

NEW JERSEY TRANSPORTATION INFRASTRUCTURE FINANCING PROGRAM

State Fiscal Year 2019

**PROJECT PRIORITIZATION SYSTEM,
PROJECT PRIORITY LIST, AND
FINANCIAL PLAN**

Submitted to the State Legislature by:

- ▶ **The New Jersey Infrastructure Bank**
- ▶ **The New Jersey Department of Transportation**

MAY 2018

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**Report to the Legislature
Pursuant to**

P.L. 1985, Chapter 334
New Jersey Infrastructure Trust Act
as amended including P.L.2016, c.56

By

Diane Gutierrez-Scaccetti
Acting Commissioner
New Jersey Department of Transportation

Robert A. Briant, Jr., Vice-Chairman
New Jersey Infrastructure Bank

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**New Jersey
Infrastructure Bank**



**New Jersey
Department of
Transportation**

April 19, 2018

TO: Honorable Members of the New Jersey State Legislature

FROM: Diane Gutierrez-Scaccetti
Acting Commissioner, New Jersey Department of Transportation

Robert A. Briant, Jr.
Vice-Chairman, New Jersey Infrastructure Bank

SUBJECT: State Fiscal Year 2019 (FY19) New Jersey Transportation Infrastructure Financing Program

The New Jersey Infrastructure Bank (the “I-Bank” or “NJIB”) and the New Jersey Department of Transportation (the “Department” or “DOT”), are pleased to present the State Fiscal Year 2019 (“FY19”) Project Prioritization System, Project Priority List, and Financial Plan (the “Report”) to the New Jersey State Legislature pursuant to the New Jersey Infrastructure Trust Act N.J.S.A. 58:11 B-1 et seq. (“the Act”).

The Act established the New Jersey Transportation Infrastructure Bank (the “Transportation Bank”) to make low interest loans for local transportation infrastructure projects with a mission of reducing the cost of financing for New Jersey counties’ and municipalities’ critical transportation projects.

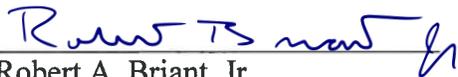
FY19 is the Transportation Bank’s inaugural year. The State Legislature established two prerequisites to Transportation Bank operations: an appropriation of Project loan funds and an appropriation of operating funds (P.L.2016 c.56). Project funds were appropriated in July of 2017 pursuant to P.L.2017, c.99. Operating funds were appropriated on January 16, 2018 pursuant to P.L.2017, c.327. The I-Bank is obligated, pursuant to the Act, to publish the Transportation Infrastructure Bank Priority System (TIBPS) and Transportation Infrastructure Project Priority List (TIPPL) for the ensuing fiscal year. The FY19 TIBPS and initial TIPPL have each been incorporated into this FY19 Financial Plan (also known as the “May Report”).

This report summarizes:

- (i) The ranking system and funding policies (priority system) for projects to be funded in the FY19 New Jersey Transportation Infrastructure Financing Program (“Transportation Bank” or “Financing Program”);
- (ii) The initial FY19 transportation project priority list; and
- (iii) The FY19 Financial Plan.

This Report identifies a pool for the FY19 Financing Program consisting of 130 projects with an estimated value of \$267.5 million, from which the I-Bank will work with interested sponsors to finance their projects continuing to demonstrate the Financing Program’s importance and commitment to advancing the DOT’s mission of rehabilitating the State’s transportation infrastructure.

Thank you for your support as we look forward to advancing this important transportation financing initiative.



Robert A. Briant, Jr.
Vice-Chairman
NJ Infrastructure Bank



Diane Gutierrez-Scaccetti
Acting Commissioner
NJ Department of Transportation

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I. EXECUTIVE SUMMARY

INTRODUCTION / PROGRAM OVERVIEW

The New Jersey Infrastructure Bank¹ (the “I-Bank” or “NJIB”) and the New Jersey Department of Transportation (the “Department” or “DOT”), are pleased to present the State Fiscal Year 2019 (“FY19”) Project Prioritization System, Project Priority List, and Financial Plan (the “Report”) to the New Jersey State Legislature pursuant to the New Jersey Infrastructure Trust Act N.J.S.A. 58:11B-1 et seq. (“the Act”).

The Act established the New Jersey Transportation Infrastructure Bank (the “Transportation Bank”) as a unique partnership between the I-Bank and the DOT (together, the “Partners”) to make low interest loans for local transportation infrastructure projects with a mission of reducing the cost of financing for New Jersey counties’ and municipalities’ critical transportation projects.

