

RESOLUTION NO. 19-48

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING ISSUANCE OF A LETTER OF INTEREST WITH THE BUILD AMERICA BUREAU OF
THE UNITED STATES DEPARTMENT OF TRANSPORTATION**

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), is organized and existing under the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the “Act”); and

WHEREAS, the Act was amended effective January 2018 establishing the New Jersey Transportation Infrastructure Bank (the “Transportation Bank”) within the I-Bank authorizing the I-Bank to fund certain transportation infrastructure projects in partnership with the New Jersey Department of Transportation; and

WHEREAS, the Act establishes a federally-funded subaccount within the State Transportation Infrastructure Bank Fund to receive federal funds as a State Infrastructure Bank; and

WHEREAS, the I-Bank is authorized to enter a cooperative agreement with the Federal Highway Administration (“FHWA”) of the United State Department of Transportation (“USDOT”) for the purpose of establishing a State Infrastructure Bank (“SIB”) Program for the State of New Jersey and designating the I-Bank as the administrator of this SIB Program; and

WHEREAS, it is the desire of the I-Bank to apply for Transportation Infrastructure Finance and Innovation Act of 1998 (“TIFIA”) funds to finance Transportation Bank Projects that meet the definition of a “rural infrastructure project” as defined in 23 U.S.C 601 (a)(15); and

WHEREAS, TIFIA offers additional funds for rural infrastructure projects and at a rate of one-half the treasury rate providing a lower cost of funds for such projects than the public bond market; and

WHEREAS, pursuant to 23 U.S.C. 603(b)(9)(B) and 610(e)(3)(B), proceeds of the TIFIA loan used to make a loan to a Sub-borrower will not exceed 80% of the cost of carrying out the applicable rural infrastructure project; and

WHEREAS, pursuant to 23 U.S.C. 602(a)(1)(A), a party seeking TIFIA assistance is required to submit of a letter of interest (“LOI”) to the Build America Bureau (the “Bureau”) within FHWA as a prerequisite to submission of a credit application to present information about its organization and proposed projects.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Infrastructure Bank (the “Board”) that the Executive Director is authorized to submit a letter of interest to the Build America Bureau as a prerequisite to applying for TIFIA funds, in the form attached as Exhibit A and made a part hereof, with such immaterial modifications thereto as the Executive Director of the I-Bank shall approve.

Adopted Date: September 12, 2019

Motion Made By: Kimberly Holmes

Motion Seconded By: Mark Longo

Ayes: 6

Nays: 0

Abstentions: 0



Letter of Interest for RRIF and TIFIA Credit Assistance Fiscal Years 2018 - 2021

The Build America Bureau (the “Bureau”) administers the application processes for the Railroad Rehabilitation and Improvement Financing (“RRIF”) and Transportation Infrastructure Finance and Innovation Act of 1998 (“TIFIA”) credit programs. The Bureau has developed this form to be used as the letter of interest (“LOI”) to be used by persons seeking credit assistance from the Department.

Before submitting an LOI, however, a party seeking credit assistance from the Department should work with one of the Bureau’s project development leads, or “PDLs,” who will assist the party in determining project needs and the specific ways in which the Bureau can provide TIFIA and RRIF credit assistance. After a party has completed the initial consultation process with a PDL, and if the proposed project appears reasonably likely to be able to satisfy the eligibility requirements of the applicable credit program, the Department will request an LOI for the project.

A party seeking TIFIA credit assistance **must**, as required by 23 U.S.C. 602(a)(1)(A), submit an LOI to the Bureau as a prerequisite to submission of a credit application (“Application”). A party seeking RRIF credit assistance **is encouraged to** submit an LOI to the Bureau to present information about its organization and proposed project prior to submitting an Application. The Bureau may ask for additional supporting evidence, clarifying or quantifying details, or updates to previously submitted information at any time during the LOI review process.

Under the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is [2105-0569]. The Department estimates that it will generally take applicants fewer than twenty (20) hours to assemble a single RRIF or TIFIA LOI. A party seeking credit assistance under both Bureau programs may submit a single completed form for both credit programs, except under certain circumstances. The party submitting this form will be referred to herein as the “Applicant.” The party proposed to enter into the credit instrument will be referred to herein as the “Borrower.”

Additional information about the application process is included as Appendix 1 to this form.

