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# STATE INFRASTRUCTURE BANK Fall 2017

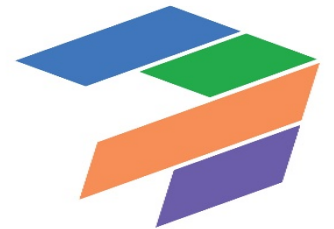
## Practitioners' Survey

Summary of Survey Results



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# Purpose of the Survey:

To provide insights to how SIBs are utilized nationwide, identify marketing techniques and to provide customer feedback to the Center for Innovative Finance Support (CIF\$).

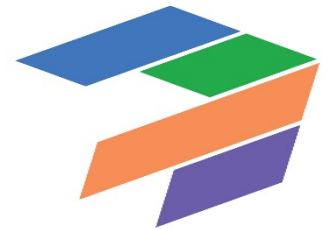
## Survey Response Rate

- 29 Surveys Sent to Division POCs
  - 19 Respondents
    - 66% Response Rate



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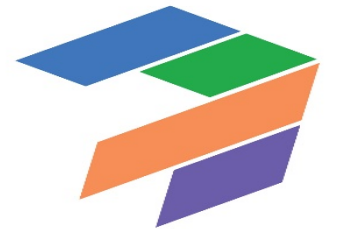
# Highlights

- Vast majority (18/19) of the responding SIBs were capitalized under NHS, two SIBs received additional capitalization under TEA-21 (CO,MO), and one SIB also capitalizing under SAFTEA-LU and the FAST ACT (CO).
- Approximately 40% (8/19) of SIBs reported having written operation procedures.
- One state (WY) reported that they were considering closing their SIB.
- Two responders asked CIF\$ to better help the SIB program in promotion or technical assistance, one to identify best practices of operating SIBs and one for CIF\$ to identify new funding sources for SIBs.
- One State (MI) is looking for additional capitalization.



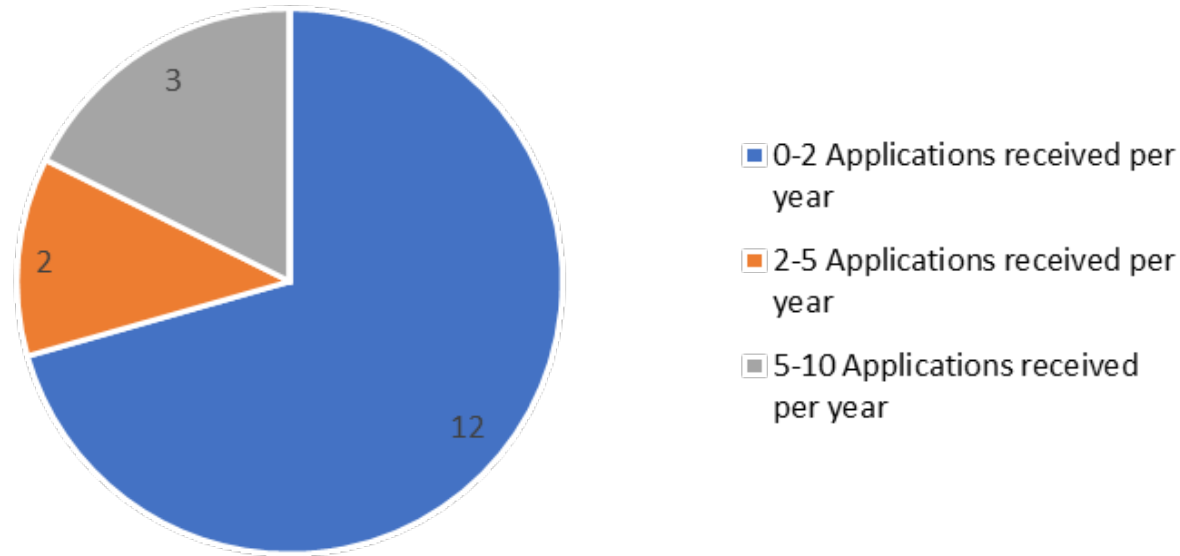
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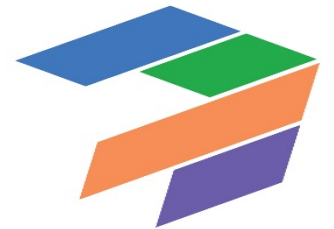
The majority of SIBs receive between 0-2 applications a year.