FY19 is the Transportation Bank’s inaugural year. The State Legislature established two prerequisites to Transportation Bank operations: an appropriation of Project loan funds and an appropriation of operating funds (P.L.2016 c.56). Project funds were appropriated in July of 2017 pursuant to P.L.2017, c.99. Operating funds were appropriated on January 16, 2018 pursuant to P.L.2017, c.327. The I-Bank is obligated, pursuant to the Act, to publish the Transportation Infrastructure Bank Priority System (TIBPS) and Transportation Infrastructure Project Priority List (TIPPL) for the ensuing fiscal year on or before January 15. To address that noncompliance, the FY19 TIBPS and initial TIPPL have each been incorporated into this FY19 Financial Plan (also known as the “May Report”),² which also provides administrative guidance regarding the parameters and standards of approval of Transportation Bank loans in FY19.

This Report includes:

- A description of Project and Borrower eligibility requirements;
- The methodology utilized to prioritize Projects and establish Project rankings for the FY19 TIBPS;

1. The name of the “New Jersey Environmental Infrastructure Trust” was changed to the “New Jersey Infrastructure Bank” pursuant to statute effective January 16, 2018. The I-Bank is neither a “bank” nor a “savings bank” within the meaning the New Jersey Banking Act of 1948, or a “national banking association” or a “federal savings bank” within the meaning of the National Bank Act, nor is it subject to the supervision of New Jersey Department of Banking and Insurance (DOBI) or the Office of the Comptroller of the Currency (US Treasury Department), the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation. The I-Bank does not accept “deposits” within the meaning of the New Jersey Banking Act of 1948 or the National Bank Act, and its obligations are not insured by the Federal Deposit Insurance Corporation.

2. Amendments to the FY19 TIPPL will occur periodically throughout FY19 based on modifications to DOT’s list of grant applicants and Transportation Bank withdrawals communicated to the I-Bank. Project applications will be managed as that previously stated. It is anticipated that the Transportation Bank applications will be available online commencing in FY20.

- The FY19 Transportation Financing Program Project Priority List and Interim FY19 Transportation Interim Financing Program Project Priority List identifying projects to be considered for funding in FY19; and
- A discussion of available loans, loan terms, and the loan closing processes to be utilized in FY19 for Projects set forth in the TIPPL.

The FY19 Financing Program features a transparent and intuitive application process and program loans at extremely low interest rates to significantly reduce Borrower financing costs relative to independent financing. Utilizing the TIBPS, loans will be offered by the I-Bank to the highest ranked Projects. Priority will be given to those Projects having an estimated Project construction cost above \$500,000. Funds will be disbursed commencing as early as the Project engineering phase through construction completion based on contractor invoices. Interest rates will be between 0% and 50% of the market rate through a combination of short-term (Line of Credit Loans) and long-term loans. Loan repayments will commence upon long-term loan closing, typically upon construction completion.

ELIGIBLE PROJECTS / ELIGIBLE BORROWERS

Transportation Bank Loans are available for capital projects for public highways, approach roadways and other necessary land-side improvements, ramps, signal systems, roadbeds, transit lanes or rights of way, pedestrian walkways and bridges connecting to passenger stations and servicing facilities, bridges, and grade crossings (“Transportation Project” or “Project”).

Transportation Bank financing is limited to Transportation Project costs incurred: construction costs, engineering, legal counsel, financial advisor, permitting, project management and other costs as recognized in N.J.A.C. 16:20B-4, and excluding any costs for which DOT or other grants have been received.

Eligible Borrowers are local government units, defined for purpose of this TIBPS as a 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 or consortia thereof. Applicants must demonstrate an ability to satisfy both the loan repayment obligations and the Transportation Bank’s credit worthiness standards, which require an investment grade credit rating or a suitable credit enhancement. Each Borrower will provide a municipal or county general obligation pledge to secure its repayment obligations.

PROJECT FUNDING METHODOLOGY / PROJECT LIST

Transportation Bank financing is allocated among Projects pursuant to the DOT’s TIBPS. N.J.S.A. 58:11B-20.2. The TIBPS identifies the Project activities that are eligible to be financed in each fiscal year's Financing Program. The TIBPS is set forth in Section II(A) below and incorporates project eligibility requirements of N.J.A.C. 16:20A and 16:20B. The list of Projects eligible for funding pursuant to the TIBPS is set forth in the DOT’s TIPPL also discussed in Section II(A) below.

FINANCING PROGRAM

Each Transportation Project financed through the Transportation Bank will receive initially a Line of Credit Loan that, thereafter, will be refinanced and restructured through a long-term loan, modeled after the Water Bank (formerly, the “New Jersey Environmental Infrastructure Financing Program”). As discussed in Section II(C) below, this structure ensures (i) that capital is available (through the Line of Credit Loan) during Project engineering through Project construction completion, (ii) debt service repayments commence subsequent to long-term loan closing, (iii) the term of debt amortization, through repayments of the long-term loan is the lesser of the Project’s useful life or 31 years,³ and (iv) interest rates are significantly less than independent financing.