DETAILED GUIDANCE WITH RESPECT TO SPECIFIC SECTIONS OF THIS LOI FORM IS AVAILABLE IN THE BUREAU CREDIT PROGRAMS GUIDE. THE CREDIT PROGRAMS GUIDE CAN BE DOWNLOADED HERE.

If you still have questions regarding how to complete this form, please contact the PDL assigned to your project or the Bureau at (202) 366-2300 or BuildAmerica@dot.gov.

Summary Information¹

Applicant Name: [New Jersey Infrastructure Bank \(“NJIB”\)](#)

Project Name: [NJIB Rural Projects Fund Capitalization Project \(the “Project” or the “NJIB RPF Cap Project”\)](#)

Project Location: [New Jersey rural areas](#)

TIFIA **Amount Requested:** \$ 74,900,000
Estimate of Eligible Project Costs: \$ 93,625,000
Credit Instrument Requested: [TIFIA direct loan](#)

RRIF **Amount Requested:** \$ [Click or tap here to enter text.](#)
Estimate of Eligible Project Costs: \$ [Click or tap here to enter text.](#)
Credit Instrument Requested: [Click or tap here to enter text.](#)

¹ Duplicate this box as necessary for master credit agreement requests.

**Letter of Interest for RRIF and TIFIA Credit Assistance** **Fiscal Years 2018 - 2021****Section A: Applicant Information**

Provide the following information about the Applicant.

Check this box **if the Applicant is different from the Borrower** and duplicate Section A to provide information for the Borrower, to the extent known.

1. Legal Name and Principal Business Address:

New Jersey Infrastructure Bank, 3131 Princeton Pike, Building 4, Suite 216 Lawrenceville, New Jersey 08648

2. Authorized Point of Contact: Provide the name, title, and contact information of the person authorized to be the point of contact for all matters related to this LOI.

- a. Name and Title: [David Zimmer, Executive Director](#)
- b. Email Address: dzimmer@njib.gov
- c. Telephone Number: [\(609\) 219-8600](#)
- d. Mailing Address (if different from principal business address) – include for both U.S. mail and courier purposes (*i.e.*, no P.O. Box) address:
[Click or tap here to enter text.](#)

3. Applicant Information.

- a. Chose an entity type: State Infrastructure Bank (TIFIA Only)
- b. If “Other”: [Click or tap here to enter text.](#)
- c. Freight railroads, please identify your revenue class: [Choose a Class.](#)
- d. Identify the date and place of incorporation or organization, legal and organizational structure, ownership structure, as applicable, and the state(s) or territory(ies) in which the Applicant does business. Provide a hyperlink to the Applicant’s web site, if available:
[The NJIB, originally organized in August of 1986 as the “New Jersey Wastewater Treatment Trust”, is a public body corporate and politic with corporate succession, constituted as an instrumentality of the State of New Jersey \(the “State”\), exercising public and essential government functions, and organized and existing under and pursuant to the NJIB Act \(N.J.S.A. 58:11B-1 et seq., the “Act”\). For the purpose of complying with Article V, Section IV, Paragraph 1 of the State Constitution, the NJIB is allocated within, but is independent of any supervision or control by, the New Jersey Department of the Treasury. <https://www.njib.gov/>](#)
- e. Provide an organizational chart showing the leadership structure as Attachment A-1. List financial, legal, and other advisors for the Project, as applicable.

4. If the Applicant is different from the Borrower, explain why the Applicant is submitting this form instead of the Borrower:

[Click or tap here to enter text.](#)

TIFIA Applicants Only**5. Private entities seeking TIFIA credit assistance** must provide the name, and a brief description of, the public entity sponsoring the Project for state/local planning purposes. See Section B.5 for more information.

