



TxDOT State Infrastructure Bank

Presented by Dallas Teston, TxDOT, SIB Program Lead



Low-cost transportation financing tool.



SIB Loans



- Revolving fund - All repayments go back into the SIB
- Non-federal dollars

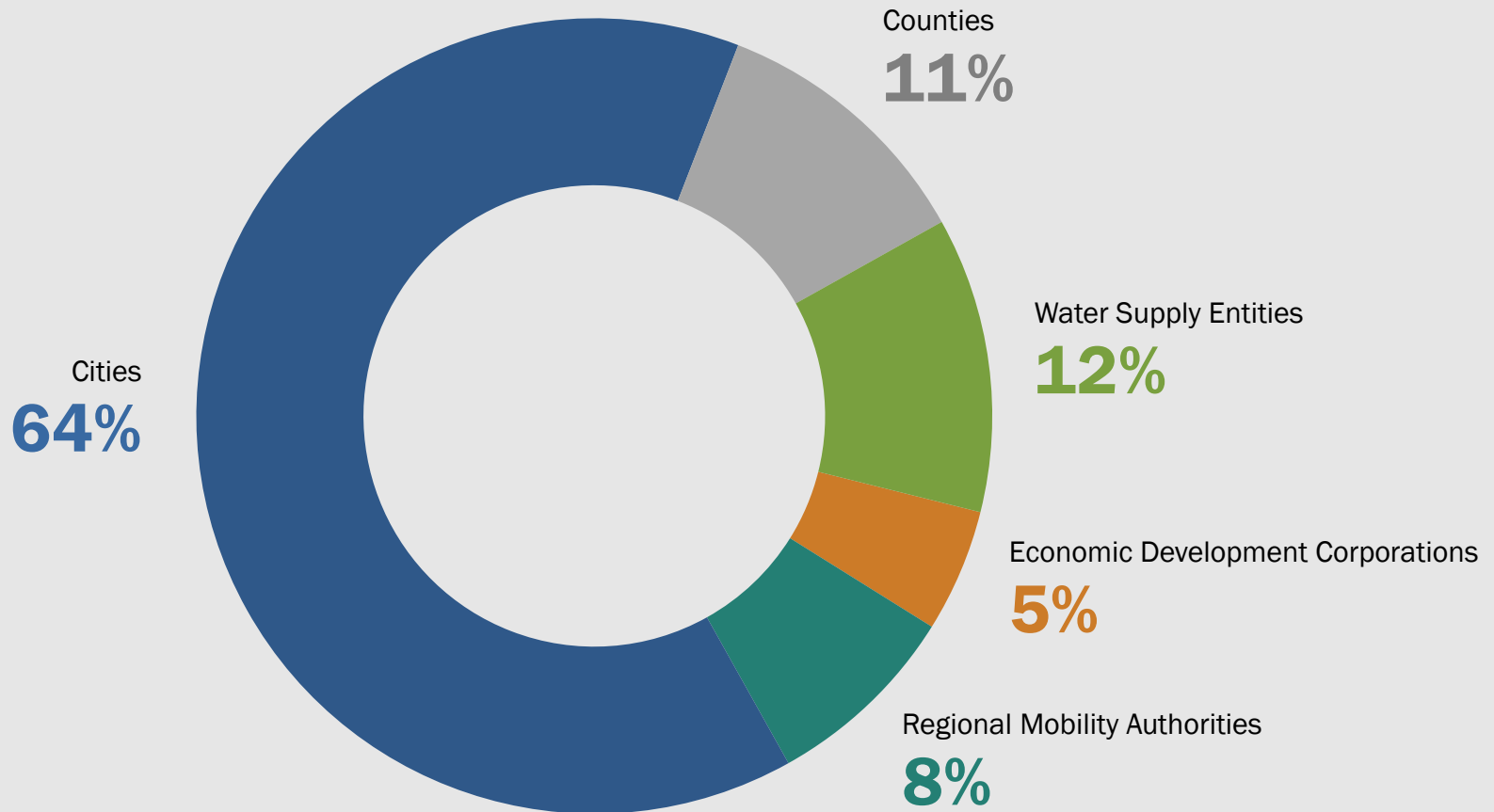
152 Loans – Since inception (1997)

- Loans have ranged from \$10,000 to \$42m
- Median loan amount approximately \$1m