Loan Applications Received



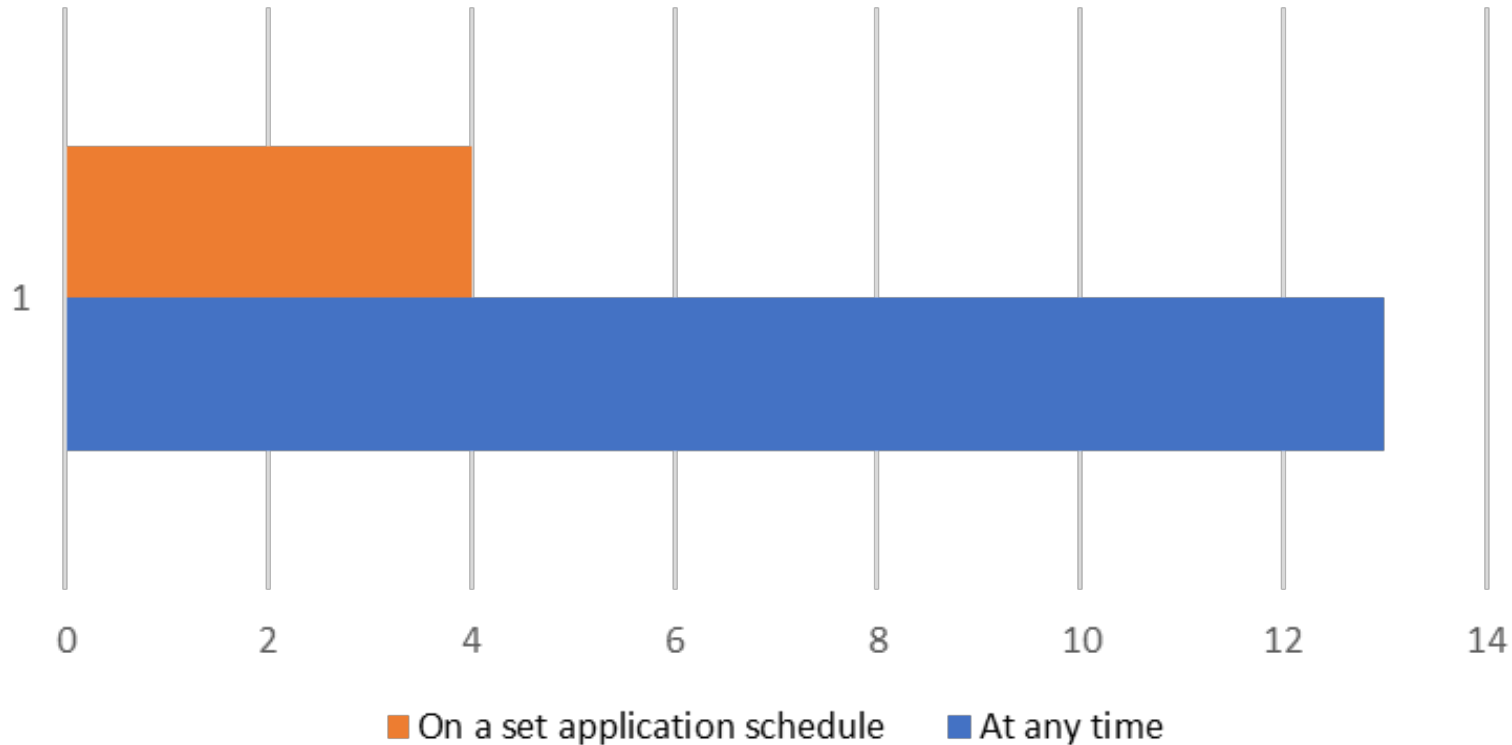
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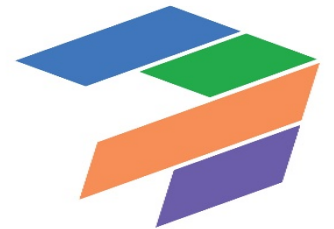
The majority of SIBs accept loan applications at any time.

### Loan Applications Accepted



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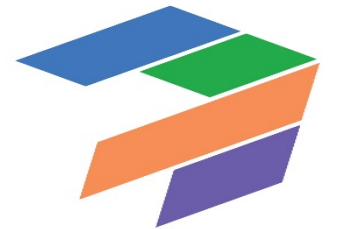
# TERMS AND FEES

- Two of 19 SIBs require application fees. (OH,MO)
- Three States has a minimum borrowing amount requirement. (FL, MN, MO)
- States have varying maximum borrowing amount limits, with secondary approval processes.