[Click or tap here to enter text.](#)

**Letter of Interest for RRIF and TIFIA Credit Assistance** **Fiscal Years 2018 - 2021****RRIF Joint Venture Applicants Only**

6. If you selected “Joint Venture” in Section 3.a, provide the following information about the Joint Venture party that is eligible to apply for a RRIF loan (referred to in this section as the “JV eligible applicant”). See the Credit Programs Guide for more information.
- Identify the legal name and principal business address of the JV eligible applicant:
[Click or tap here to enter text.](#)
 - Identify the JV eligible applicant’s entity type:
[Choose the JV eligible entity type.](#)
 - Identify the date and place of incorporation or organization, legal and organizational structure, ownership structure, as applicable, and the state(s) or territory(ies) in which the JV eligible applicant does business.
[Click or tap here to enter text.](#)
 - Provide a hyperlink to the JV eligible applicant’s web site, if available. [Click or tap here to enter text.](#)
 - Provide an organizational chart showing the leadership structure of the JV eligible applicant as Attachment A-2. List financial, legal, and other advisors for the Project, as applicable.
[Click or tap here to enter text.](#)
 - Provide the name, title, and contact information of the person authorized to be the point of contact for all matters related to this LOI.
[Click or tap here to enter text.](#)
 - Describe the nature of the Joint Venture relationship and any documentation supporting the existence of the Joint Venture relationship.
[Click or tap here to enter text.](#)
 - If your Joint Venture includes parties other than the Applicant and the JV eligible applicant, please describe them here.
[Click or tap here to enter text.](#)

Section B: Project Information

Check this box if requesting a **master credit agreement** and duplicate this Section B for each project to be covered under the master credit agreement. For information about master credit agreements, see the Credit Programs Guide.

TIFIA State Infrastructure Bank Projects: Check this box if the Borrower will be a state infrastructure bank (SIB) seeking to capitalize or fund a rural projects fund with the proceeds of a secured TIFIA loan. See the Credit Programs Guide for more information about SIB projects. SIB Borrowers must provide the information required of this Section B for each project that the SIB anticipates offering a loan.

1. **Project Name.** Assign a short name to the Project, for purposes of identification.

[NJIB RPF Cap Project](#)

2. **Project Location.**

- Describe the location of the Project. Wherever possible, identify: each city and/or county, Metropolitan Statistical Area (MSA), if applicable, and state in which the Project is located; the cities and/or counties and MSA that the Project will serve; any major highways, rail or transit routes intersecting the Project; and the Congressional districts impacted by the Project. If the Project will cross state lines, please provide the above information for each state impacted.

[All projects will be located in and sponsored by either counties, municipalities or regional transportation authorities in New Jersey \(each a “Sub-borrower” and, collectively, “Sub-borrowers”\), and each project will constitute a “rural infrastructure project” as defined in 23 U.S.C. 601\(a\)\(15\).](#)

- Attach a vicinity map showing the Project’s location, impacted cities and/or counties and states, and all major highways, rail or transit routes as Attachment B-1. Provide a high-level map of the Project showing major design



Letter of Interest for RRIF and TIFIA Credit Assistance **Fiscal Years 2018 - 2021**

elements as part of Attachment B-1.

[Click or tap here to enter text.](#)

- c. Check this box if the Project is a surface transportation project located wholly or partially outside of an urbanized area with a population greater than 150,000 individuals, as determined by the U.S. Census Bureau. Provide information about the rural area in which the Project will be implemented and the population as determined in the latest Census.

[Attachment B-1](#)

3. Eligible Project Costs.

a. Provide an estimate for each of the total Project costs and the eligible Project costs, inclusive of any project development activities, professional services, and financing costs, as applicable, and including costs incurred to date:

[Approximately \\$93,625,000 in total rural project costs expected to be funded for multiple Sub-borrowers for rural infrastructure projects in the State. \\$74,900,000 in TIFIA loan proceeds to be utilized, in the first instance, to capitalize a rural projects fund and then applied to pay up to 80% of the eligible project costs of such rural infrastructure projects.](#)

[See the Credit Programs Guide for a discussion of eligible costs for each credit program. Capitalizing a rural projects fund is an “eligible project cost” pursuant to 23 U.S.C. 601\(a\)\(2\)\(D\).](#)

b. Provide a high-level Project budget as Attachment B-2 that identifies the eligible project cost associated with all major work activities. If you are requesting that the Department include as an eligible project cost those project development or right-of way acquisition costs incurred or anticipated to be incurred prior to submission of an Application for Bureau credit assistance, those costs, per each work activity, should be separately identified in the Project budget. [N/A](#)

4. Project Description.

- a. Provide a detailed Project scope, inclusive of all major functional elements and operations and maintenance. Describe all features to be constructed. Identify the anticipated useful life of the Project, the method of Project delivery, and the name of the entity or entities responsible to implement the Project.