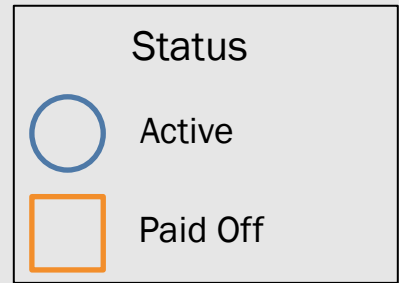
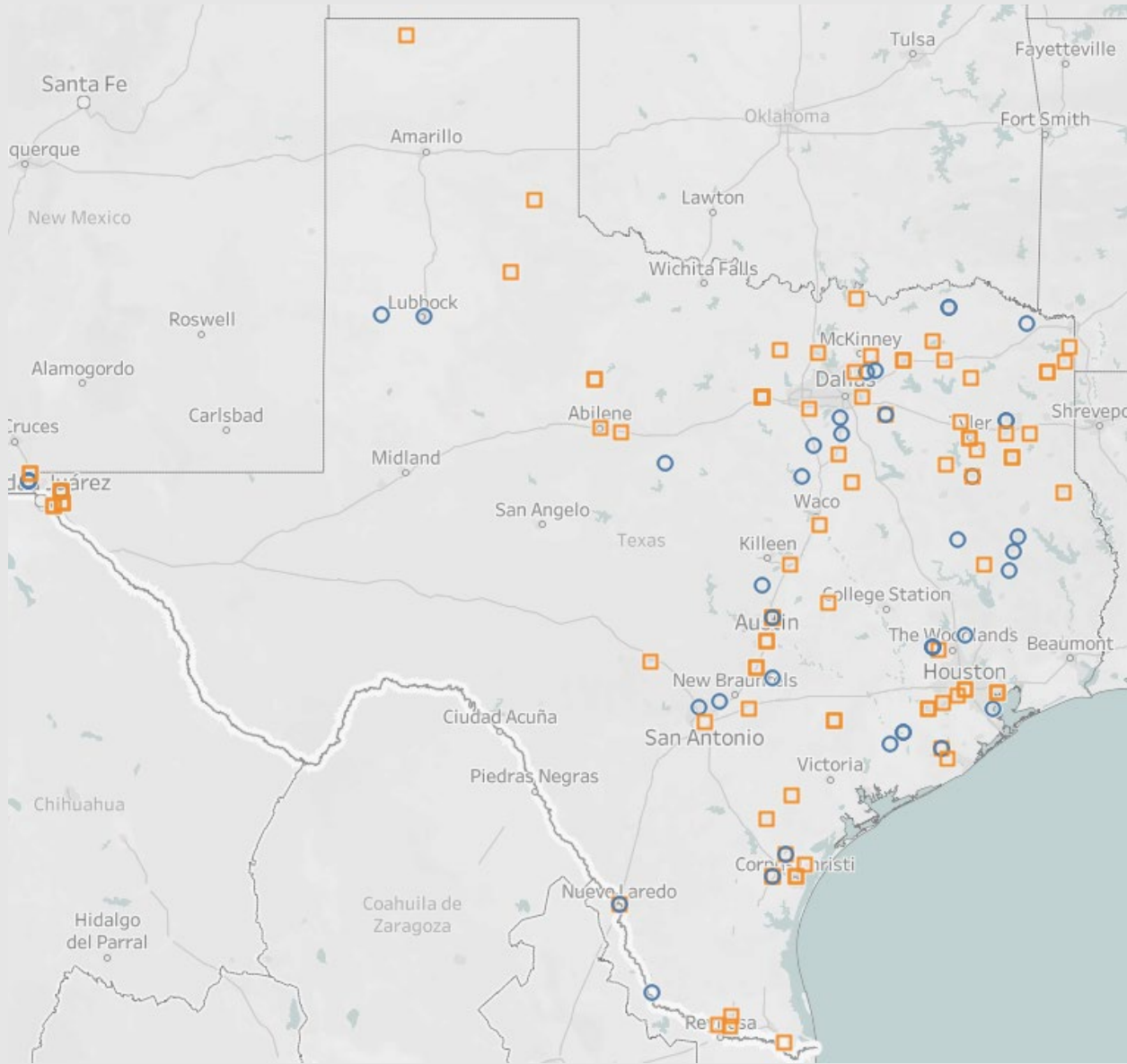
\$751 Million – In loans

\$485 Million – Repaid

\$8 Billion – In Texas transportation projects



SIB loans around the state





Eligible projects

