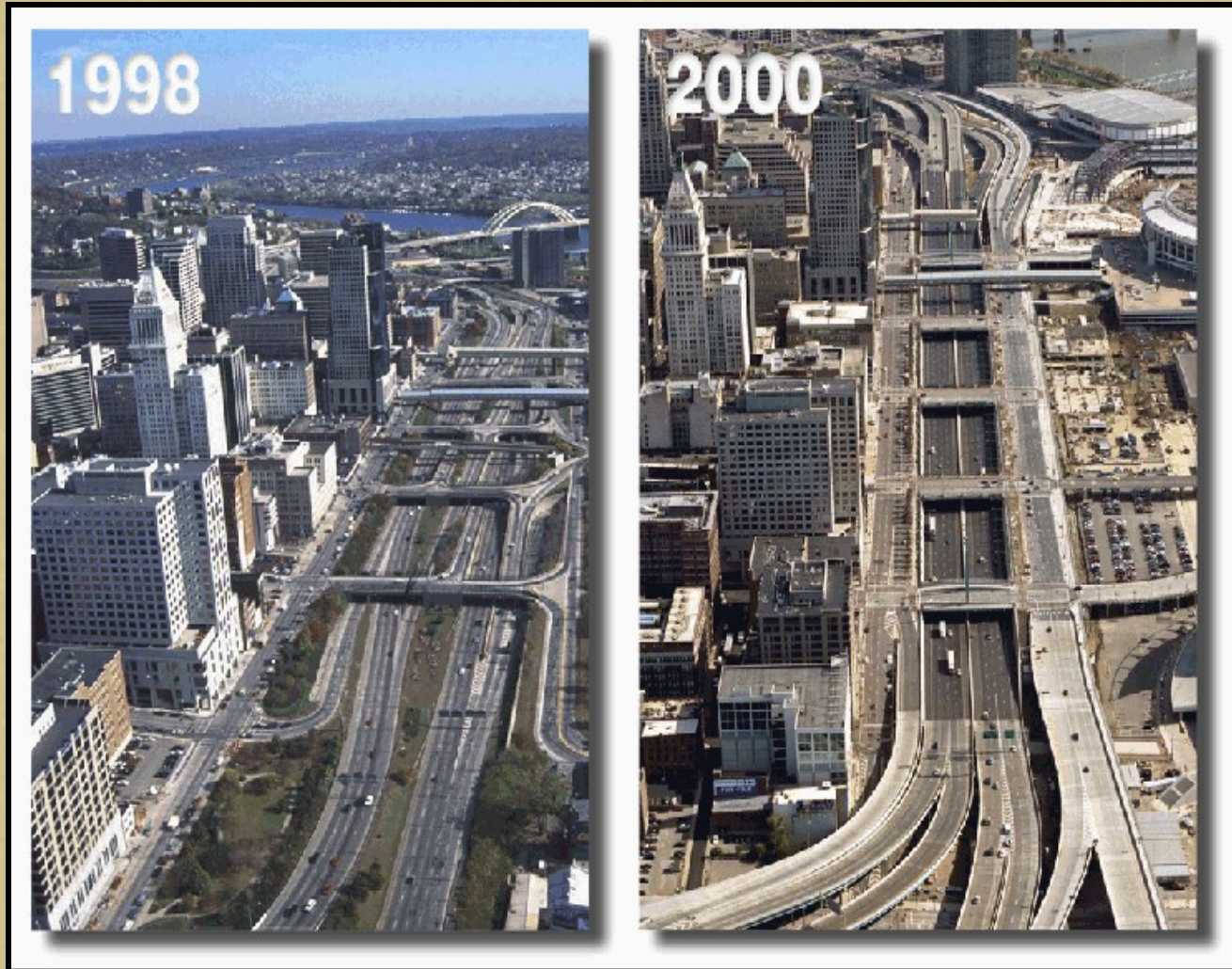
Before



After



Cincinnati – Fort Washington Way



Solon-Orange-Mayfield Village (SOM) Center Road



View of ravine, underpass, & S.O.M. Center Road
Mayfield Village

ARCHITECTURE
ENGINEERING
PLANNING



City of Twinsburg – Center Valley Parkway Interconnect road



City of Twinsburg – Center Valley Parkway Interconnect Road