[In 2016, the Act was amended to authorize NJIB to establish and operate the New Jersey Transportation Infrastructure Financing Program \(the “Transportation Financing Program”\). State legislation appropriated \\$22.6 million for each of the State fiscal years 2018 and 2019 and authorized funding for an additional five years \(State FY 2020 to 2024\) to fund the Transportation Financing Program. Pursuant to the Act, the NJIB is authorized to issue transportation project loans to Sub-borrowers in both urban and rural areas of the State. Pursuant to Section 20.2 of the Act, the State Commissioner of Transportation \(the “Commissioner”\) is required to develop a priority system for transportation projects for each State fiscal year and to set forth a Transportation Financing Program Project Priority List \(the “Project Priority List”\) for funding by the NJIB for each fiscal year. The Project Priority List shall include the aggregate amount of funds of the NJIB to be authorized for these purposes, a description of each project and an explanation of the manner in which projects are ranked. The Project Priority List for the ensuing fiscal year must be submitted to the State Legislature on or before January 15 of each year. In addition, the Project Priority List for any fiscal year may be amended and resubmitted no more than 4 times during the year. In practice, the NJIB resubmits an Amended Project Priority List each quarter. For the Transportation Bank SFY2020 January Report and Project Ranking Methodology, please see:](#)

<https://cdn.njib.gov/njtib/publications/sfy2019/January-Report.pdf>. For the most recent quarterly SFY2020 Amended Transportation Bank Project Priority List, please go to:
<https://www.njib.gov/nj/Transportation+Bank+Program+Publications.27>

[Pursuant to the terms of the Cooperative Agreement expected to be executed by and between the NJIB and FHWA in early Fall 2019 \(the “Cooperative Agreement”\), a federally funded subaccount \(the “Account”\) will be established to serve as the State’s SIB pursuant to 23 U.S.C. 610. The SIB shall be held and administered by the NJIB.](#)



Letter of Interest for RRIF and TIFIA Credit Assistance **Fiscal Years 2018 - 2021**

The NJIB wishes to apply the proceeds of the TIFIA loan to capitalize a rural projects fund (the “Rural Projects Fund”) within the SIB to specifically target NJ rural transportation projects. Once capitalized, the Rural Projects Fund will on-lend funds to qualified rural projects which are located in rural areas of the State and sponsored by qualified Sub-borrowers. Each project will constitute a “rural infrastructure project” as defined in 23 U.S.C. 601(a)(15).

As described in attachment Y under “Eligible Projects”, the Rural Projects Fund will provide loans for capital projects which will be limited to surface transportation projects as set forth in 23 USC 601(a)(12).

As described in attachment Y under “Sub-borrower Representations and Loan Covenants” each Sub-borrower will be responsible for, and will make covenants relating to, among other things, implementing the project, operating and maintaining the project in good repair and securing and maintaining requisite insurance coverages. The projects will be delivered via traditional DBB or DB method of procurement.

- b. Provide a link to the Project web site, if any: <https://www.njib.gov/njtib>
- c. Provide a high-level Project schedule, including milestones related to: planning, environmental review, design, procurement, construction, start of revenue service and anticipated receipt of any Federal financial assistance, including the credit instrument requested. Indicate the status of the Project within the schedule.
The Rural Projects Fund will fund a pool of rural projects at different stages of development and implementation; environmental review will be done on a project by project basis. NEPA compliance, as well as compliance with all federal requirements, will be a condition precedent to disbursement of TIFIA funds from DOT to the SIB and from NJIB, as the administrator of the SIB, to Sub-borrowers.
- d. Check this box if the Project is anticipated to be delivered as a **public-private partnership**. Describe the value-for-money (or comparable) analysis undertaken before deciding to advance the Project as a public-private partnership. [Click or tap here to enter text.](#)
- e. If you are requesting expedited processing, explain why your Application and Project are suitable candidates for expedited processing. See the Credit Programs Guide for more information.
[Click or tap here to enter text.](#)
- f. Identify all entities that are anticipated to contribute funding, real property, design or construction of discrete elements of Project scope, or other valuable consideration to the Project. Identify all entities currently entitled or anticipated to be entitled in the future to utilize the Project after substantial completion and the anticipated level of usage and maintenance responsibilities. Provide documentation and evidence of such contributions as Attachment B-3.
The project details (Sub-borrowers, funding contributions and roles) will be determined on a project by project basis. The proposed TIFIA loan will be utilized, in the first instance, to capitalize the Rural Projects Fund and then applied to pay up to 80% of the eligible project costs of rural infrastructure projects. NJIB will fund the required 20% match through a portion of its annual State appropriation (\$22.6 annually) and municipal borrowing. Attachment C includes the proposed flow of funds diagrams for further details.
- g. Provide conceptual design plans for all Project elements as Attachment B-4. [NJIB will review the design plans of each individual project.](#)