In addition to the significant interest cost savings, Program participants realize significant cost-saving measures through the following program features:

- Interest Cost Savings During Construction – In FY19, Program Borrowers will receive a Line of Credit Loan at an interest rate between 0% and 50% of the I-Bank’s short-term market rate;
- Debt Service Payments Deferred During Construction – During the Line of Credit Loan period (i.e., during Project construction), Borrowers may incur interest of up to 50% of the I-Bank’s short-term market rate but repayments of principal and interest (as applicable) are deferred until, and refinanced and restructured as part of, the long-term loan, with the accrued interest capitalized as part of the long-term loan refinancing and restructuring;
- Interest Cost Savings During Long-Term Financing - Although Long-Term Loans are unlikely to be issued in FY2019, it is anticipated that such loans will bear interest of up to 50% of the I-Bank’s AAA market rate. This lower cost of funds results in interest savings between 25% to 30% of the total Long-Term Loan amount for Projects having useful lives of 31 years when compared to the cost to these Borrowers of financing their Projects independently of the Transportation Bank.
- No Down Payment Required – In the event of enactment of legislation pending as of the date of this writing and as more fully described below, Borrowers in the Financing Program will be exempted from the conventional Local Bond Law requirement that municipalities and counties fund a 5% down payment with respect to their bond ordinance Project appropriation;
- Minimized Financing Costs – Borrowers are charged a flat 2% administrative fee for reviewing Project Applications and disbursing funds, and an annual 0.15% administrative fee for loan servicing;
- Level Debt Service / No Front-Loading Requirement – local government units when issuing their own general obligation debt are required to “front load” their debt service schedule. This ensures

3. Pending legislation as of this writing, if enacted, may extend such loan term.

that debt service payments are larger in the early years of the loan and decline over time. The Financing Program provides for level debt service throughout the life of the loan normalizing annual payments for tax payers;

- Upfront Cash – Through Line of Credit Loans, funds are available at the commencement of Project engineering (and environmental planning, if applicable) and through Project construction completion. Funds are disbursed through an expedited requisition approval process relieving Borrowers from utilizing cash-on-hand to pay contractors and vendors up front;
- Generous Allowable Costs – Associated project costs, including environmental planning (if applicable), engineering design, project management, and other professional fees necessary to finance or construct the Project may be financed through the Program based upon costs incurred;
- Flexible Long-Term Loan Maturity – A shorter term amortization schedule is available for Borrowers who wish to minimize the repayment period of their loan.

II. FINANCING PROGRAM STRATEGY

A. PROJECT ELIGIBILITY

OBJECTIVES / SOURCE OF FUNDS

This Transportation Infrastructure Bank Priority System (TIBPS) reflects the DOT's commitment to providing safe transportation infrastructure and incorporates project eligibility requirements of N.J.A.C. 16:20A and 16:20B.

Commencing July 1, 2017, amounts appropriated by the New Jersey Legislature to the Local Aid Infrastructure Fund (LAIF) allocate seven percent of the total appropriation of which \$7.5 million is annually allocated for the Commissioner of Transportation. The remainder of the annual LAIF allocation in excess of \$7.5 million and no greater than seven percent of the total appropriation is to be deposited into the State Transportation Infrastructure Bank Fund. N.J.S.A. 27:1B-25(b). Project loan funds were appropriated in July of 2017 pursuant to P.L.2017, c.99 and Transportation Bank operating funds were appropriated on January 16, 2018 pursuant to P.L.2017, c.327. Approximately \$21.5 million was received in FY2018 for Project loans and an additional \$1.1 million was approved for operations. It is anticipated that approximately \$21 million additional funds will be received and made available for Project loans in FY2019, for a total of \$42.5 million for Project loans. These funds may be further leveraged by the I-Bank to provide additional loan funds in FY2019.

Transportation Bank financings in FY19 are anticipated to be limited to Line of Credit Loans. The I-Bank will be utilizing LAIF funding and anticipates utilizing capital from one or more private lending institutions ("Private Capital") as sources of funding for Line of Credit Loans.

INTRODUCTION

This TIBPS identifies the Project activities that are eligible to be financed in each year's Financing Program. Eligible Project activities are as follows:

- Projects which are designed to keep existing bridges functioning and in a state of good repair, including work which rehabilitates or replaces existing bridges and/or bridge components (e.g., substructure and superstructure elements) to meet current design standards.
- Projects and programs that address improvements in/provisions for alternative modes of transportation (e.g., goods movement, bicycle/pedestrian, and intermodal connections).
- Projects which are designed to keep the existing highway system functioning and in a state of good repair, including work which upgrades segments of the system to meet current design standards (e.g., safety treatments that are part of a general roadway project such as signs, guiderail, barrier curb, and traffic).
- Projects and programs with a primary focus on maintaining or increasing the movement of passengers and goods and may provide a safety and/or infrastructure preservation benefit with a goal of improving quality of life (e.g., highway operational improvements, bottleneck improvements, missing links, major widening, intelligent transportation systems and travel demand management).

