



MAP-21 and Transportation Financing under the TIFIA Credit Program



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What is TIFIA?

- ❑ The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) program was originally authorized under the Transportation Equity Act for the 21st Century (TEA-21).
- ❑ TIFIA provides credit assistance --loans--for qualified projects of regional and national significance.
- ❑ The TIFIA credit program is designed to fill market gaps and leverage substantial co-investment by providing supplemental and subordinate capital. TIFIA can finance up to 49 percent of eligible project costs.
- ❑ TIFIA can offer attractive borrowing rates with flexible terms. For example, the maximum maturity is 35 years after substantial completion.



Moving Ahead for Progress in the 21st Century Act (MAP-21)

- ❑ The recently enacted surface transportation bill, known as MAP-21, provided \$1.7 billion in funding over two years for the TIFIA credit assistance program,
 - Funding has increased from \$120 million in FY2012, making it the largest transportation infrastructure finance fund in the Department's history.
 - The Department estimates that each dollar of federal funds can provide approximately \$10 in TIFIA credit assistance, meaning \$17 billion in loans through TIFIA, which in turn can leverage \$20-\$30 billion in transportation infrastructure investment.
 - Altogether, the expanded federal loan program could result in up to \$50 billion in Federal, state, local and private sector investment for critical transportation projects across the country.
- ❑ Notice of funding availability released on July 27, 2012 outlines TIFIA eligibility and application process in light of MAP-21.



What kinds of projects are eligible for TIFIA?

- ❑ DOT is able to provide TIFIA credit assistance across a broad range of project types:
 - Highway
 - Transit
 - Passenger Rail
 - Freight Rail Facilities
 - Certain Intermodal Projects including those that facilitate direct intermodal transfer and access into and out of port terminal
 - Intelligent transportation systems
 - International Bridges and Tunnels
 - Groups of related eligible transportation projects secured by a common pledge

- ❑ Projects need a revenue stream or dedicated source of funding to repay the loan.



Changes to the TIFIA program under MAP-21

- ❑ In addition to the change in the funding level, MAP-21 made a number of changes to the TIFIA program. Some of the changes include:
 - Rolling admissions process. Letters of interest can be submitted at any time.
 - Increased coverage of eligible costs. MAP-21 increases the maximum amount of a loan for a project to 49 percent of a project's eligible costs. For a TIFIA line of credit the maximum remains at 33 percent. Project must justify the need for greater than 33 percent.
 - Removal of discretionary selection criteria. MAP-21 eliminates the statutory selection criteria and replaces it with eligibility criteria such as creditworthiness, and readiness to proceed.



How to apply for TIFIA

Step 1 Project sponsors should submit a letter of interest (LOI) using the form available on TIFIA's website. LOIs may be submitted at any time.

Step 2 Letters of interest must demonstrate satisfaction of MAP-21's eligibility requirements.

Step 3 DOT will review LOIs and request further information as necessary.

Step 4 Upon completion of the review and a determination of eligibility, DOT will invite an application for credit assistance.

- ❑ With a rolling application process, DOT encourages projects to submit a LOI when the project is able to provide sufficient information to satisfy statutory eligibility requirements such as creditworthiness and readiness to proceed.



TIFIA Portfolio

- ❑ Demand for TIFIA in recent years has exceeded the available funding. In 2012 the Department received 26 LOIs exceeding \$13 billion. Requests in 2010 were more than \$12 billion and more than \$14 billion in 2011.
- ❑ TIFIA program has used \$9.8 billion in funding to leverage more than \$38.1 billion in private and other capital to build 28 major transportation projects around the country. Examples of TIFIA projects include:
 - Crenshaw/LAX Transit Corridor Project, California
 - DART Orange Line, Texas
 - Transbay Transit Center, California
 - Port of Miami Tunnel, Florida





