
New Jersey Infrastructure Bank

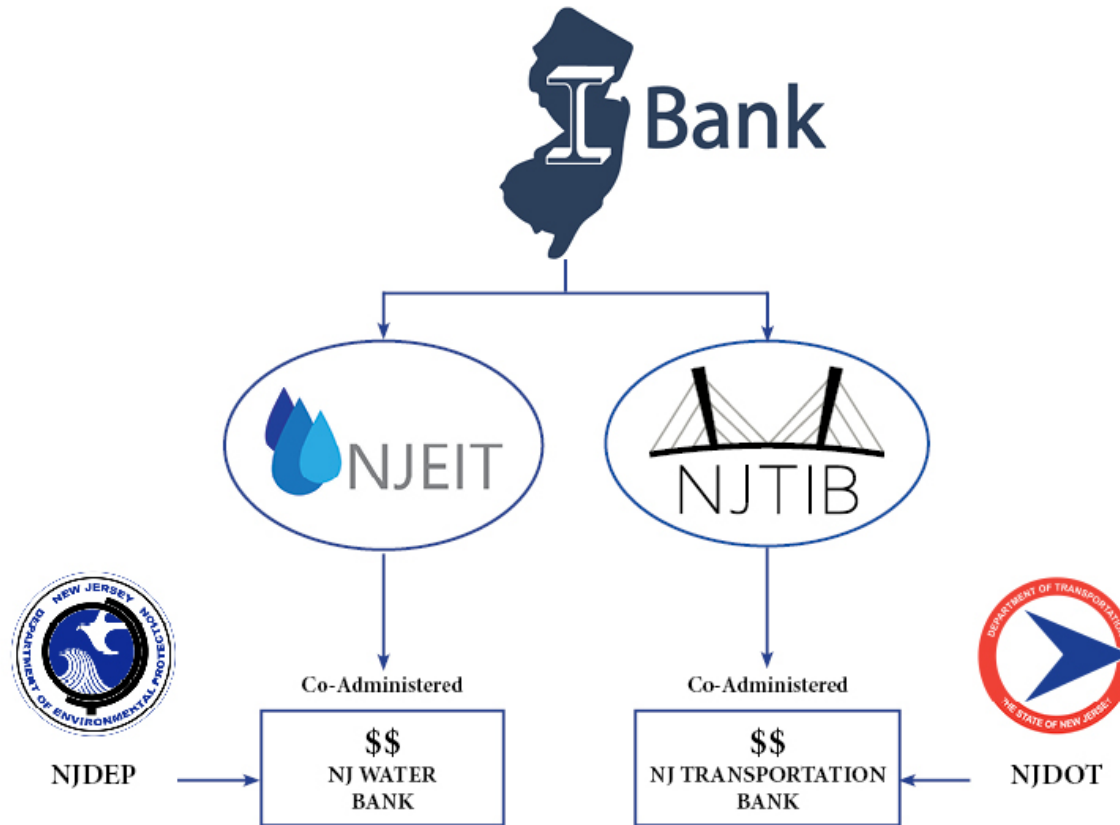
Innovation Council

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I Bank / DOT – NJ Transportation Bank

New Jersey Infrastructure Bank's Flow Chart



Mission - Provide and Administer low interest rate loans to qualified borrowers (counties, regional authorities, municipalities, and water purveyors) in New Jersey for the purpose of financing water quality and local transportation infrastructure projects.

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Local Transportation Projects –

- **Borrower Eligibility Requirement**

- Must be a Local Government Unit:
 - **County**
 - **Municipality**
 - Municipal, county or regional **Transportation Authority**, or
 - Any other **Political Subdivision** of the State...