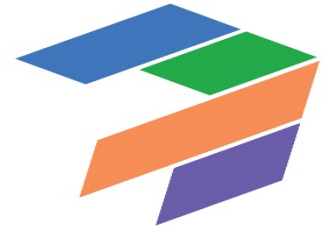
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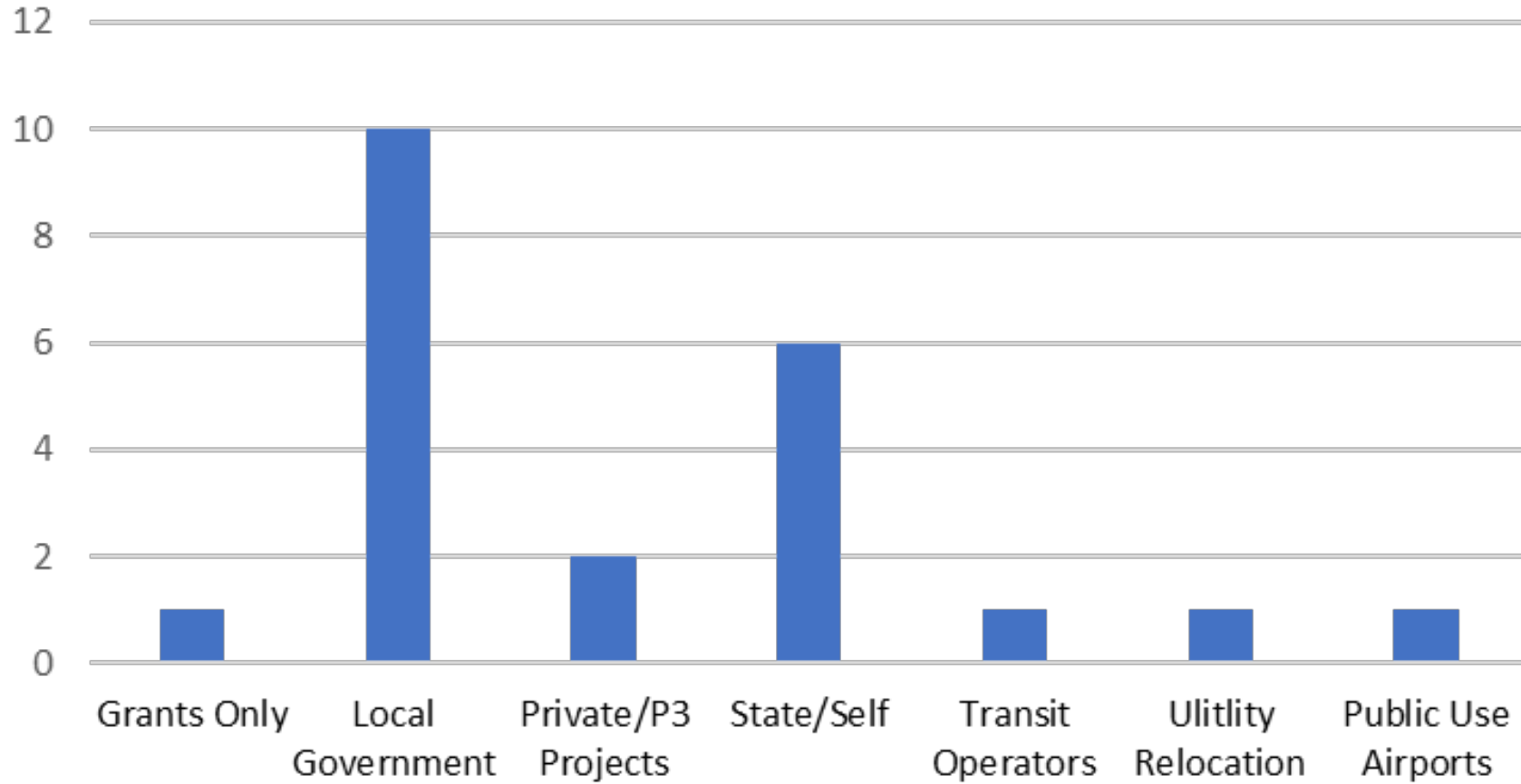


# Terms and Fees, Detailed Responses:

State	Minimum/Maximum terms
Colorado	First come, first served to the SIB. The amounts lent depend on the request total, and qualifications of the borrower.
Florida	\$1 million minimum.
Michigan	No minimum amount. No maximum amount but generally not over \$2 million. State will work with applicants to identify other potential sources for larger projects.
Minnesota	Yes
Missouri	MoDOT staff can accept loan request for \$10 million or less. Any loan requests greater than \$10 million require pre-approval by MoDOT's Executive Director. The minimum loan amount is \$50,000. Terms of a loan over 10 years, require pre-approval by the MoDOT's Executive Director.
Ohio	1-10 Years for Loans Loan requests greater than \$5 million may be referred to the SIB Bond Program. Interest rates set by SIB Loan Committee and must be at or below market rate as of loan approval date.
Texas	Two programs currently - First-Come, First-Served for all SIB loans for TxDOT projects less than \$10 million. No minimum limit. Other program is a SIB Program Call which is a TxDOT project > than \$10mm or any Non-TxDOT project. We further limit the SIB Loans to the following guidelines: 1) Limit of 10% of the SIB per project 2) Limit of 20% of the SIB per borrower 3) Limit of 50% of the SIB for loans to be re-paid with project revenues