This TIBPS sets forth the prioritization methodology utilized to rank Projects. The Project prioritization methodology is the mechanism by which limited funds are distributed among eligible Projects. The Department ranks all Projects on the basis of the total number of rating points that each Project receives and places the Projects on the Priority List according to their ranking. The ranking system gives highest priority to Projects that address structurally deficient bridges followed by projects that will improve pedestrian safety. Lower-ranked Projects can also qualify for financing since Projects are certified/approved based on the Project's rank, the amount of available funds, and compliance with the Program's requirements and deadlines for design and application submittal.

The ranking criteria set forth below will be applied to each Project and corresponding points for each applicable criterion tabulated (Rating Points) upon receipt of a Project loan application. A Project's ranking will be calculated based on a comparison of each Project's Rating Points relative to other Projects. A Project receiving more Rating Points relative to another Project is assigned a Project Ranking expressed through a lower numerical value on the TIPPL. Projects appear on the TIPPL in ranked order, the highest ranked Project appearing at the top of the list. Project ranking shall become effective upon publication of

the TIPPL on or before May 15 each year, and amendments thereto throughout the ensuing State fiscal year. Funding is prioritized to Active Projects⁴ on the TIPPL based on Project ranking.

**RATING SECTION – TRANSPORTATION BANK CAPITAL INVESTMENT STRATEGY
CATEGORIES/ASSET CATEGORIES**

The New Jersey Statewide Capital Investment Strategy (NJSCIS) classifies projects according to the type of work. Projects seeking Transportation Bank financing are assigned the following points based on the NJSCIS:

Bridge Assets (Points: 25 maximum points)

Projects and programs with a primary focus on preserving, rehabilitating, or reconstructing existing physical assets includes projects which are designed to keep existing bridges functioning and in a state of good repair, including work which rehabilitates or replaces existing bridges to meet current design standards. Examples of work included within this category are:

- Bridge deck rehabilitation and replacement (considered a rehabilitation)
- Bridge replacement **(5 points)** and rehabilitation **(3 points)**
- Culverts **(1 point)**

Type of Project	Replacement	Rehabilitation	Culvert
Points	5	3	1

Points are allotted based on the Structural Sufficiency Rating as identified in the Bridge Management System. Structures with the lowest rating receive the most points.

Structural Sufficiency Rating	0-9	10-19	20-29	30-40	41-49
Points	8	7	6	5	4

More difficult bridge replacements, thru girder or moveable, will receive **(5 points)**. Thru girder bridges are fracture critical and elevated in points while the moveable bridges are complicated to replace. Any other bridge type will receive **(3 points)**, except culverts which will receive **(1 point)** as noted below.

Bridge Type	Thru-girder/Moveable	Other	Culvert
Points	5	3	1

Again, to weight the importance of getting structures repaired, structures that are closed will automatically be assigned **(5 points)** while Load Posted Structures will receive **(3 points)**.

4. All applications are deemed Active in the absence of a determination of Inactivity by the Program based on a stated business case demonstrating the applicant’s inability to award construction in the current fiscal year.

Status	Closed	Load Posted
Points	5	3

Finally, any structure on the National Highway System (NHS) will be given an additional **(2 points)**.

Structure Located on National Highway System	Yes	No
Points	2	0

When ranking Bridge Assets, in the event that two or more Bridge Asset applications receive equal ratings, the individual Structural Sufficiency Ratings will act as primary tiebreakers where a lower Structural Sufficiency Rating results in higher ranking. In the event that two or more Bridge Asset applications receive equal ratings and have equal Structural Sufficiency Ratings, the Average Daily Traffic (ADT) will act as secondary tiebreakers where a higher ADT results in a higher ranking.

Road Assets (Points: 20 maximum points)

Projects and programs with a primary focus on preserving, rehabilitating, or reconstructing existing physical assets includes projects which are designed to keep the existing highway system functioning and in a state of good repair, including work which upgrades segments of the system to meet current design standards (e.g., safety treatments that are part of a general roadway project such as signs, guiderail, barrier curb, and traffic signals - as opposed to individual line-item programs, that include specific signs and/or traffic signals). Examples of work included in this category are:

- Pavement Rehabilitation and Reconstruction
- Drainage
- Streetscape
- Micro-surfacing Treatments

Documented Safety improvement	Yes	No
	3	0
Part of NHS	Yes	No
	2	0
Designated Area	Yes	No
	1	0
Traffic Volumes	ADT > = 5,000 vpd	5,000 vpd > ADT > 1,500 vpd
	4	2
Pedestrian Improvements	New Pedestrian Facility	Rehabilitate Existing Facility
	2	1

