The Build America Bureau

Delivering More in an Era of Less: An Introduction to Innovative Financing and Targeted Technical Assistance

2019 AMPO Annual Conference
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

~40% of county roads are inadequate for travel
38,000 rural bridges are in “poor” condition
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
2.08% for a 35-year loan (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