# Most Frequent Borrowers



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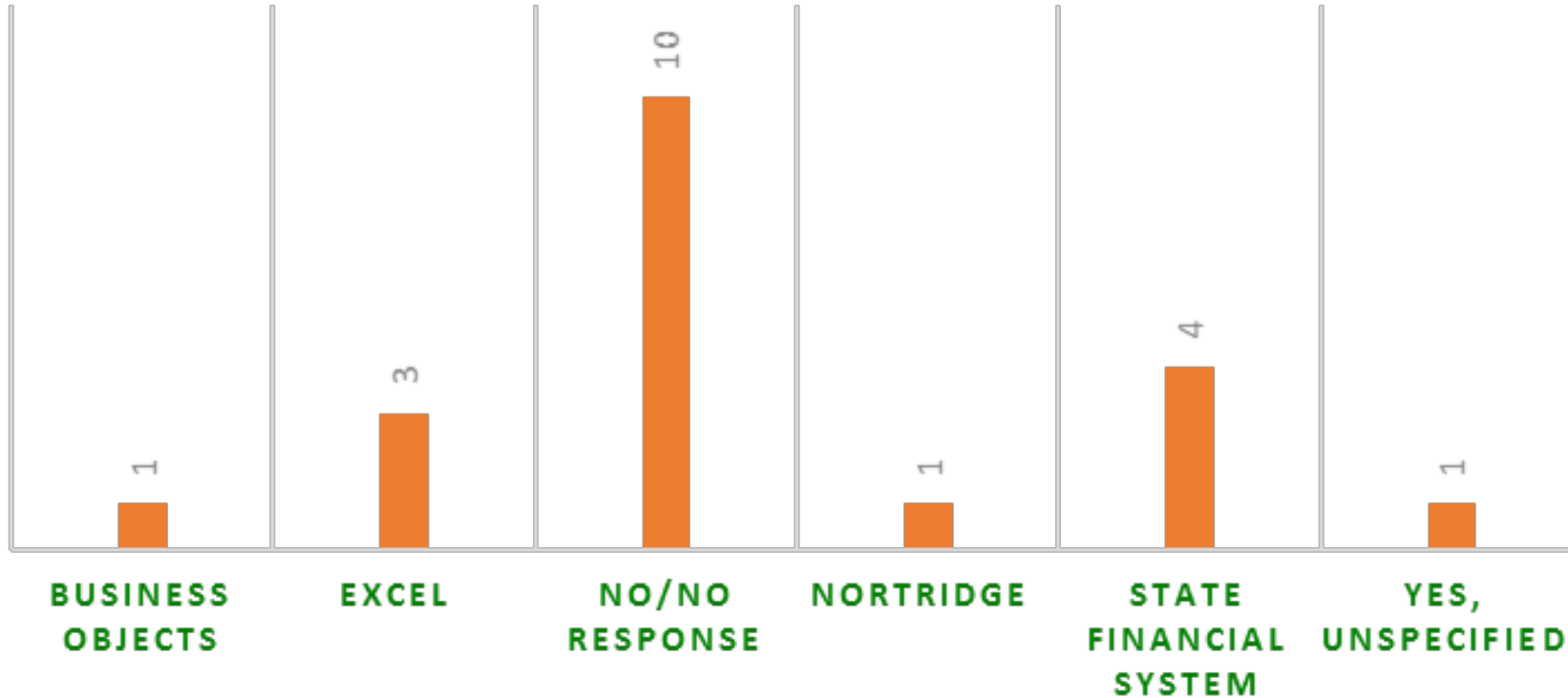


# Types of Credit Analysis on prospective borrowers

- *Half (10/19) of the respondents did not report any types of credit analysis.*

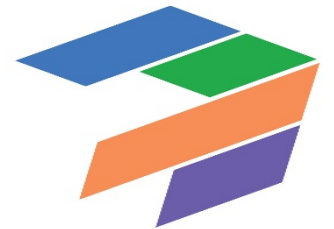
<u>State</u>	<u>Response</u>
CO	CDOT uses an external financial advisor to review borrower responses on the application, as well as our internal SIB Committee, and CDOT staff.
FL	Certified Annual Financial Reports (CAFR), debt service coverage ratios, historical revenue analysis, personal guarantees, rating analysis, asset based financing, collateral, sinking funds, debt service reserve accounts, etc...
MI	Nothing formal but the State reviews the applicants Act 51 distribution amounts (State law that distributes transportation funds to counties and local agencies...) outstanding SIB loans, and project terms.
MN	After MnDOT certifies project eligibility, the Minnesota Public Facilities Authority (PFA) requires that the applicant provide a TRLF loan application for underwriting review, including annual audit reports, estimated project costs, anticipated repayment source, and existing debt service requirements. Subject to PFA underwriting approval, loan funding requires the applicant provide its G.O. Note as commitment support for a term consistent with the loan maturity.
MO	If the entity is rated by a rating company (Standard & Poor's), MoDOT staff uses this rating. If the entity is Not rated, MoDOT staff uses an interest rate criteria to determine a rating by reviewing the times coverage, additional dedicated revenue and term of the loan. MoDOT staff also reviews the application and financial statements in detail before approving the loan.
OH	ODOT Financial Advisor reviews application to determine borrower's ability to repay loan, financial statements required for application package. ODOT Financial Advisor provides recommendation. Application presented to SIB Loan Committee and is Approved, Disapproved, or Approved with Modifications.
TX	Every loan receives a legal and financial analysis to determine ability to repay - and continued monitoring of the borrower during the loan term.
VA	The analysis is part of larger efforts for projects procured as Public-Private Transportation Projects. By direction in the Code of Virginia, the SIB loan is only available to a private operator as provided for in the Public-Private Transportation Act of 1995 (as amended).
VT	Municipal Application: Cash flow availability, municipal backing If private: Same underwriting as commercial loans. This includes additional analysis of financial viability of business and the product. If private: Same underwriting as commercial loans. This includes additional analysis of financial viability of business and the product.