(3 points) will be provided to any project that improves safety. **(2 points)** will be assigned for any project on the National Highway System, (NHS). If the project is located within a Local Aid recognized Designated Area such as Transit Village or Complete Streets, **(1 point)** will be assigned. A priority of **(4 points)** will be assigned to any location with an ADT volume of 5,000. ADT volumes less than 5,000 but more than 1500 will be given **(2 points)**. Projects that include pedestrian improvements will rank higher with **(2 points)**

allotted for those with new pedestrian facilities and **(1 point)** for those that will rehabilitate existing facilities.

As the Trust Fund renewal doubled the municipal funding, special consideration is given to any municipality that did not receive a Municipal Aid grant in this fiscal year with **(8 points)** for these few locations. **(3 points)** will be assigned if the municipality received one Municipal Aid grant in this fiscal year with **(1 point)** assigned to all others.

Number of Municipal Aid Grants Received this Fiscal Year	Zero Grants	One Grant	Two Grants
Points	8	3	1

If the applicant is a County, points are awarded based on whether the County used all of their County Aid in each of the three preceding years.

County Aid Used	All 3 years preceding	2 years preceding	1 year preceding
Points	4	2	1

When ranking Road Assets, in the event that two or more Road Asset applications receive equal ratings, safety points will act as primary tiebreakers where receiving safety points results in a higher ranking. In the event that two or more Road Asset applications receive equal ratings and safety points, ADTs will act as secondary tiebreakers where a higher ADT results in a higher ranking.

Congestion Relief (Points: 15 Maximum Points)

Projects and programs with a primary focus on maintaining or increasing the movement of passengers and goods may provide a safety and/or infrastructure preservation benefit; however, their goal is improving quality of life. This work improves the flow of people and goods along roadways. Specific programs under this heading include; highway operational improvements, bottleneck improvements, missing links, major widening, intelligent transportation systems and travel demand management.

(5 points) will be provided to any project that improves safety. **(3 points)** will be assigned for any project on the National Highway System, (NHS). If the project is located within a Local Aid recognized Designated Area such as Transit Village or Complete Streets, **(3 points)** will be assigned. A priority of **(4 points)** will be assigned to any location with an ADT volume of 5,000. ADT volumes less than 5,000 but more than 1500 will be given **(2 points)**.

Documented Safety Improvement	Yes	No
	5	0
Part of NHS	Yes	No
	3	0
Designated Area	Yes	No
	3	0
Traffic Volumes	ADT >= 5,000 vpd	5,000 vpd > ADT > 1,500 vpd
	4	2

When ranking Congestion Relief applications, in the event that two or more Congestion Relief applications receive equal ratings, safety points will act as primary tiebreakers where receiving safety points results in a higher ranking. In the event that two or more Congestion Relief applications receive equal ratings and safety points, ADTs will act as secondary tiebreakers where a higher ADT results in a higher ranking.

Multimodal Programs (Points: 20 Maximum Points)

Includes work that addresses improvements in/provisions for alternative modes of transportation. Program categories within this heading include: goods movement, bicycle/pedestrian, and intermodal connections.

Ratings for this category will be broken out based on the type of project.

Pedestrian Improvements:

(4 points) will be assigned if this is a new construction project. **(2 points)** are allotted if the proposal has both new construction and rehabilitation of an existing facility. **(1 point)** is given to improve an existing facility. The type of use of the pedestrian improvement will be accounted for as follows: **(4 points)** Mixed-Use; **(2 points)** Commercial area; **(1 point)** for a mostly Residential project.

Type of Project	New Construction	Both New & Rehabilitate	Rehabilitate Existing
Points	4	2	1
Type of Use	Mixed-Use	Commercial	Residential
Points	4	2	1

The function of the facility will be important in assessing rating points. **(4 points)** will be given if project increases pedestrian safety and **(4 points)** if project improves school access. If the project is located within a Local Aid recognized Designated Area, **(2 points)** will be assigned. An additional **(2 points)** will be given if the applicant has a Complete Streets Policy.

Improve Pedestrian Safety	Yes	No
Points	4	0
Improves School Access	Yes	No
Points	4	0
Designated Area Other than Complete Streets	Yes	No
Points	2	0
Complete Streets Policy	Yes	No
Points	2	0

When ranking Multimodal Pedestrian applications, in the event that two or more Multimodal Pedestrian applications receive equal ratings, safety points will act as primary tiebreakers where receiving safety points results in a higher ranking. In the event that two or more Multimodal Pedestrian applications receive equal ratings and safety points, the type of project will act as a secondary tiebreaker where new construction projects rank higher than combined new construction and rehabilitation projects which in

turn rank higher than rehabilitation projects. In the event that two or more Multimodal Pedestrian applications receive equal ratings and safety points and are the same type of project, school access points will act as tertiary tiebreakers where receiving school access points results in a higher ranking. In the event that two or more Multimodal Pedestrian applications receive equal ratings and safety points, are the same type of project and receive school access points, type of use will act as a quaternary tiebreaker where mixed-use ranks higher than commercial are which ranks higher than residential.

