

Program Benefits

Senior Debt Enhancement

TIFIA can be structured as junior-lien financing thereby enhancing the creditworthiness of senior-lien capital markets financing through greater debt service coverage.

Revenue Leverage

TIFIA can help the project leverage a new or untested revenue stream. This often benefits user-backed financings that involve start-up facilities with uncertain revenues expected to grow over time.

Co-investment

Public-private partnerships financed with TIFIA assistance can be an option for the Federal government to help a project complete its plan of finance (in lieu of more grants or debt).

Cost Savings

Financing and underwriting costs can be reduced in many instances due to lower interest rates and long maturities.

Payment Flexibility

TIFIA can structure debt service according to project cash flows and without prepayment penalties.

Community Support

By helping induce other public or private investors to participate, Federal financial support for the project can ease the way in securing commitments from other funding partners.

Project Acceleration

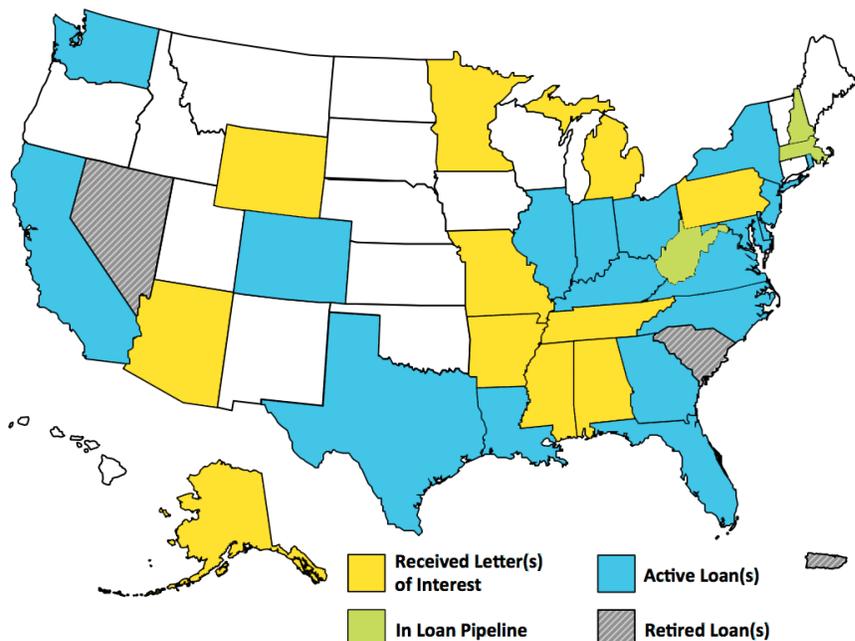
Reduced costs and flexible TIFIA repayment terms can allow projects to proceed more quickly than would otherwise occur without TIFIA assistance.

TIFIA Program Overview

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program seeks to advance critical transportation infrastructure nationwide by leveraging Federal, state, local, and private sector funding sources. TIFIA can finance many types of transportation infrastructure projects, including highway, transit, passenger rail, capital investments for intelligent transportation systems, certain freight and port facilities, surface transportation facilities at airports, as well as combinations of related transportation improvements of these types, and surface transportation projects in rural areas. The TIFIA program maximizes limited Federal resources to deliver large infrastructure investments. Historically, TIFIA has supported total infrastructure investment of approximately four times the amount of total credit assistance it has made available. Since program inception, TIFIA has approved 61 loans totaling nearly \$23 billion to stimulate over \$82 billion of transportation infrastructure investments throughout the United States.

Geographic Diversification

TIFIA has provided credit assistance to projects in 20 states, including the District of Columbia and Puerto Rico, and continues to receive letters of interest for projects in new states, allowing TIFIA to geographically diversify its portfolio. In the past two years, TIFIA approved its first loans for projects in Indiana, Ohio, and Delaware. With the FAST Act's improved credit access for rural projects as well as a streamlined review process for small projects, the TIFIA portfolio is expected to provide credit assistance to even more states and to key infrastructure projects.