# DOES YOUR SIB USE ANY SPECIFIC SOFTWARE TO TRACK LOANS?



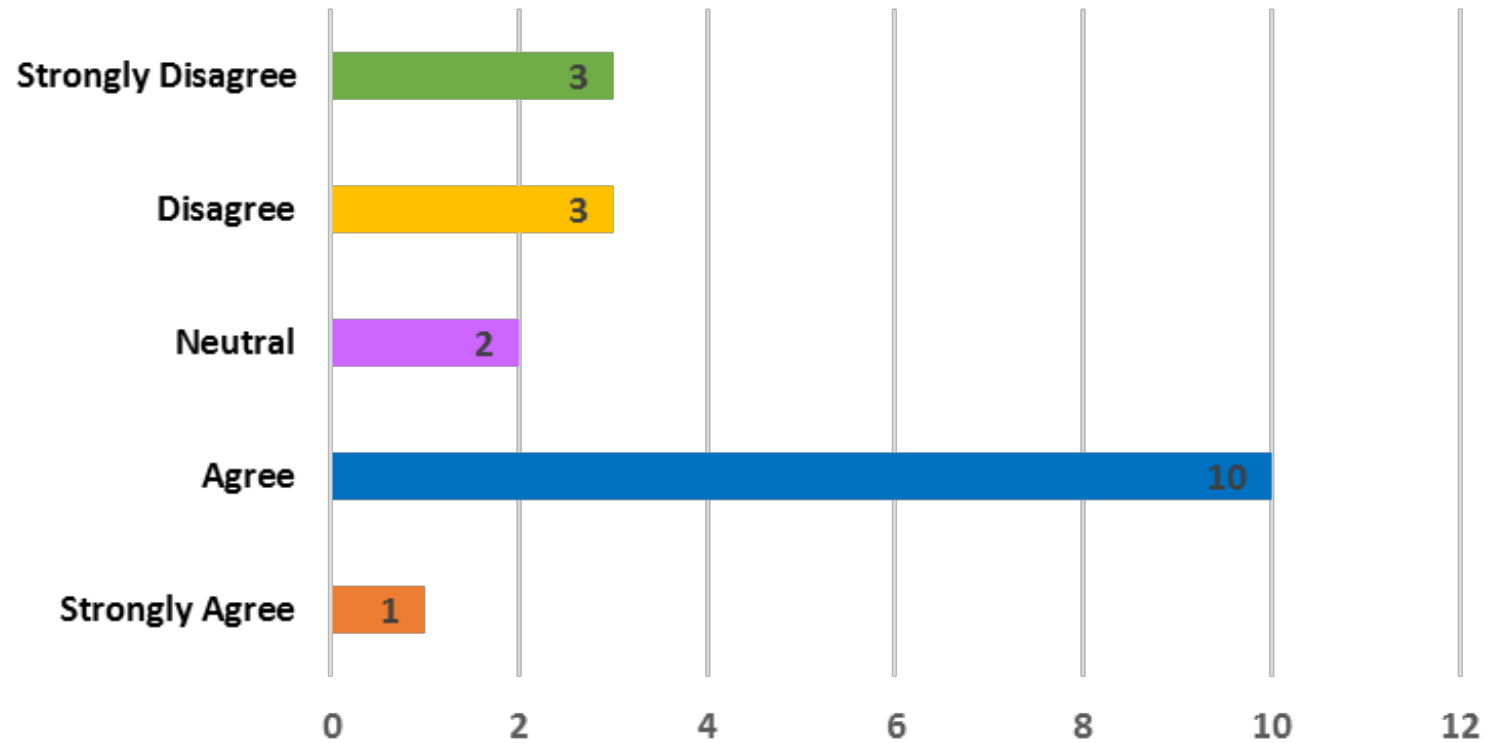
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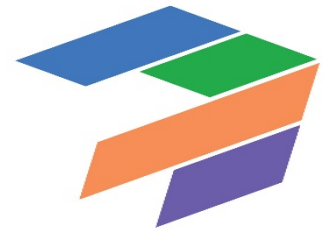
# SIB HEALTH CHECK