Authorized to construct, operate, and maintain public highways or “Transportation Projects” as defined pursuant to the Act (*P.L. 2016, c.56*)



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Local Transportation Projects –

▪ **Project Eligibility Requirement** –

- Must meet definition of **Transportation Project** in (P.L. 2016, c.56) such as:
 - Public highways (*defined*),
 - Bridges,
 - Approach roadways and other necessary land-side improvements,
 - Ramps and Grade crossings,
 - Signal systems,
 - Roadbeds,
 - Transit lanes or Rights of Way,
 - Pedestrian walkways and Bridges connecting to passenger stations and servicing facilities,



Bank

- Must be identified on DOT's "**Project Priority List**" for the Legislature

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Project Approval Processes –

- ***Technical Process***
 - Program staff (DOT / consulting Engineer reviews design for compliance)
- ***Legal Process***
 - I-Bank Staff and Program Bond Counsel work w/ Sponsor and Counsel to ensure satisfaction of Public Finance Law requirements (well versed thru NJEIT)
- ***Credit Process***
 - Project Sponsor must provide guarantee to the I-Bank (secures repay obligation)
 - Bond must be backed by a General Obligation tax pledge (G.O.) from the LGU or a sponsoring LGU being served by the project sponsor to collateralize the loan
 - G.O. must be Investmt-grade Rated – (limited exceptions-e.g. private rating, QBA)



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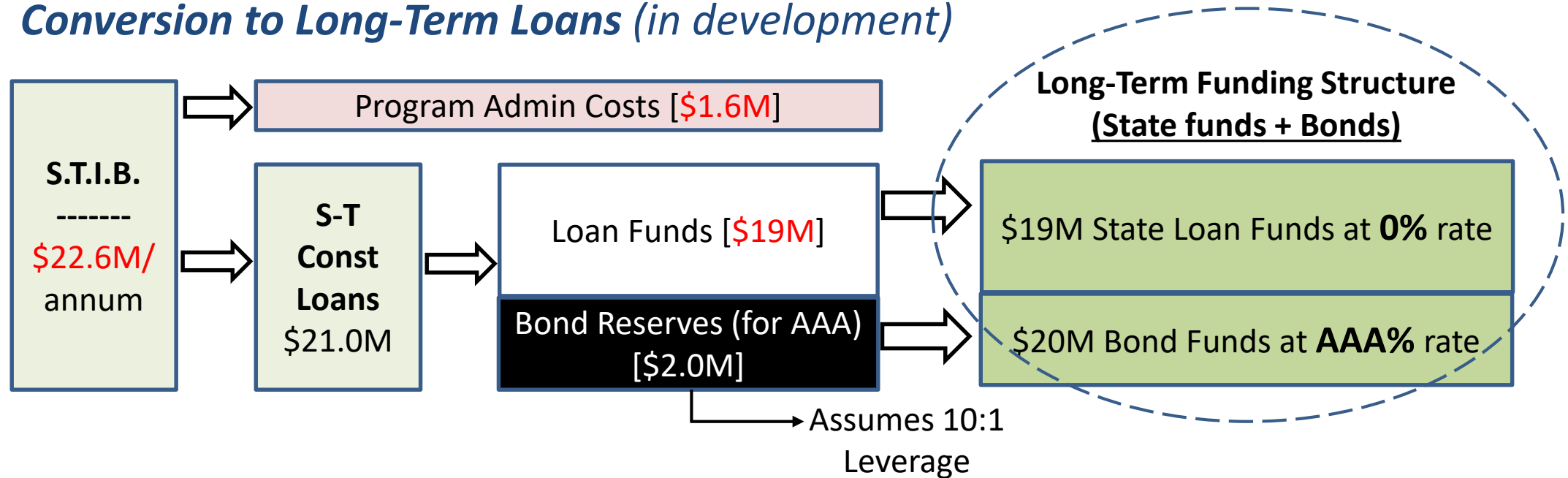
Financial Components –

- ***Borrowing Process – in development...***
 - Applications will be submitted – Rolling = **TBD**
 - Application Forms – Electronic application similar to NJEIT H2LOans = **TBD**
 - Short-Term Construction Loan (currently up to 3 full State fiscal years)
 - **funds Engineering, Planning & Design costs (architects, bond counsel, etc.)**
 - funds construction costs through to completion (take out w/ L-T loan)
 - *(like a Line-of-Credit; interest charged only on funds drawn for req's)*
 - Invoices required (cost-incurrence Program / not reimbursement)

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Financial Components – Bonding Program

- *Conversion to Long-Term Loans (in development)*



- Savings (Est.) from receiving 49% of funds at 0% for 35 yrs = at least **26-30%**

(lower rated LGUs save more)



Questions

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