5. Transportation Planning and Programming Process Approvals. Indicate whether the Project has been included in the long-range transportation plan, the metropolitan transportation improvement program (TIP), and the approved statewide transportation improvement program (STIP) of each state affected by the Project. Information relating to state freight plans and state rail plans should also be discussed. Provide any supporting documentation as Attachment B-5. **Only the cover page and project page for each document should be provided.**
[Each Sub-borrower project that is funded from proceeds of the TIFIA loan will have been included in the approved Statewide transportation improvement program \(STIP\) of New Jersey.](#)

6. Environmental Review. Describe the status of the Project’s environmental review. If known, identify the lead federal agency and lead local agency responsible for the environmental review. If completed, identify the final environmental decision document for the Project and attach as Attachment B-6.



Letter of Interest for RRIF and TIFIA Credit Assistance Fiscal Years 2018 - 2021

FHWA will be the lead agency for NEPA actions and oversight (FHWA is also the signatory for the Cooperative Agreement). The TIFIA statute includes a special NEPA provision requiring a NEPA determination prior to obligating funding for a project. The TIFIA statute defines the capitalization loan to a SIB as the “project”. Given the unique SIB structure and the statutory NEPA requirement, a two-stage NEPA review process will be implemented (discussed with the TIFIA Program staff). The SIB capitalization decision and the project-specific funding decision will be treated as separate from each other. The first NEPA review will be done prior to the SIB capitalization decision. The capitalization decision would qualify for a Categorical Exclusion because there would no be significant environmental impacts from the obligation of TIFIA funds. The capitalization loan is a loan for a program rather than for a pool of specific projects and borrowers. The second NEPA review and action will be done at the individual project level. The TIFIA Loan Agreement will require completion of project-specific NEPA reviews for each project as a condition precedent to the disbursement of TIFIA loan proceeds to the SIB for a Sub-borrower for a specific project.

Section C: Financial Plan

Check if requesting a **master credit agreement** and modify each response accordingly to address all projects proposed to be covered under the master credit agreement.

1. Specify the type of Bureau credit assistance (RRIF, TIFIA or both), total dollar value of credit assistance, and the type of credit instrument requested.

The NJIB is seeking credit assistance in the form of a TIFIA direct loan in the amount of \$74,900,000 to be utilized, in the first instance, to capitalize the Rural Projects Fund held under the Account (which Account serves as the SIB pursuant to the Cooperative Agreement for purposes of 23 U.S.C. 610) and then applied to pay up to 80% of the eligible project costs of rural infrastructure projects.

2. Specify the value of Bureau credit assistance requested (or anticipated to be requested) as a percentage of the total eligible Project costs.

Pursuant to 23 U.S.C. 603(b)(9)(B) and 610(e)(3)(B), proceeds of the TIFIA loan used to make a loan to a Sub-borrower will not exceed 80% of the cost of carrying out the applicable rural infrastructure project.

3. Identify the value of other Federal financial assistance requested (e.g., grants or other loans), separately identifying the non-Federal share for such assistance.

No additional Federal financial assistance is requested.

4. Identify the total value of all anticipated Federal financial assistance, including Bureau credit assistance requested, as a percentage of the total eligible Project costs.

As stated in C(2) above, less than or equal to 80%

5. Describe the sources and uses of funds for the Project.

Each Sub-borrower will receive multiple loans for its project consisting of (1) a loan made from TIFIA loan proceeds, in the amount of up to 80% of the eligible project costs, and (2) one or more loans made from NJIB funds and/or the proceeds of a public NJIB bond issue, in the aggregate amount of at least 20% of the eligible project costs. [Each project may also qualify for separate State funding which funding, if available, will take the form of a grant.]

a. Indicate the status of commitments (e.g., approved, budgeted, appropriated, applied for, etc.) of each source. Discuss, as necessary, any additional approvals required to ensure availability of each source of funds for the Project.

