

STATE INFRASTRUCTURE BANKS (SIBS) FACT SHEET

- Many State Departments of Transportation have used Federal Highway funding to create State Infrastructure Banks (SIBs), which are revolving loan funds for transportation projects
- Any private or public entity may apply for SIB credit assistance, as long as the project to be financed is eligible (see eligibility, below)
- The amount of assistance that can be provided depends on the size of the state's SIB. State SIBs vary widely in size, from under \$1 million to more than \$100 million
- SIBs can also provide loan guarantees for private loans, or a line of credit

SIB FEATURES AND POLICIES (SET BY STATE DOT)

- Underwriting/credit requirements
- Loan terms (length/term, repayment schedule, interest rates)
- Limitations on types of projects or applicants assisted

SIB ADVANTAGES TO BORROWERS

- Interest rate is set by the state (maximum at market rate, but typically below or even 0%)
- Maximum loan term is 35 years (though DOT will usually negotiate for less)
- State may be willing to take more risk than a commercial bank would for a project with significant public benefits
- A SIB loan can make a large project affordable. For example, a \$500,000 project could be financed with a ten year, 6% loan, with annual payments of \$41,000

PROJECT ELIGIBILITY

- Project must be eligible for federal aid under Title 23 or 49 of the United States Code
- In general, eligible projects include:
 - Highway projects such as roads, signals, intersection improvements, and bridges
 - Transit capital projects such as buses, equipment, and maintenance or passenger facilities
 - Bikeway or pedestrian access projects on highway right-of-way.
- If a project is eligible for CMAQ funding, it is also eligible for SIB assistance
- State DOT assesses projects and determines whether to provide credit assistance using SIB funding; United States Department of Transportation (Federal Highway Administration or Federal Transit Administration) will confirm eligibility if necessary

SIBS AND TRUCKING

- Only one trucking/emissions reduction project has been assisted by a SIB loan to date (New York's SIB loaned the NY Thruway Authority funds for a stationary idle reduction center). Trucking firms and truck-related programs can and should apply, however.

State Infrastructure Bank Loan Agreements by State
As of June 30, 2005

State	Number of Agreements	Loan Agreement Amount (\$000)	Disbursements to Date (\$000)
Alaska	1	\$2,737	\$2,737
Arizona	49	564,000	474,000
Arkansas	1	31	31
California	2	1,120	1,120
Colorado	4	4,400	1,900
Delaware	1	6,000	6,000
Florida	50	867,000	281,000
Indiana	2	5,715	5,715
Iowa	2	2,879	2,879
Maine	23	1,635	1,635
Michigan	33	22,207	22,207
Minnesota	17	102,776	96,447
Missouri	15	92,557	82,770
Nebraska	2	6,792	6,792
New Mexico	4	25,216	17,815
New York	10	27,700	27,700
North Carolina	2	1,713	1,713
North Dakota	2	3,891	3,891
Ohio	70	221,739	177,379
Oregon	19	34,394	25,052
Pennsylvania	62	39,000	24,000
Puerto Rico	1	15,000	15,000
Rhode Island	1	1,311	1,311
South Carolina	8	2,605,000	2,092,000
South Dakota	3	28,776	28,776
Tennessee	1	1,875	1,875
Texas	54	277,237	260,358
Utah	1	2,888	2,888
Vermont	2	1,975	1,300
Virginia	1	18,000	17,985
Washington	3	2,376	487
Wisconsin	3	1,813	1,813
Wyoming	8	77,977	42,441
TOTAL	457	\$5,067,730	\$3,729,017

Source: Innovative Finance Quarterly Newsletter
<http://www.fhwa.dot.gov/innovativefinance/ifq1101.htm>