## My SIB is Active

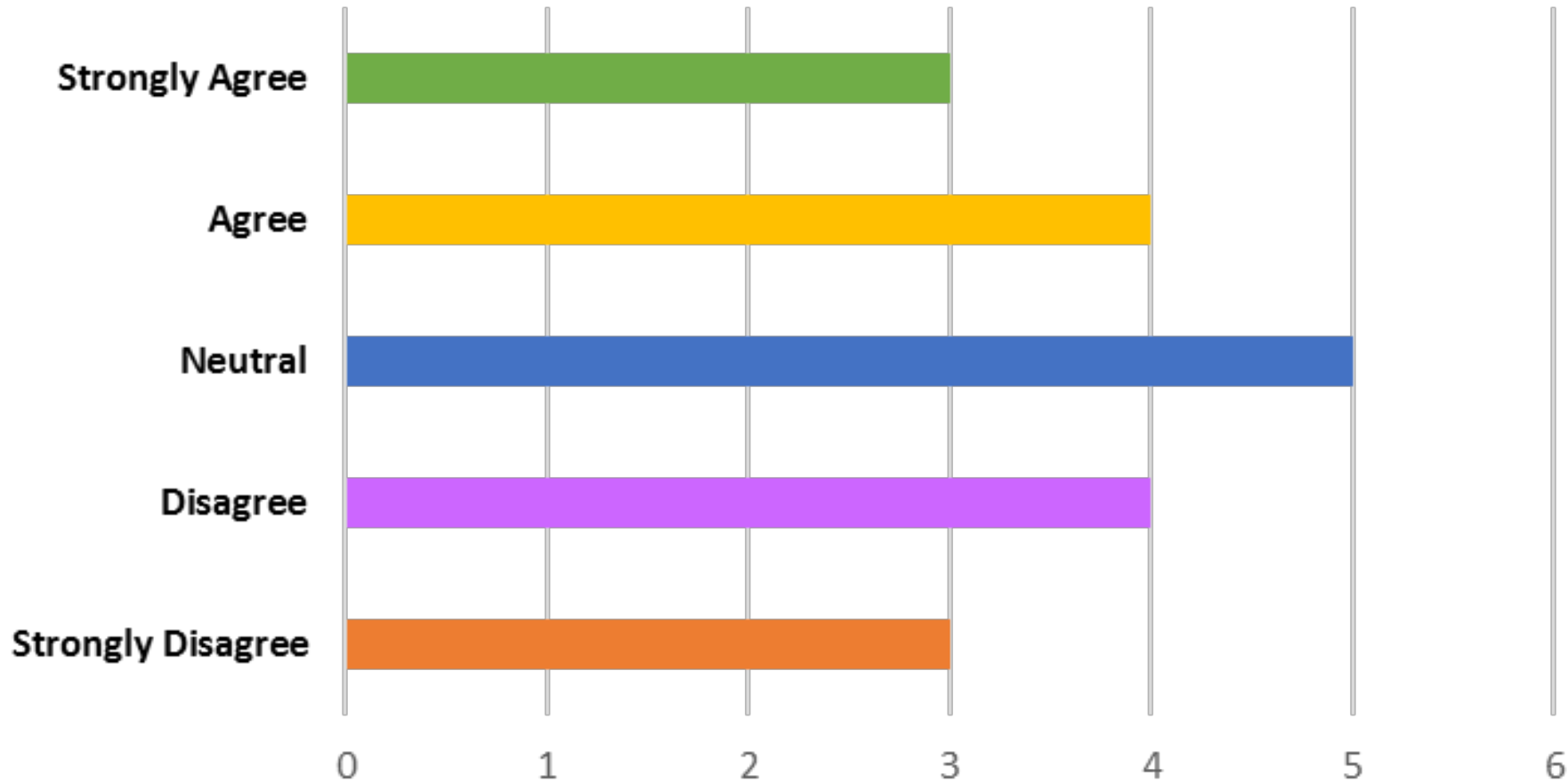


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# My DOT Actively Promotes the SIB



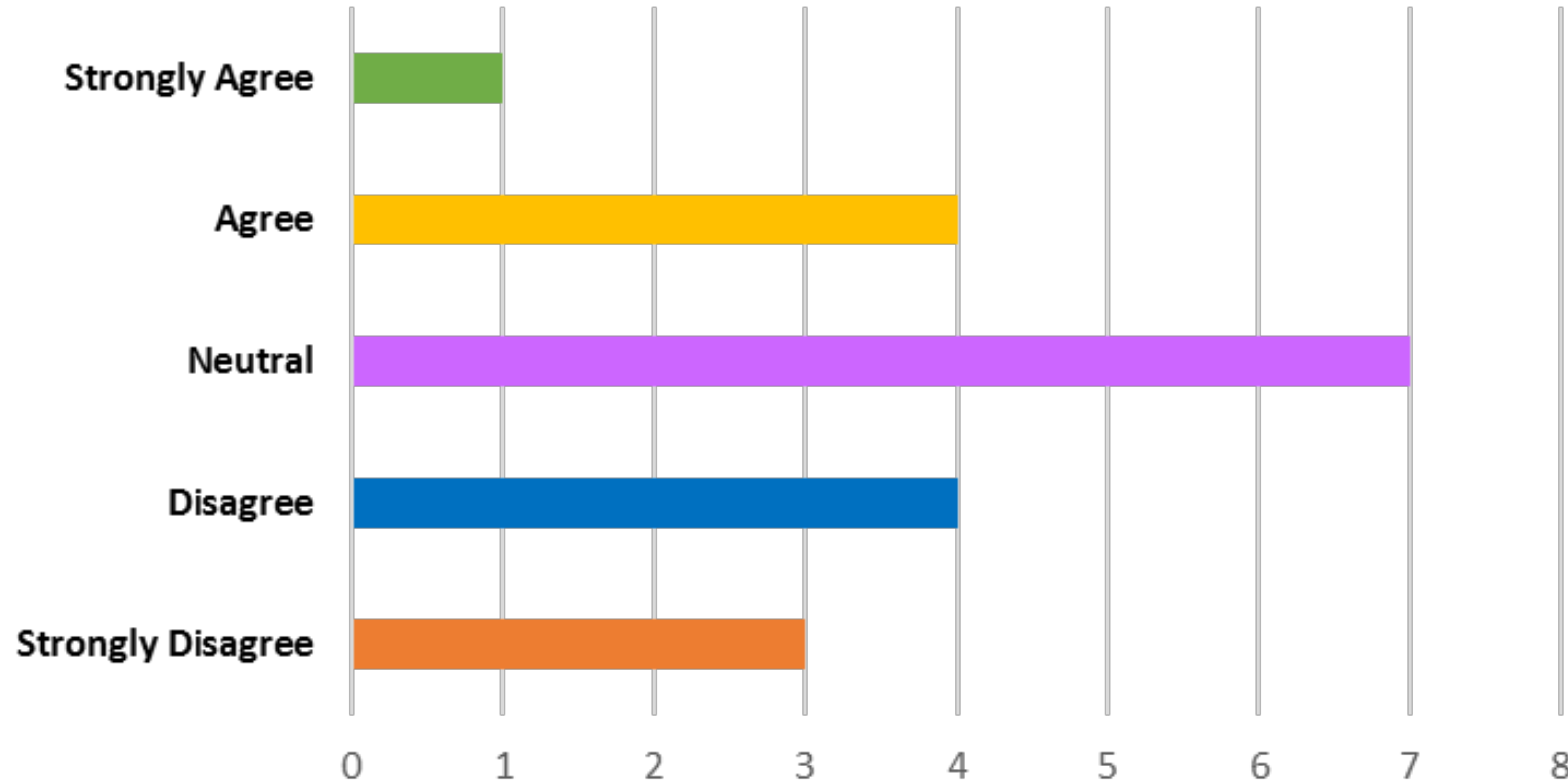
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# Do Local Public Agencies know about the SIB?