[Click or tap here to enter text.](#)

b. Uses should include a high-level description of major work activities included as eligible project costs (e.g., right-of-way, site work, rolling stock, systems).

6. If available, provide the proposed amortization schedule for the Bureau credit assistance requested.

Not available at this time.



Letter of Interest for RRIF and TIFIA Credit Assistance **Fiscal Years 2018 - 2021**

7. Indicate, as applicable, whether the Bureau credit assistance requested will be under a new or existing indenture, resolution, or collateral agency agreement.
The Bureau credit assistance requested will be under a new, yet-to-be-drafted bond indenture that will govern the issuance of bonds and notes of the NJIB, including the bond(s) issued to secure the TIFIA Loan and any publicly issued bonds.
-
8. Identify the lien priority for the requested Bureau credit assistance. Except in certain circumstances, the Bureau credit assistance may not be subordinated to the claims of holders of Project obligations in the event of bankruptcy, insolvency, or liquidation of the obligor. See the Credit Programs Guide for more information on non-subordination requirements.
Please see Attachment X (Structure Flow Chart)
-
9. Explain how the Bureau credit assistance requested will benefit the Project. Discuss how the Project would be impacted if the requested financial assistance were unavailable or available in lowered amounts.
Although the NJIB has successfully run a well-respected loan program through its Water Bank for over 33 years (making approximately \$7.5 billion in loans to date), the Transportation Bank did not receive its first funds from the State until May, 2018. State funding for the Transportation Bank is limited and, without the Bureau's credit assistance, the NJIB would not have sufficient loan proceeds to fund high priority transportation projects in rural areas of the State.

Section D: Creditworthiness

- Check if requesting a **master credit agreement** and modify each response accordingly to address all projects proposed to be covered under the master credit agreement.
-
1. Provide an overview of the Borrower's key business lines, if available. Attach cash flows for such business lines for the last five years as Attachment D-1.
The NJIB has over 33 years of experience in lending to wastewater projects and drinking water projects as part of a State-wide, comprehensive Financing Program pursuant to the federal Water Quality Act and Safe Drinking Water Act and is a designated State Revolving Fund leveraged with proceeds of the NJIB's bonds. In 2016, NJIB statutory authority was expanded to include transportation projects. NJIB's water and transportation lending organizationally are structured as two distinct programs: the New Jersey Water Bank and the New Jersey Transportation Bank. For Comprehensive Annual Financial Reports refer to the site: <https://www.njib.gov/nj/Annual+Reports.2>
-
2. Describe the source(s) pledged to repay the requested Bureau credit assistance.
Each Sub-borrower loan will be secured by a Sub-borrower bond pursuant to which it will pledge its general obligation, full faith and credit ad valorem taxing power (i.e., to raise taxes without regard to rate or amount). Please see Attachment X (Structure Flow Chart), Attachment Y (Loan Approval Process and Loan Administration), and Attachment Z (Underwriting Standards). In addition, if and to the extent required by the rating agency to secure an investment grade rating, additional equity from the NJIB may be pledged to repay the TIFIA loan.
-
3. Provide the details of any proposed flow of funds and any accompanying escrow or trust agreements that would govern the repayment of requested Bureau credit assistance.
Please see Attachment X (Structure Flow Chart)
-
4. Provide the most recent corporate rating for the Borrower, if available. No bonds have been issued yet to fund NJIB's Transportation Financing Program. However, as stated above, the NJIB has over 33 years of experience in lending to wastewater projects and drinking water projects as part of a State-wide, comprehensive Financing Program pursuant to the federal Water Quality Act and Safe Drinking Water Act and is a designated State Revolving Fund leveraged with proceeds of the NJIB's bonds. The NJIB has approximately \$1 billion of bonds currently outstanding issued under its Master Program Trust (MPT) agreement that provides cross collateralization between bond series. These NJIB bonds are rated AAA by Fitch, S&P and Moody's. The NJIB issues its bonds on behalf of a designated pool to achieve low-cost financing for each borrower in the pool. A companion zero interest loan is made to each borrower in the pool by



Letter of Interest for RRIF and TIFIA Credit Assistance Fiscal Years 2018 - 2021

the State through the NJ Department of Environmental Protection. Through its lending Program, the NJIB has made approximately 1,500 loans to a diverse pool of over 400+ borrowers, with loan repayments secured by general obligation and water fee revenues. Out of all the Program’s long-term loans made to date under the Master Program Trust (approximately \$7.0 billion in total value), each borrower, without exception, has made its loan repayments in full, thereby enabling the NJIB to pay debt service on its outstanding bonds on time and in full.