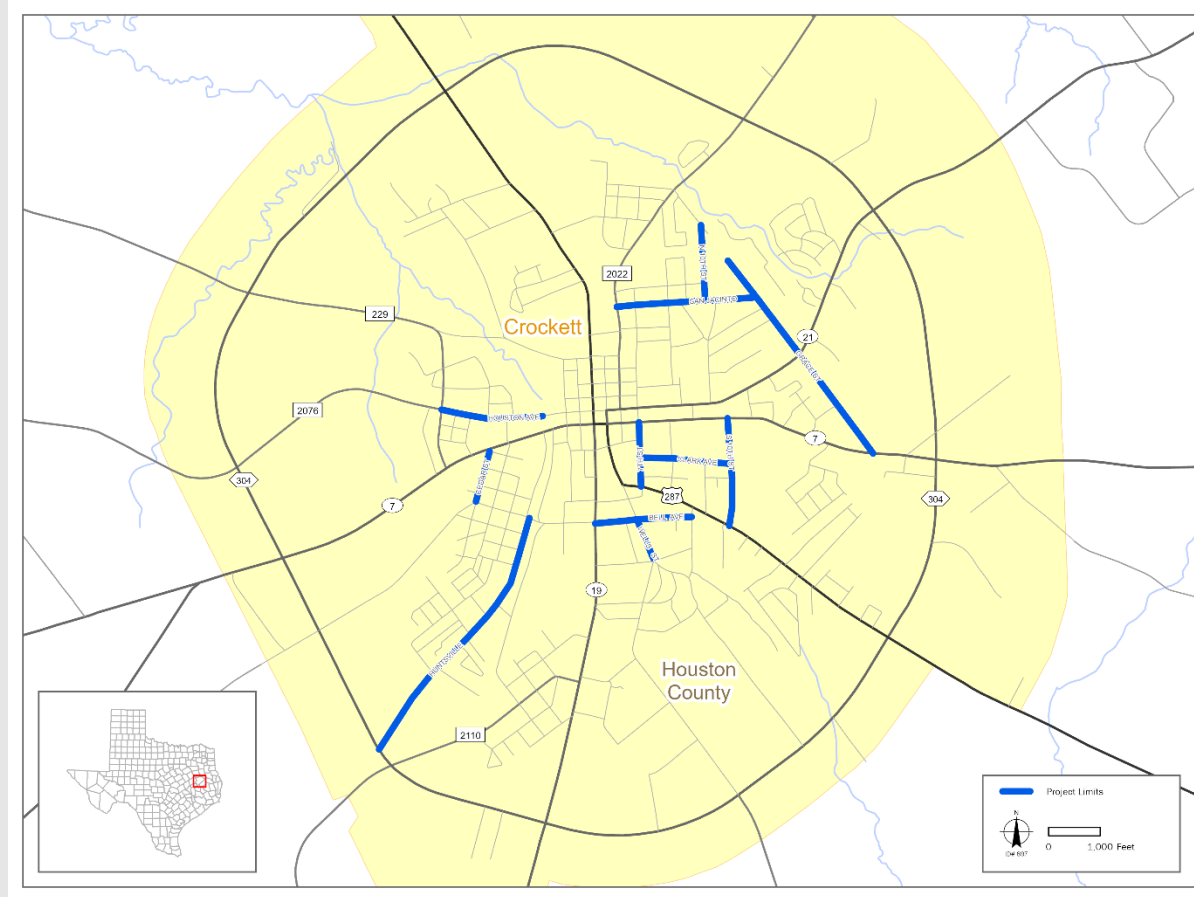
- Eligible under federal highway programs.
- Roadways must be functionally classified above a rural minor collector.
- On- or off-system roadways can be eligible.
- Generally, projects eligible under Title 23.