Bikeway Improvements:

A proposed bicycle facility that will be physically separated from motor vehicles will receive **(4 points)**. If the proposal is for a partially separated facility **(2 points)** will be allotted. **(1 point)** will be assigned to all others. If the proposal is for a new facility, **(3 points)** will be assigned. If the project will add to an existing facility, **(2 points)** will be allotted. Other proposals will receive **(1 point)**. Any project that adds more than ½ mile of Bikeways will receive **(6 points)**. An addition of at least ¼ mile but less than ½ mile will receive **(4 points)**. For projects that add less than ¼ mile of Bikeways, **(2 points)** are assigned.

Bicycle Facility	Physically Separated	Partially Separated	Other
Points	4	2	1
Type of Facility	New Facility	Existing Facility	Other
Points	3	2	1
New Miles	Addition > = ½ Mile	½ Mile > Addition > ¼ Mile	¼ Mile > Addition
	6	4	2

If the project is located within a Local Aid recognized Designated Area, **(2 points)** will be assigned. An additional **(2 points)** will be given if the applicant has a Complete Streets Policy. If the project is an element of a larger plan, beyond the Complete Streets, then it will receive **(3 points)**.

Designated Area Other than Complete Streets	Yes	No
Points	2	0
Complete Streets Policy	Yes	No
Points	2	0

When ranking Multimodal Bikeway applications, in the event that two or more Multimodal Bikeway applications receive equal ratings, safety points will act as primary tiebreakers where receiving safety points results in a higher ranking. In the event that two or more Multimodal Bikeway applications receive equal ratings and safety points, the quantity of new bikeway mileage will act as a secondary tiebreaker where a higher quantity of new bikeway mileage results in a higher ranking.

Freight Projects:

The ranking system is not available at this time and will be amended at the next future opportunity after the NJDOT Local Aid & Economic Development Division has completed the inaugural rating of this new program.

Asset Tiebreaker Considerations:

Tiebreakers within each category are identified within the category. For applications that receive the same rating but are in different asset categories, the Bridge Assets will be ranked the highest. After all Bridge Assets with the same rating are ranked, then priority will be given to the Multimodal Assets with Pedestrian Improvements given priority over Bikeway Projects as New Jersey is a Pedestrian Focused State due to the high number of pedestrian fatalities. Roadway Assets will be the third priority while Congestion will be rated last keeping with the Statewide Capital Investment Strategy.

TRANSPORTATION INFRASTRUCTURE BANK PROJECT PRIORITY LIST (TIPPL)

Upon receipt of a Project sponsor's Project information page, the DOT makes a determination of Project eligibility, ranks the Project pursuant to the TIBPS, and places the Project in ranked order on the TIPPL. Identification of a Project on the TIPPL is a prerequisite to Transportation Bank loan eligibility.⁵ The I-Bank may, in its discretion, publish up to four amendments to the TIPPL annually.

A Project is eligible for a Line of Credit Loan upon the publication of the TIPPL with the Legislature, the applicant's satisfaction of program application requirements, the I-Bank's approval of a Project contract, initially for environmental planning (if applicable), engineering design, and later construction) and the I-Bank's approval of the applicant's credit worthiness.

Upon enactment of the appropriations law identifying such Project for long-term financing, and subsequent to long-term loan closing, a Project is removed from the TIPPL. The Projects eligible to secure financing in the FY19 Financing Program and their relative rank are set forth in the FY19 TIPPL (Appendix A).

Identification of a Project on the TIPPL and publication thereof with the legislature are prerequisites to Transportation Bank loan eligibility.⁶ Line of Credit Loan closing will occur upon the applicant's submission of the short term financial addendum form, consulting engineering contract and a one-page summary thereof, satisfaction of the Program's credit worthiness standards, and the I-Banks's approval of the

5. All project applications are reflected in the TIPPL as opposed to only those that have confirmed an interest in immediately securing a Line of Credit Loan. As such it is an inaccurate indicator of projects to be funded in a given Fiscal Year. Projects are included with little effort by the project sponsor (submission of project information). Moreover, project cost information is generally inaccurate due to its calculation prior to project design and frequent revisions during the application process to reflect changes in scope and other circumstances.