Within the lending Program, the NJIB also makes a limited number of loans funded with its cash on hand (rather than with bond proceeds as described above) to certain small borrowers and certain unique projects that must demonstrate specific qualifications for such lending sources. With respect to these specialized lending programs, only two loans funded directly with NJIB’s cash (i.e. not funded with proceeds of NJIB bonds) have been the subject of late payments, which deficiency, in each case, was cured in full, inclusive of any recovery expenses. In a third instance, a loan (that was funded with proceeds of NJIB bonds but not included as part of the MPT agreement described above) was paid immediately from draws on a Letter of Credit upon default by the borrower; this collateral structure ensured that the NJIB’s bondholders were paid on time and in full.

5. Identify all outstanding or anticipated obligations against the proposed source of repayment. For all such outstanding obligations, provide credit ratings, if available, as Attachment D-2. All Sub-borrowers will be local or county governmental entities or regional transportation authorities with a bond backed by a General Obligation (G.O.) pledge of ad valorem taxing power. Each of these entities may have outstanding bond/note obligations at the time of borrowing through the NJIB. However, each borrower must meet the NJIB underwriting standards, which include meeting minimum debt ratings thresholds, and each Sub-borrower is limited in the amount of debt it can issue pursuant to State law. See Attachment Y (Loan Approval Process, Underwriting Standards and Loan Administration).

6. **TIFIA Borrowers:** Indicate when preliminary ratings for the proposed senior Project debt (if any) and TIFIA credit assistance will be available. The NJIB is in the process of developing a representative portfolio of projects and is currently in discussions with S&P regarding obtaining a preliminary rating based on its underwriting standards, the proposed draft structure (See Attachment C) and the aforementioned representative portfolio for the TIFIA Loan.

7. **RRIF Borrowers:** Indicate whether the Borrower intends to provide a rating on the requested Bureau credit assistance as a basis for determining any credit risk premium. See the Credit Programs Guide for more information about the credit risk premium. [Click or tap here to enter text.](#)

8. Describe the economic impact of the Project and any market or feasibility report, ridership/traffic study, engineering/technical report, insurance report or other study that has been or will be prepared for the Project by the Borrower or on behalf of lenders to the Project. [Projects are expected to have positive impact in rural areas of the State. Beyond State grants, the SIB is the most cost-effective way to deliver transportation funds to rural areas.](#)

9. To the extent applicable, provide information concerning any physical collateral offered as security for requested Bureau credit assistance. (Add rows as needed.) *N/A*

Collateral Description	Value	Basis of Evaluation	Year of Evaluation
Click or tap here to enter text.	\$ Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	\$ Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	\$ Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.



Letter of Interest for RRIF and TIFIA Credit Assistance **Fiscal Years 2018 - 2021**

E. General Terms and Certifications

Fees. Except in certain circumstances, the Applicant or Borrower will be responsible to pay costs incurred for services duly provided by the Department's legal, financial or other third-party advisors involved with the evaluation of the Letter of Interest, evaluation of an Application, and negotiation of any TIFIA/RRIF credit agreement and related transactional documentation, in each case as applicable, irrespective of whether a credit agreement is executed. Please refer to the Credit Programs Guide for further information with respect to exceptions to this requirement as well time and method of payment for such services. [Please note that the NJIB would like to be considered for assistance pursuant to 23 U.S.C. 605\(f\).](#)

Lobbying. The undersigned certifies, to the best of his or her knowledge and belief, that: (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; (2) if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. (3) the undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. See 31 U.S.C. § 1352; 49 C.F.R. part 20; Appendix A to Part 20.

Debarment and Suspension. The Applicant shall timely make all disclosures required of 2 C.F.R. 180.335.

