

A **GUIDE** TO CREATIVE

TRANSPORTATION PROJECT FINANCING

Transportation investments change communities and lives, but coming up with the funding isn't easy. Honing your grantsmanship skills can help you find the funds to complete your transportation projects.

Check out a few of the different kinds of transportation grants and loans available:

GRANTS

Among the funding opportunities for enhancing, maintaining and upgrading multimodal systems and services for people and goods, the FAST Act authorizes new grants, combinations of programs and continuations of grants at different funding levels. Congress may appropriate funding above or below authorized levels.

NEW



BUS & BUS FACILITIES COMPETITIVE GRANTS

\$1.5 billion over 5 years

For replacing, rehabilitating, purchasing or leasing buses and related equipment and rehabilitating, constructing, purchasing or leasing bus related facilities

NEW



3 RAIL DEVELOPMENT GRANT PROGRAMS

\$2.2 billion over 5 years

1. Consolidated Rail Infrastructure and Safety Improvements (CRISI)
2. Federal-State Partnership for State of Good Repair
3. Restoration and Enhancement

NEW



NATIONAL HIGHWAY FREIGHT PROGRAMS

\$1.2 billion/year

Includes apportionment to States by formula for construction, operational improvements, freight planning and performance measures

NEW



FASTLANE COMPETITIVE GRANTS

\$900 million/year

For nationally and regionally significant freight and highway projects focused on ensuring the safe, efficient and reliable movement of freight

NEW



TRANSIT-ORIENTED DEVELOPMENT (TOD) PLANNING PILOT

\$10 million/year

For enhancing economic development, ridership and improving multimodal connectivity and accessibility; it must include private sector participation

COMBINED



TRANSPORTATION ALTERNATIVES PROGRAM (TAP)

\$850 million/year

For smaller-scale transportation projects including pedestrian, bicycling and environmental projects

EXTENDED



SURFACE TRANSPORTATION BLOCK GRANT PROGRAM (STBGP)

\$1.5 billion over 5 years

The FAST Act made more federal-aid highway dollars available to locally owned highways and bridges

Funds Grow Over Time

- 51% in 2016
- 52% in 2017
- 53% in 2018
- 54% in 2019
- 55% in 2020

EXTENDED



FIXED GUIDEWAY CAPITAL INVESTMENT GRANTS (CIG)

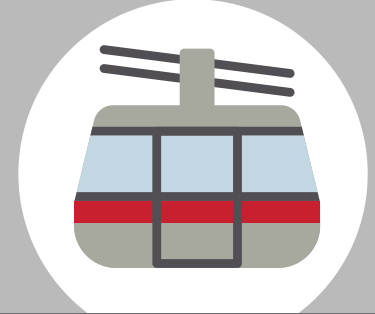
\$2.3 billion/year

The Federal Transit Administration's primary grant program for transit, including heavy rail, commuter rail, light rail, monorail, streetcars and bus rapid transit

4 Eligible Project Categories

1. New starts
2. Small starts
3. Core capacity projects
4. Programs of interrelated projects (1-3 combos)

EXTENDED



TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) DISCRETIONARY GRANT PROGRAM

\$500 million for 2016

- Capital funding to invest in road, rail, transit, bicycle/pedestrian, port and multimodal projects that have a significant impact on the nation, a region or a metropolitan area
- \$4.6 billion awarded since 2009
- 342 projects in all 50 States, D.C. and Puerto Rico

LOANS

Improvements have also been made to programs that help agencies leverage their funds with federal loans, loan guarantees and lines of credit.



TRANSPORTATION INFRASTRUCTURE FINANCE & INNOVATION ACT (TIFIA)

\$275 million in 2016

For projects of \$100 million or less, secured and payable from pledged revenues not affected by project performance; repayment begins within five years

Lower Cost Thresholds for

- Intelligent Transportation System (ITS) projects \$15 million
- Transit-Oriented Development project (TOD) \$10 million
- Rural infrastructure project or for capitalizing a rural project fund \$10 to \$100 million
- Local infrastructure project \$10 million

Available as

- Secured Loans
- Loan Guarantees
- Lines of Credit

Funds Grow Over Time

- \$275 million in 2016
- \$275 million in 2017
- \$285 million in 2018
- \$300 million in 2019
- \$300 million in 2020



RAILROAD REHABILITATION & IMPROVEMENT FINANCING (RRIF)

\$35 billion in direct loans and loan guarantees

Applies to freight, commuter rail and intercity passenger rail projects

- Low interest rates
- Flexible repayment terms

Eligible Projects

- Acquire, improve or rehabilitate intermodal or rail equipment or facilities, including track, track components, bridges, yards, buildings and shops
- Refinance outstanding debt incurred for the purposes listed above
- Develop or establish new intermodal or railroad facilities

Loan Terms

- Direct loans for up to 100% of the project cost
- Repayment periods up to 35 years
- Interest rates equal to U.S. Treasury rate for comparable-term securities, and a Credit Risk Premium is assessed as a percentage of the total loan amount and varies by the loan terms and overall risk of each unique transaction.
- Credit Risk Premium can be reduced with collateral, though collateral is not required
- Borrower pays an investigative fee for a financial advisor and outside counsel
- (The total investigative fee shall not exceed one half of one percent of the requested loan amount)

CONTACT

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With our extensive grantsmanship experience, HDR's Finance and Economics staff can help you successfully find and secure the right funding to meet your transportation project needs.

SOURCES

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- www.transit.dot.gov/grants/13070.html
- www.fhwa.dot.gov/fastact/factsheets/fastlanegrantsfs.cfm



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