6. The TIPPL sets forth project loan applications under consideration for funding in a given fiscal year. Projects are included in the TIPPL upon a project sponsor's submission of project information page and program ranking. Project cost is initially based on an engineering estimate and the accuracy of cost improves as the project progresses through the application process as actual construction costs are identified. Not all projects on the TIPPL will receive funding in the fiscal year due to (i) the time required to secure relevant permitting and program approvals, (ii) applicants' deferral of their loan application for myriad business reasons, and (iii) limited program funding.

engineering contract. Upon completion of construction, a Project on a Project Priority List will be designated eligible for long-term funding and placed, with other like Projects, onto a sub-list referred to as the “Project Eligibility List” (set forth in Appendix C). Upon identification of the Project in an appropriations law, and submission of the long-term financial addendum form, the Project is eligible for long-term loan closing. The Project is removed from the TIPPL subsequent to long-term loan closing.

The Projects on the FY19 TIPPL are eligible for Transportation Bank financing and consist of a pool of one hundred thirty (130) Projects at a total estimated cost of \$267.5 million.

B. APPLICATION PROCESS

OVERVIEW

The Transportation Bank is largely modeled after the Water Bank (formerly the “NJ Environmental Infrastructure Financing Program”):⁷ (i) both financing programs utilize almost identical credit standards; (ii) Line of Credit Loans are made during the Project design phase; (iii) long-term loans are made upon construction completion; and (iv) the loan application process, loan structures (Line of Credit Loans and long-term loans), and fees are substantially similar. The Transportation Bank application requirements are simplified given the absence of federal funding, the commitment to implement a streamlined application process, reduce the application review period, and improve transparency to the borrowing community.

A separate application is required for each Transportation Bank Project. Loan applications are accepted at any time throughout the year, and to that end, readiness is a central component of Project prioritization. Applications are not accepted after construction advertisement. Funding commitment arises at the time of Line of Credit Loan closing, subject to the applicant’s receipt of I-Bank Loan Construction Authorization.⁸ The loan application process is as follows:

1. The Applicant’s submission of the following:
 - o Project Description form;⁹ with Environmental Letter of Interest

7. The Water Bank is a partnership between the I-Bank and the New Jersey Department of Environmental Protection.

8. In FY19, county Line of Credit Loan borrowers will be required to award construction within 36 months subsequent to line of credit loan closing as required in N.J.A.C. 16:20A, and municipal Line of Credit Loan borrowers will be required to award construction within 24 months subsequent to line of credit loan closing absent extraordinary circumstances as used in N.J.A.C. 16:20B.

9. Project description pages for Projects included in the initial TIPPL set forth in this document were derived from the DOT’s list of unfunded or gap grant applications or from the DOT’s Bridge Management System.

- An executed engineering contract (or draft thereof); and
 - A short-term financial addendum form (STFAF).
2. The I-Bank's issuance of:
- Credit Worthiness Approval;
 - Engineering Contract Approval;
 - Engineering Contract certification

Line of Credit Loan Closing¹⁰

3. Applicant's submission of the following:
- Letter of Intent (Environmental Planning (if applicable) / Cultural Resources Documentation (if applicable));
 - Loan Application;
 - Engineering design and specifications;
 - Applicable permits;
 - Socially and economically disadvantaged communities plan; and
4. The I-Bank's issuance of:
- Environmental Decision Document;
 - Authorization to Advertise Construction;
 - Construction Contract Certification.

TRANSPORTATION BANK APPLICATIONS

The DOT has shared relevant information regarding project needs from the DOT's Bridge Management System, the highest ranked unfunded DOT Project grant applications, and grant awards with significant gaps between the award and cost with the I-Bank, which serve as the foundation for Transportation Bank applications. The I-Bank will elicit additional information from these Project sponsors in forms to be established by the I-Bank to satisfy the Transportation Bank application requirements with reference to borrower information and that of its professional advisors; project activities, location, schedule, permitting and cost; and borrower financial health as discussed in greater detail below.

PRE-DESIGN MEETINGS / STATUS MEETINGS

Pre-Design Conference Calls / Meetings. Upon receipt of Project description pages, pre-design conference calls or meetings will be held with applicants and their professional advisors to provide the applicant with an overview of the application process as it relates to their specific Project. Of particular relevance, as discussed in the Environmental Planning Section below), applicants are provided with guidance as to what,

10. Line of Credit Loans are for the total estimated project cost, and funding commitment is limited to the approved (certified) contract, typically commencing with the engineering contract and ending with the construction contract. The discussion of Line of Credit Loan closing is set forth below.

if any, submissions are required to document a Project's potential impact upon the environment and State cultural resources (if applicable). In addition, applicants are provided with other information to further reduce confusion, application related costs and delays.

Applicants are also provided with guidance as to the submission of the engineering contract (draft or executed) and Short-Term Financial Addendum Form ("STFAF") in preparation for Line of Credit Loan closing to ensure Transportation Bank funding is in place to pay for professional services throughout the Project application process.