Default/Delinquency. The undersigned certifies that the Applicant: 1) is not currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government, and 2) does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

Reporting Subaward and Executive Compensation. The undersigned certifies that the Applicant has the necessary processes and systems in place to comply with the reporting requirements under the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282; 31 U.S.C. § 6101 note), as amended by the Government Funding and Transparency Act (Pub. L. 110-252, title VI, § 6202(a)), and the related regulations at 2 C.F.R. Part 170, should the undersigned be approved to receive credit assistance from the Department.

Signature. By signature below, the undersigned: (i) acknowledges and agrees to the general terms and conditions identified in this Section E; (ii) certifies that the facts stated and the certifications and representations made in this LOI are, to the best of the his or her knowledge and belief after due inquiry, true, and the Applicant has not omitted any material facts; and (iii) certifies that he or she is authorized by the Applicant to submit this Application, bind the Applicant to the terms and conditions acknowledged and agreed, and make the certifications made by submission of this LOI.

Legal Name of Applicant: New Jersey Infrastructure Bank

By:

Name and Title: David Zimmer, Executive Director

Date: [Click or tap to enter a date.](#)



Letter of Interest for RRIF and TIFIA Credit Assistance **Fiscal Years 2018 - 2021**

**APPENDIX 1
INFORMATION ABOUT THE APPLICATION PROCESS**

DETAILED GUIDANCE WITH RESPECT TO THE SPECIFIC SECTIONS OF THIS LOI FORM IS AVAILABLE IN THE BUREAU CREDIT PROGRAMS GUIDE. THE CREDIT PROGRAMS GUIDE CAN BE DOWNLOADED HERE. If you still have questions regarding how to complete this form, please contact the PDL assigned to your project or the Bureau at (202) 366-2300 or BuildAmerica@dot.gov.

This Letter of Interest (“LOI”) form requires the Applicant to describe its project, describe the Borrower’s ability to meet DOT’s creditworthiness requirements, detail how applicable statutory eligibility requirements are met, and outline the proposed financial plan, including the amount and type of requested Bureau credit assistance. **Letters of Interest should not be submitted to the Bureau until the Applicant has completed the initial consultation process with a Project Development Lead, as discussed on page 1 and in the Credit Programs Guide.** Unless the Bureau directs otherwise, completed LOIs will be submitted electronically. The Bureau will provide Applicants detailed instructions on how to transmit the LOI files to the Department.

Federal Requirements. Projects receiving Federal financial assistance, including Bureau credit assistance, must comply with certain Federal requirements. Applicants should discuss applicable Federal requirements with the Bureau during the initial consultation process.

Supplemental Information. After an LOI is received and is considered complete, DOT will conduct a preliminary creditworthiness review, which involves an evaluation of the plan of finance, the financial model, the feasibility of the anticipated pledged revenue, and the sufficiency of any collateral pledged. In connection with these reviews, the Bureau may ask Applicants to provide additional materials, as necessary.

Creditworthiness. If the Department determines that the Project appears to satisfy statutory eligibility criteria, including the preliminary creditworthiness review, the Bureau will seek information necessary to proceed with the credit review process. TIFIA Applicants will be required to provide a preliminary rating opinion letter from at least one nationally recognized statistical rating organization. All Applicants for Bureau credit assistance will be asked to provide an oral presentation on their Project and plan of finance. Finally, if the Department has determined that a Project has met statutory eligibility requirements, including a full review of the creditworthiness of the Project, the Borrower will be invited to submit an Application and supporting materials. Please note that an invitation by the Department to submit an Application does not guarantee that a Project will receive Bureau credit assistance, which remains subject to a Project’s continued eligibility and final approval by the Secretary.

Requests for Information. If an Applicant or Borrower desires that any information submitted in its LOI, or any supplement thereto, not be released by the Department upon request from a member of the public or otherwise be made publicly available, the Applicant must specifically identify the information requested to be withheld and set forth any reasons why such information should not be released, including details as to any competitive harm which would potentially result from the release of such information. The Department will keep such information confidential to the extent permitted by law.

Fees. Except in certain circumstances, the Borrower will be responsible to pay costs incurred for services duly provided by the Department’s legal, financial or other third-party advisors involved with the evaluation of the LOI and Application and negotiation of any TIFIA/RRIF credit agreement and related transactional documentation, in each case as applicable, irrespective of whether a credit agreement is executed. Please refer to the Credit Programs Guide for further information with respect to exceptions to this requirement as well time and method of payment for such services.