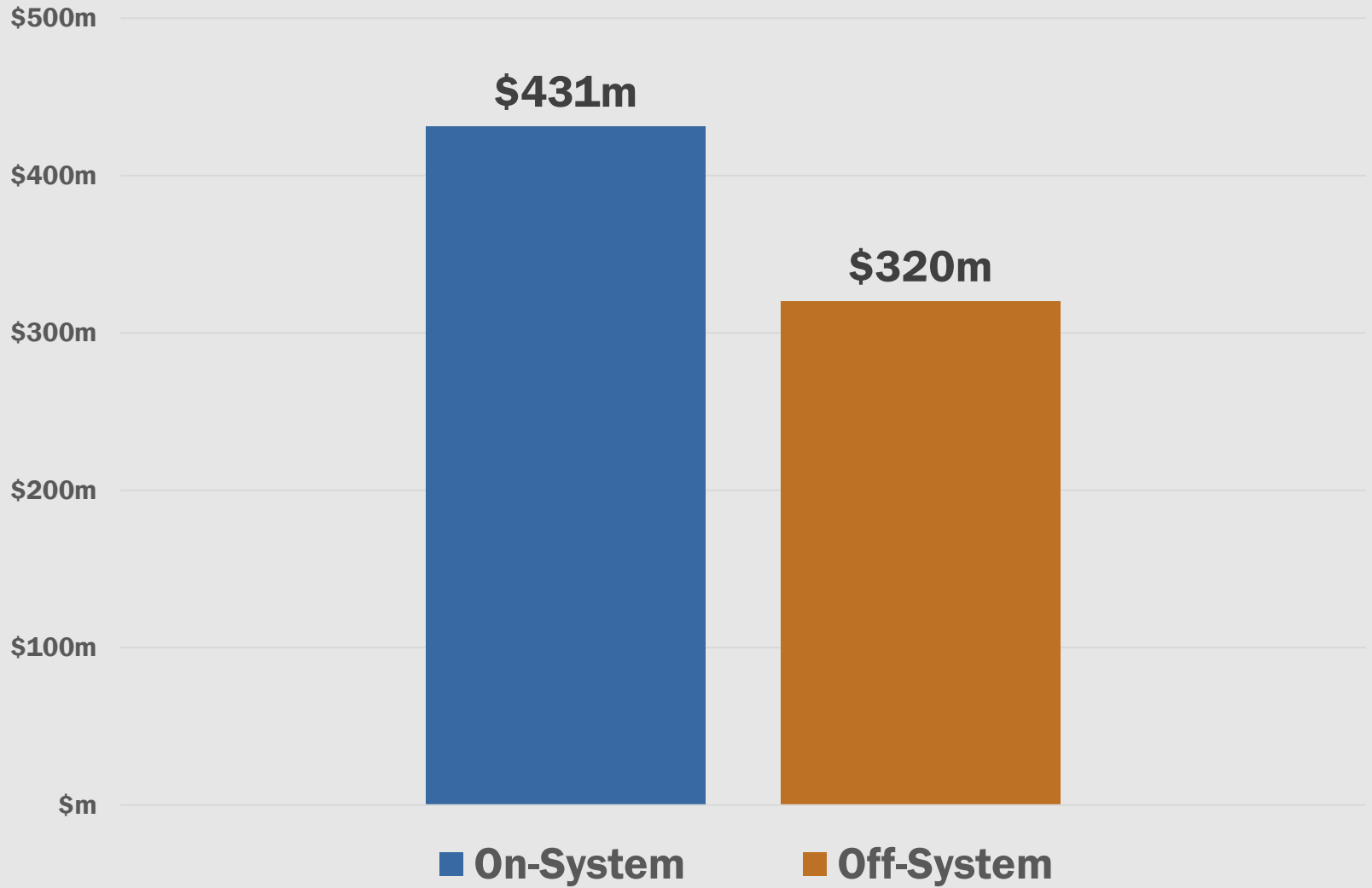
Project highlight: city of Crockett



SIB Loan: \$6 million

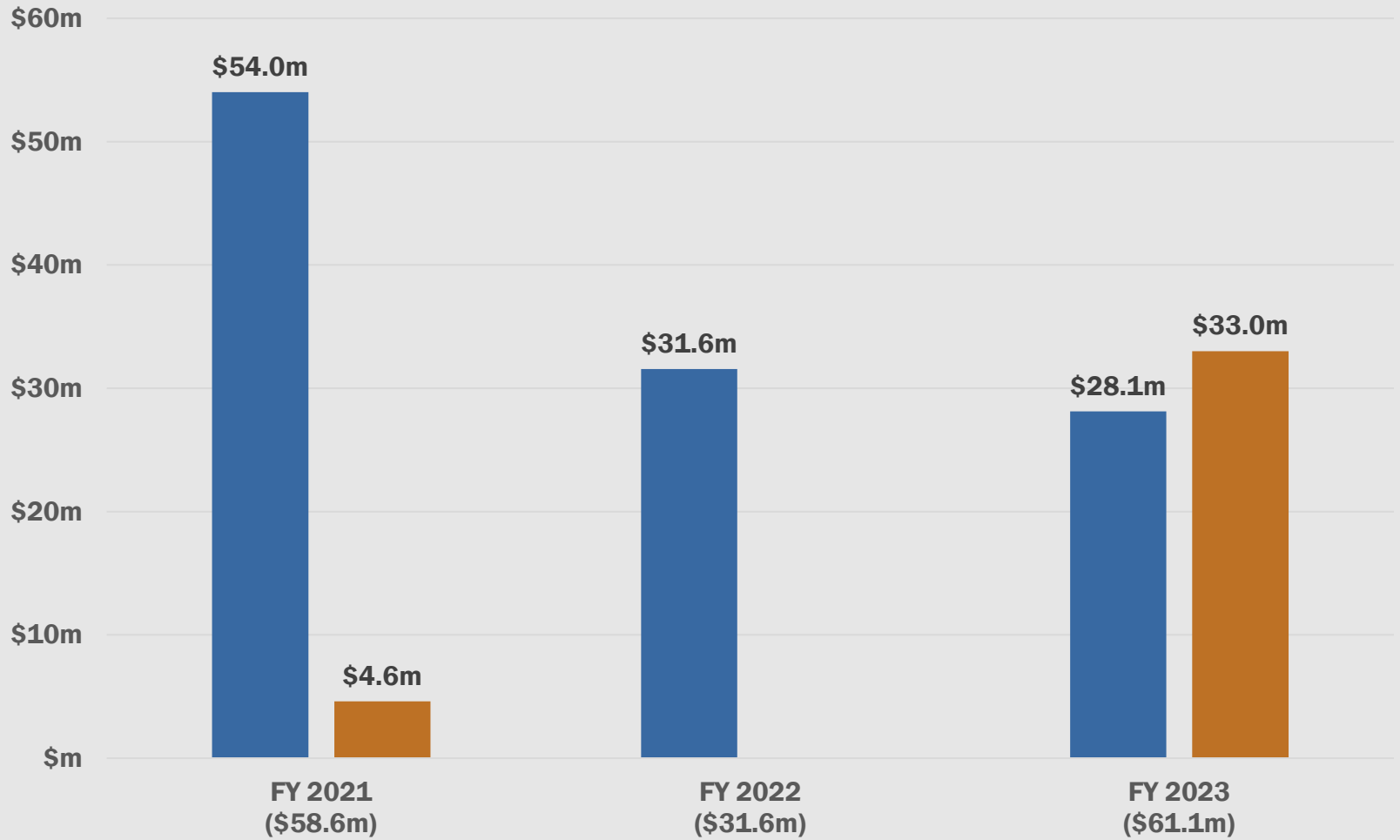
- Off-system local projects
- 11 projects
- Roadway rehabilitation and utility relocation