## LPA's in my state know about SIB



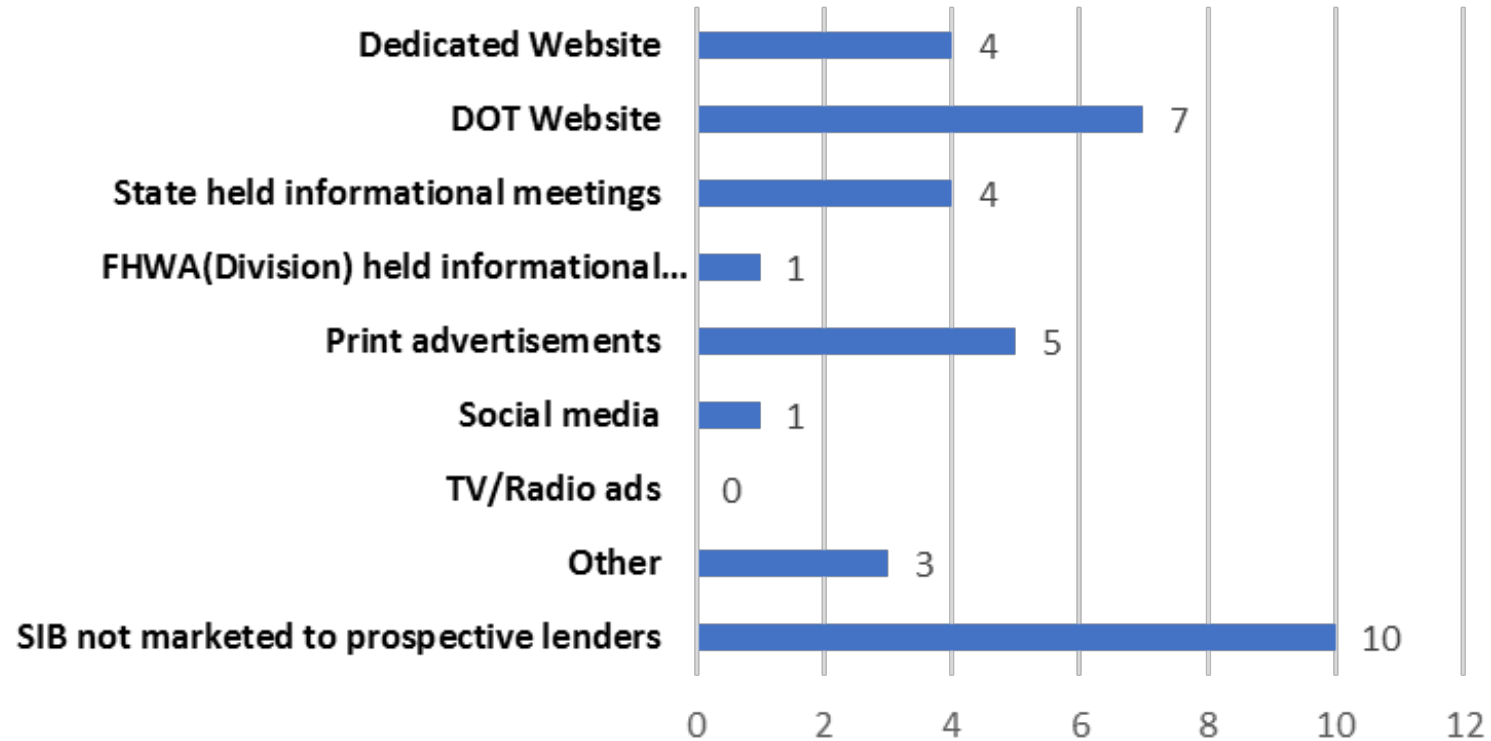
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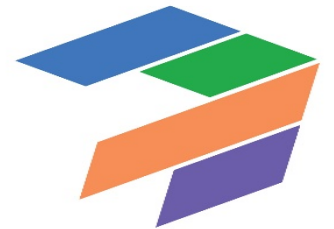
# Marketing Strategies