Project Spotlight

Central Texas Turnpike System—Austin, TX (Highway): This project was composed of 65 miles of toll highways around Austin, and financed in part through a \$900 million TIFIA loan which was closed in July 2002. The project was completed in 2008 ahead of schedule and under budget, and due to exceptional operating performance, the TIFIA debt was retired in February 2015.

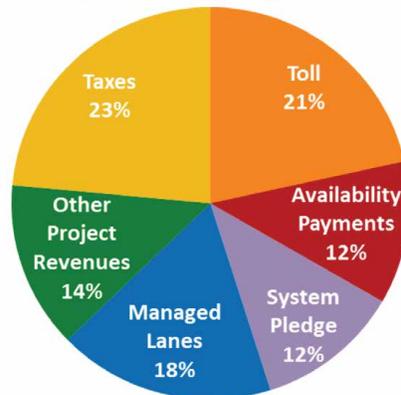
East Link Light Rail—Seattle, WA (Transit): The Department provided a \$1.33 billion loan to construct this 14.5 mile light rail line across the I-90 floating bridge between Seattle and Redmond. TIFIA credit assistance is estimated to generate up to \$300 million in additional financial capacity while reducing the risk of scope reduction and service delays.

Denver Union Station—Denver, CO (Intermodal): This project marked the first time that both TIFIA and the Railroad Rehabilitation and Improvement Financing (RRIF) program each provided credit assistance to a single project. Denver Union Station combines a regional bus terminal, a light rail station, and a commuter rail station. The \$145.6 million TIFIA loan and \$155 million RRIF loan facilitated the delivery of this signature transport station, stimulating economic development and transforming the area into a vibrant mixed-use community.

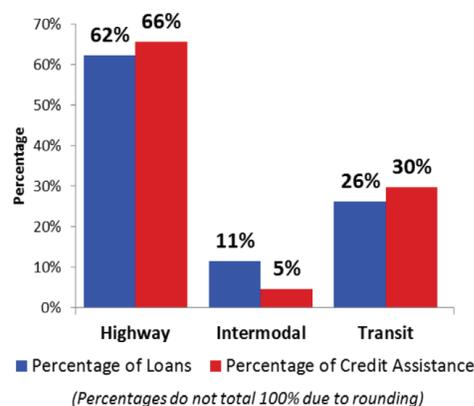
Portfolio Overview and Oversight

The Department continuously evaluates the overall risk of TIFIA loans in light of changes in the market and the overall economy, balancing the important goal of stimulating infrastructure investment with the need to be a prudent lender. The TIFIA program continues to approve loans for projects across various modes of transportation to a diverse group of project sponsors. The TIFIA program has been an integral part of P3s in the United States, with approximately one-third of the TIFIA program's portfolio funded as P3 projects. In addition, TIFIA's loan portfolio is secured by a diverse set of revenue pledges. To facilitate project delivery, TIFIA staff conducts thorough due diligence and negotiates credit agreement terms with the objective of maximizing protections of the federal investment. TIFIA monitors each project throughout the life of a loan to ensure repayment.

**Proportion of TIFIA Loans By Revenue Pledge
(as of December 31, 2015)**



**TIFIA Loans by Transportation Mode
(% of Active and Retired Loans)**



Project Sponsor Resource

Build America Transportation Investment Center

The Department's Build America Transportation Investment Center (BATIC), serves as a single point of contact and coordination for States, municipalities and project sponsors looking to utilize Federal transportation expertise, apply for Federal transportation credit programs and explore ways to access private capital in public private partnerships (P3s).

History

Since BATIC's formation in 2014, BATIC has increased the number of non-traditional DOT credit program applicants, most significantly TIFIA-eligible inside-the-gate port projects.

Benefits for Sponsors

BATIC has facilitated interdepartmental coordination for mega-projects that need to access multiple DOT credit programs. It is also providing project finance capacity building resources for states and municipalities in conjunction with the BATIC Institute: An AASHTO Center for Excellence, which include best practices papers, a P3 case study webinar series, and peer to peer exchanges on finance and development.

More Information

Please visit this website:
<https://www.transportation.gov/policy-initiatives/build-america/about-batic>



U.S. Department of Transportation