■ On-System ■ Off-System



Eligibility example - city of Fort Worth



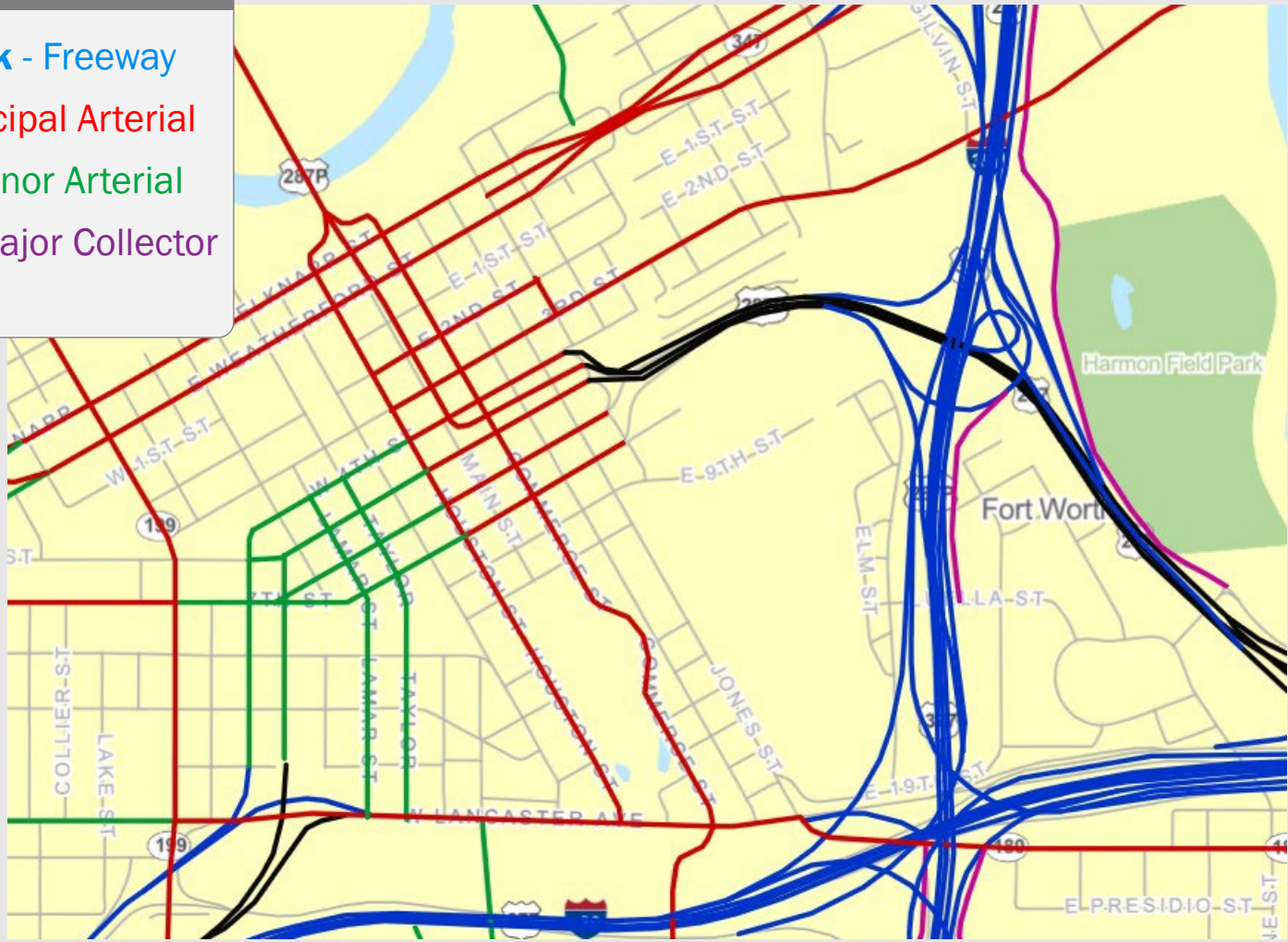
LEGEND

Blue/Black - Freeway

Red - Principal Arterial

Green - Minor Arterial

Purple - Major Collector





Eligible uses include*

Construction or reconstruction

Contingency

Right of way acquisition

Utility relocation

Local match

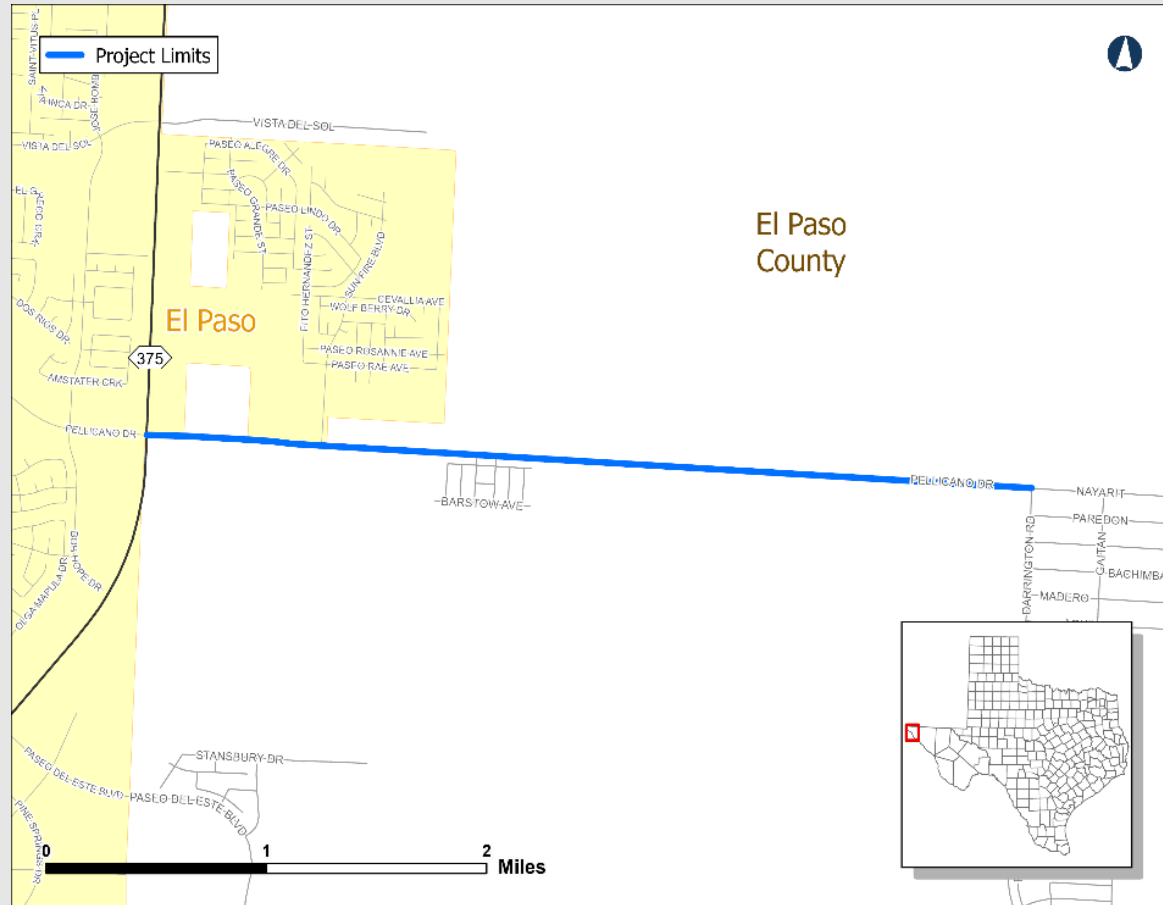
Financial & legal advisory fees

****Funds cannot be used to reimburse costs***



SIB Loan: \$4.6 million

- Off-system MPO project
- Roadway widening
- Add bike lanes, pedestrian walkways and landscaping
- Connect to loop 375
- Contingency