## My SIB is Marketed Through:

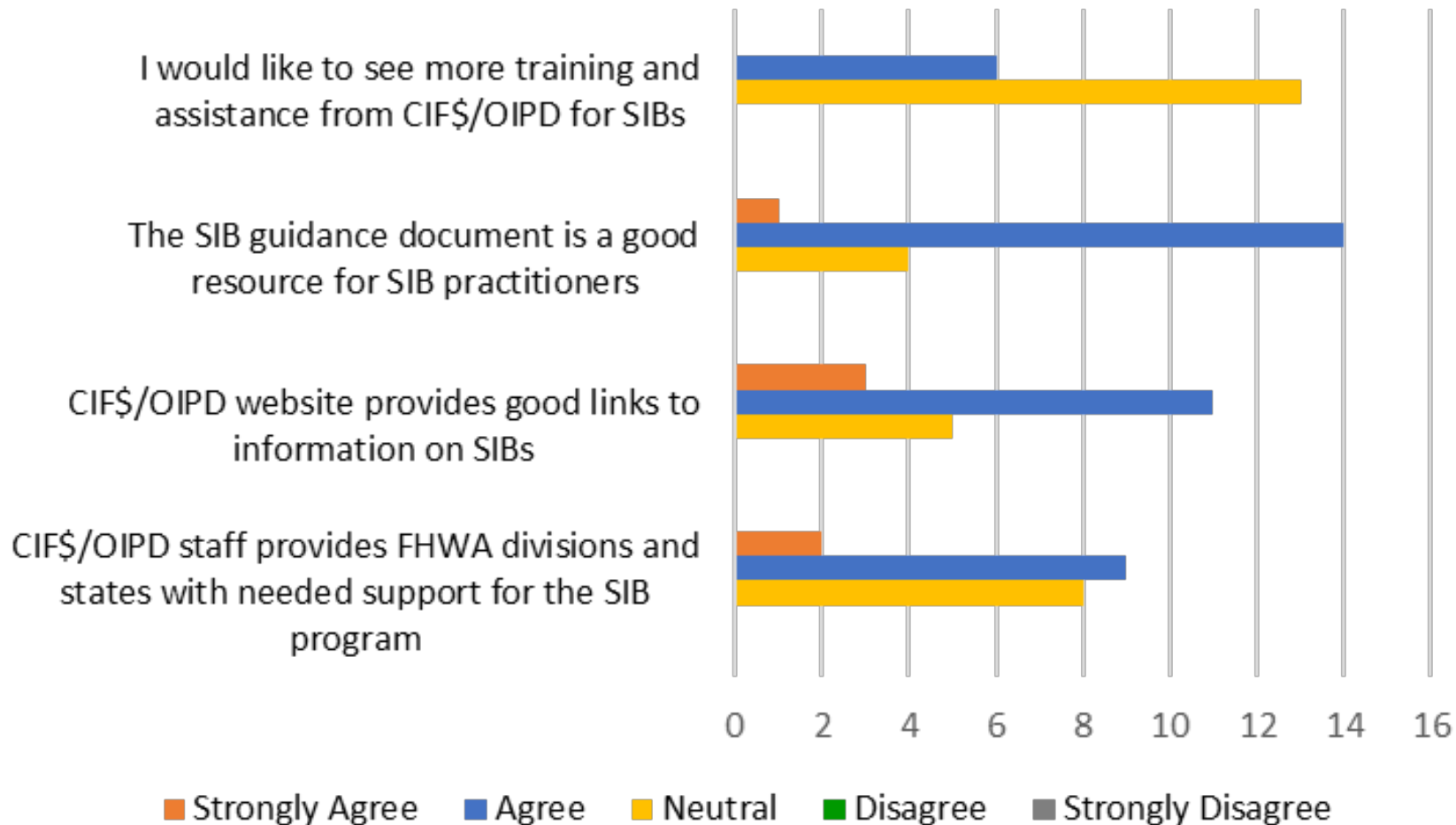


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# What can CIF\$ do to help you and your SIB?



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Thank you to all the FHWA Divisions and State DOT partners that took the time to reply to this survey! Your responses will help us provide valuable technical assistance and promote innovative financing tools, like the SIB, to all users.



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