Crenshaw/LAX Transit Corridor, California

- Located in Southwest Los Angeles, the Crenshaw/Los Angeles International Airport (LAX) Transit Corridor Project (the “Project”) consists of the construction of an 8.5-mile light rail transit (LRT) line. Project will also include a minimum of six transit stations, the procurement of a minimum of 20 light rail vehicles, and the construction of a full service maintenance facility.
- Sponsored by Los Angeles County Metropolitan Transportation Authority, the Project is being developed in partnership with the Crenshaw Project Corporation (the “Project Corporation”), a State of California nonprofit mutual benefit corporation.
- Total Project Cost of approximately \$1.6 billion. Funding sources will include the TIFIA loan and innovative financing backed by the voter approved Measure R sales tax.
- TIFIA Assistance: Funds awarded during TIGER II will be used to support a direct loan of \$546 million, to be repaid with sales tax revenue.
- Loan closed in October 2012





DART Orange Line, Texas

- The project will complete the final segment of a 14.5-mile light rail link from Downtown Dallas to Dallas-Fort Worth International Airport (DFW), including a new station at DFW Terminal A. Project includes construction of DFW Terminal A Station, which includes the train platform, passenger walkways (including an underpass), and a bus transfer area. Project also links passengers to TEX Rail, a 36-mile commuter rail service from southwest Fort Worth to DFW scheduled for completion in 2016.
- Project has requested a \$120 million loan associated with \$397 million extension project. The TIFIA loan will be secured by a senior gross pledge on sales tax collected in DART's member cities. Additional funding will come from bonds and local funding sources.
- FY 2011 TIGER grant will cover credit subsidy costs of loan.
- Loan closing is estimated for Fall/Winter of 2012.





Transbay Transit Center, California

- The Transbay Transit Center Project will replace the Transbay Terminal—an existing facility in downtown San Francisco that serves local, regional, and intercity bus transit—with a new multi-modal transportation center. The terminal will centralize the region's transportation network by accommodating nine transportation systems under one roof. The project is consists of three components and is being developed in two phases:
 - replacing the outdated Transbay Terminal with a modern transit hub (Phase 1);
 - extending the Caltrain rail line for 1.3 miles, including a provision for future high-speed rail, and (Phases 1 and 2)
 - redeveloping the area surrounding the Transbay Transit Center with 2,600 new homes (35% affordable), parks, and a retail main street. (Phase 2)
- The TIFIA program provided the Transbay Joint Powers Authority (TJPA) with a direct loan for \$171 million, to be repaid over 34 years with a real estate tax increment. The San Francisco Redevelopment Agency will develop the project through competitive bid.
- Loan closed in 2010





Port of Miami Tunnel, Florida

- The Port of Miami Tunnel will improve access to and from the Port of Miami. Currently the Port is linked to the mainland only by the Port Bridge. Creating the tunnel alternative will: (i) improve access to the Port helping to keep it competitive and efficient, (ii) improve traffic safety in downtown Miami by removing cargo trucks and cruise line buses from congested city streets, and (iii) facilitate ongoing and future development plans in and around downtown Miami.
- The project is being developed as a public-private partnership with Miami Access Tunnel, LLC (MAT). The state will provide funding for the milestone payment to cover 50 percent of the costs, while the remaining 50 percent of the capital costs will be provided by the local governments.
- Total project cost of \$1.1 billion. Funding sources for total eligible costs included senior bank debt, the TIFIA loan, equity contribution, Florida DOT (FDOT) milestone payments during construction, and FDOT development funds.
- The TIFIA program provided FDOT, MAT, Miami-Dade County, and the City of Miami with a direct loan for \$341.5 million. Loan closed in 2010.



For More Information

Other MAP-21
Issues:
Map21@dot.gov

Additional
Information and
Letters of Interest:
[www.fhwa.dot.gov/
ipd/tifa](http://www.fhwa.dot.gov/ipd/tifa)

Please send
additional
questions:
tifiacredit@dot.gov

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