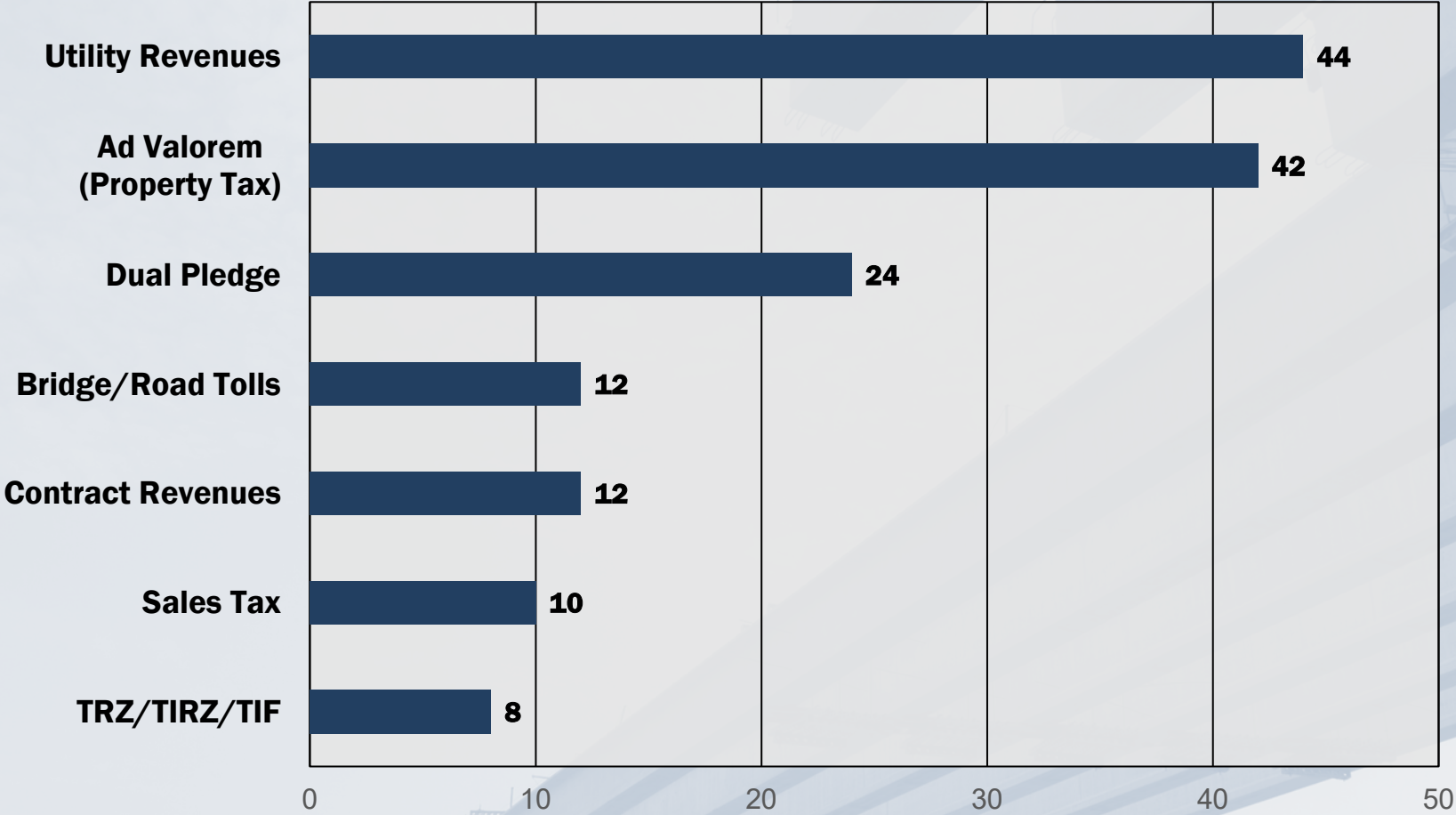


Low Cost of Borrowing

- \$0 loan application
- \$0 closing costs
- \$0 loan handling
- Form of agreement
 - Direct loan agreement (authorized in TTC §222.0745)
 - Certificate of obligation
 - Bonds



