



Pennsylvania Infrastructure Bank

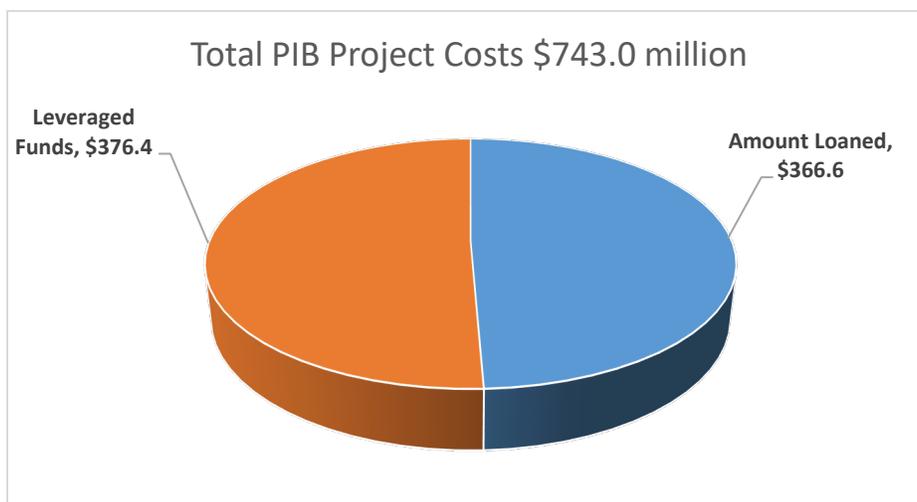


The Pennsylvania Infrastructure Bank (PIB), which is administered by the Pennsylvania Department of Transportation, has become an important resource in the Commonwealth for advancing aviation, highway/bridge, rail freight, and transit projects. The PIB provides low-interest loans to help fund vital transportation projects, accelerating priority projects that may otherwise have not been funded and saving borrowers millions of dollars.

Program Highlights

- The PIB was initially capitalized with \$27.0 million: \$16.09 million in Federal highway funds, \$1.3 million in Federal transit funds, and \$9.6 million in State funds. Currently, the PIB operates as a state-funded bank.
- The PIB is comprised of four distinct accounts: aviation, highway/bridge, rail freight, and transit. Improving local bridges has been one of the most popular uses of the program.
- Since its inception, the PIB has assisted in funding over 400 projects, totaling \$743.0 million.
- The PIB has created many financing partnerships with other State agencies, local governments, and the private sector. State partners have included the Department of Community & Economic Development, PENNVEST, and the Department of Conservation & Natural Resources. Several loans have involved public-private partnerships in both the leveraging and repayment of loans.

| | |
|-------------------|------------------------------|
| Program inception | 1998 |
| Loan portfolio | \$258.4 million (est.) |
| Interest rate | Fixed rate at one half prime |
| Loan term | Maximum of 10 years |
| Size range | No set minimum or maximum |
| Fees | No application fees |



Eligibility

The table below lists the eligible borrowers and eligible projects. The PIB can finance any phase of project development. Construction receives the highest priority with up to 100 percent of eligible costs.

Eligible Borrowers

- Cities
- Townships and boroughs
- Counties
- Transportation authorities
- Economic development agencies
- Not-for-profit organizations
- Private corporations

Eligible Projects

- Road and bridge construction, improvements, preservation, and repair
- Traffic signals and signal upgrades
- Roadway drainage improvements
- Signs, guardrails, and protective structures for projects
- Rail safety projects, including rail track improvements, new sidings, and rail/street crossings
- Transit capital purchases and leases
- Intermodal facilities
- Airport improvements

Spotlight on Innovation:

- **Leveraging Resources.** An important success factor has been the PIB's ability to leverage additional project funding, including local, Federal, and private funds. Examples include:
 - The **Innovation Boulevard Project** in Centre County exemplifies the role a SIB loan can play in advancing a priority project through an economic development partnership comprised of two state agencies, the university research center at Penn State, and a private developer. The project extended Innovation Boulevard to serve 118 acres of planned office, manufacturing, and research facilities. The \$1,050,000 project cost was funded through a **PIB loan of \$850,000** and Department of Commerce and Economic Development funds of \$200,000.
 - **Loganville Bypass**, a rural project located in York County, is another excellent example of the innovation that the PIB has sparked, leveraging both private developer and local government funds. The new two-mile bypass replaced and relocated a narrow and winding section of PA 214 and improved access to Springfield Township's planned growth area. Preconstruction activities were paid for by the developer, Springfield Township, and Loganville Borough. Construction was funded through a **\$1.1 million PIB loan and** \$3 million of Transportation Improvement Program funds.
 - One of the key elements of Butler County's financing strategy to fund Phase 1 of the capacity and safety improvements on the **Gateway 228 Corridor** was to leverage a PIB loan with a County local use fee. On July 18, 2018, Butler County commissioners adopted Pennsylvania's User Fee Program that authorizes counties to implement a \$5 local use fee for each vehicle registered in the county. This fee is estimated to produce over \$900,000 annually which will be used to leverage the **\$9.1 million PIB loan**. In addition, the county received a \$20 million BUILD grant from USDOT to finance the Phase 1 costs of \$43.8 million. The remaining costs are being funded with a combination of local and State funds, including revenue from PA ACT 13 Impact Fees (oil and gas).