Pledged Revenues





Repayment Terms

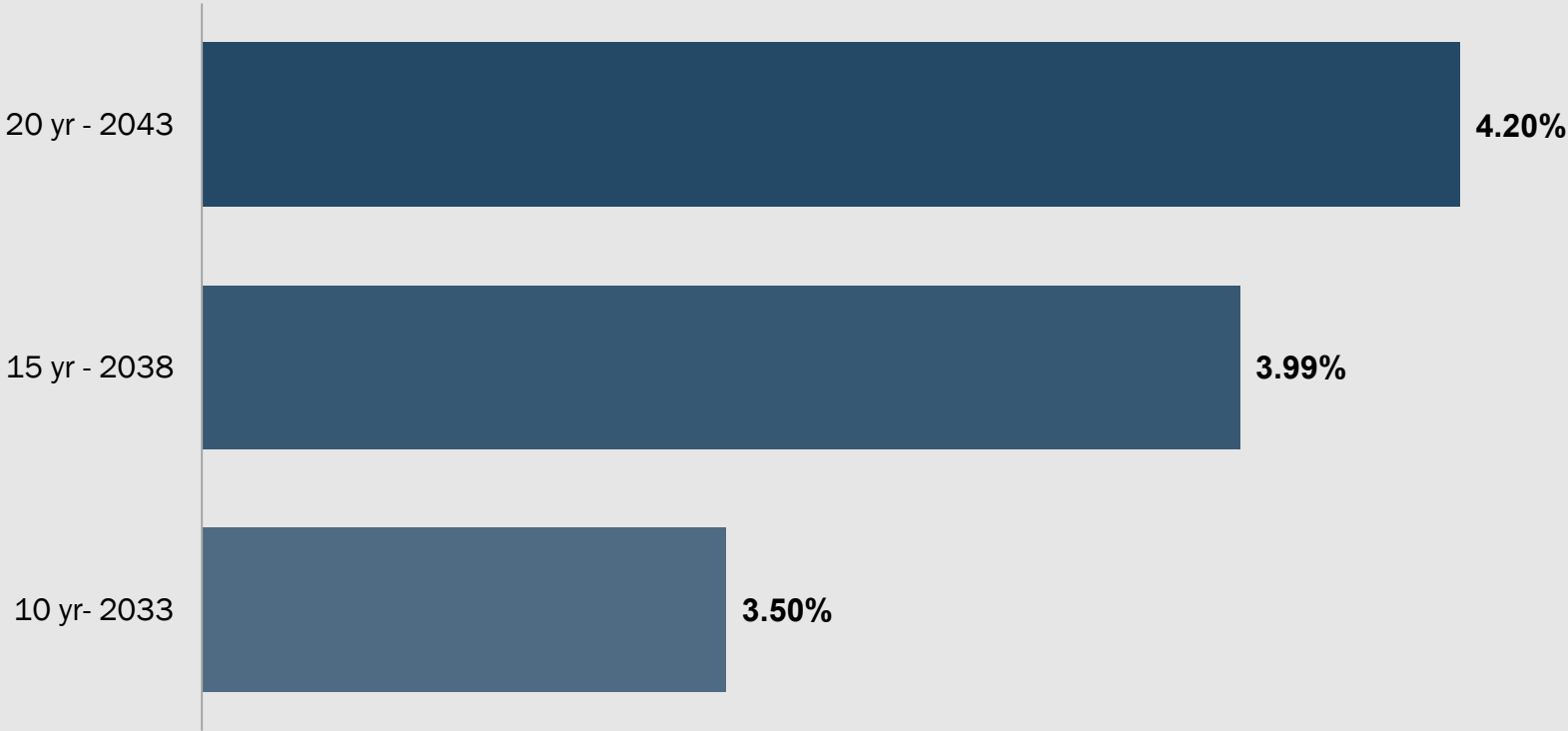
- Prepayments can be made at any time.
- Flexibility in repayment.
 - Most repayment frequencies acceptable.
- Deferrals
 - Full deferral of principal and interest.
 - Interest only payments.
 - Interest capitalizes during deferment period.



Interest Rate

- Rate set at the time of application
- Municipal Market Data index (MMD)
- 2 main factors
 - Credit Rating
 - Term of the loan

Interest rate example

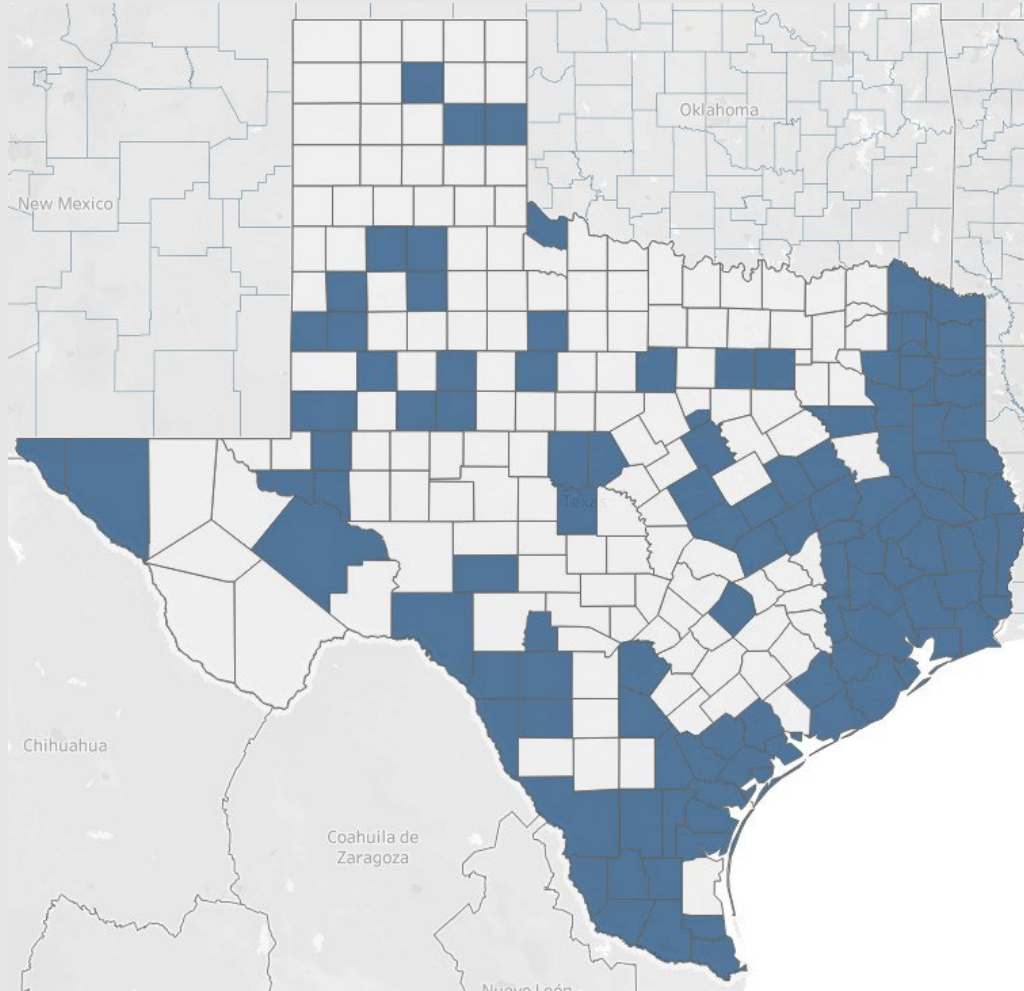


*Market Rate Indications as of October 4, 2023, for AAA rated borrower.
Rates change weekly, shown for illustrative purposes only.*

Economically disadvantaged counties (EDC)



- 114 of 254 counties are EDC for FY 2024
- All entities in the eligible county receive interest rate discount





- SIB interest rate is reduced in basis points by the amount of the adjustment percentage.

Example – Tarrant County 95% EDC Adjustment

| | |
|-----------------------|------------|
| SIB Interest Rate | 4.20% |
| <u>EDC Adjustment</u> | <u>.95</u> |
| Final Rate | 3.25% |



2-4 months

1-2 months

Submit a **SIB Application** and **Resolution** to apply for loan

TxDOT **Divisions** will **review** applications

ENV approval must be obtained prior to final approval

Final TTC Approval

SIB loan **agreement** is **negotiated** (i.e. loan amortization schedule)

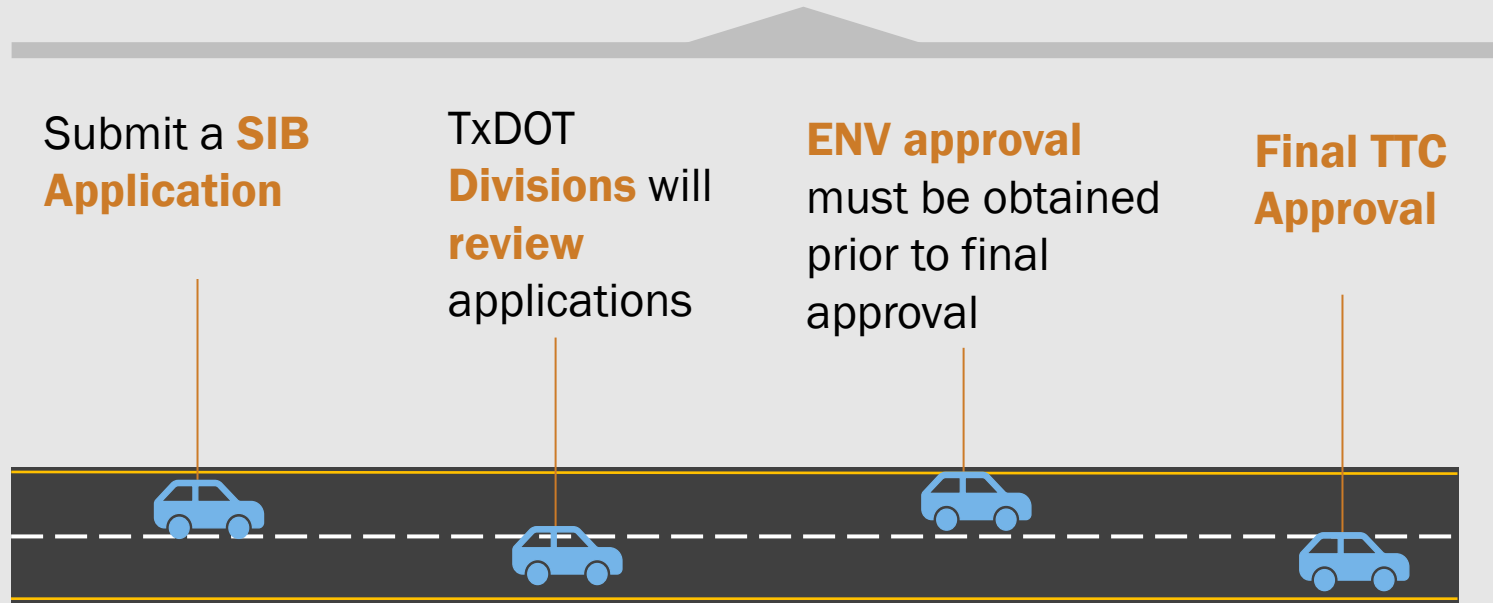
SIB loan agreement must be **approved by the local government**





Application approval

2-4 months



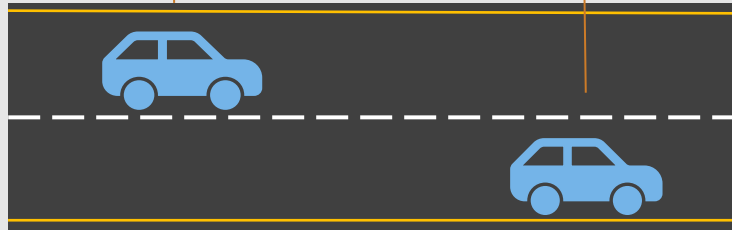


Loan closing

1-2 months

SIB loan
agreement
is **negotiated**

SIB loan
agreement
must
be **approved**
by the **local**
government





- Separate project account.
 - Funds cannot be co-mingled.

- Annual expenditures report.

- Annual audit and budget.

- Revenue pledges – vary with strength of the pledge.
 - Typically reserve fund or additional debt covenant.



- SIB is a low-cost transportation financing tool.
- On- or off-system roads may be eligible.
- Interest rate is fixed at the time of application.
- Discount for communities in an EDC.
- Entire process takes approximately 4-6 months.



Contact information:

Dallas Teston

512-463-9958

Dallas.Teston@txdot.gov

TXDOT.gov and search “State Infrastructure Bank”

- SIB Application
- General program information
 - Instructions to check eligibility
 - Informational flyers
- Newsletter sign-up