Pre-Design Conference Calls / Meetings are voluntary, but Project sponsors are strongly encouraged to contact Transportation Bank program staff at 609-219-8600 and schedule a pre-design conference call. Prior to conducting the call, the sponsor will be required to submit a brief Project description to enable staff to include the appropriate personnel in the conversation.

Status Meetings are also voluntary and held at the applicant's request to ensure continued transparency during the application review process.

ENVIRONMENTAL PLANNING / CULTURAL RESOURCES

Many State construction Projects exceeding \$1 million are required to comply with State environmental regulations detailed in Executive Order 215 (September 11, 1989) ("EO 215") and in the provisions of the New Jersey Register of Historic Places Act. The DOT annually determines the applicability of EO 215 to candidate projects of its Capital Transportation Programs by assessing whether EO 215 exempts such projects from environmental review ("Exemption"). To that end, it is anticipated that the DOT will provide Exemption reviews for I-Bank applicants in FY19 and that Exemptions from environmental review may be warranted. As previously discussed, pre-design conference calls / meetings provide a forum to discuss the Project's eligibility for an EO 215 Exemption.

In the event an EO 215 Exemption is not applicable, an applicant will be notified by DOT of the need to submit documentation demonstrating compliance with EO 215 requirements.

Utilizing the guidance¹¹ provided to the applicant during the Pre-Design Meeting (and typically subsequent to Line of Credit Loan closing), in the event an EO 215 Exemption is not applicable, the applicant's consulting engineer will prepare the environmental planning (inclusive of cultural resource submission) ("Environmental Submission").

¹¹ Environmental Planning requirements for non-exempt projects are set forth in a document available on the I-Bank website: "*Guidelines for the Preparation of an Environmental Impact Statement*," New Jersey Department of Environmental Protection, April 23, 2002.

ENGINEERING

Transportation Bank approval of engineering contracts, construction plans, construction contract specifications, and construction contract award is required as part of all Transportation Bank applications. All applicants shall conform with DOT regulations including but not limited to Standards and Specifications set forth in N.J.A.C. 16:20B-5.1 and 5.2 and N.J.A.C. 16:20A-5.1 and 5.2.

Given the Transportation Bank's focus during its inaugural year upon financing Projects, guidance is focused below on initial engineering submissions for such Projects.

Applicants are initially required to submit draft contract documents (Plans & Specifications) produced by a licensed Professional Engineer containing but not limited to the following: a set of detailed plan drawings including site plan/section/elevation views, current NJ prevailing wage rates, certification that the applicant has not and shall not enter into any contract with any person debarred/suspended from government contracting, certification that the applicant and its contractors shall comply with discrimination and affirmative action provisions of N.J.S.A. 10:2-1 through 10:2-4, Bonding (performance, payment, maintenance as applicable), Buy American provisions (N.J.S.A. 40A:11-18), Statement regarding need for uniformed traffic control and bid allowance, if applicable (N.J.S.A. 40A:11-23.1), Asphalt Price Adjustment Procedure, if applicable (N.J.S.A. 40A:11-13), Fuel Price Adjustment Procedure, if applicable (N.J.S.A. 40A:11-13), Competition, brand name or equal unless otherwise justified (N.J.S.A. 40A:11-13), Equal Employment Opportunity certification form, Affidavit of Non-collusion form, Certification of Non-Segregated Facilities form, Disclosure of Investment Activities in Iran form.

The Transportation Bank retains the right to elicit additional information from the applicant in conducting its review of either a Project's potential environmental impacts or engineering compliance with governing regulations.

SED / PREVAILING WAGE / PERMITTING

SED. Transportation Bank Borrowers are required to (i) establish an affirmative action program for the employment of minority workers in the performance of construction contracts; and (ii) make a good faith effort that 10 percent of all contracts related to the Project are awarded to small businesses owned by socially and economically disadvantaged individuals pursuant to New Jersey's Small Business Act. Applicants are furnished with relevant provisions to be inserted in contract specifications during the application process.

Prevailing Wage. Transportation Bank Borrowers are required to pay not less than the prevailing wage rate to workers employed in the performance of any construction contract pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.). Applicants are furnished with relevant provisions to be inserted in contract specifications during the application process.

Permits. Transportation Bank Borrowers are required to satisfy relevant State permits.

CONSTRUCTION CONTRACT ADVERTISEMENT / AWARD

Upon the I-Bank's approval of the application and technical submissions for each contract as compliant with N.J.A.C. 16:20B-5.1 and 5.2 and N.J.A.C. 16:20A-5.1 and 5.2, it will authorize the Borrower to advertise and award the contract in accordance with the provisions of New Jersey's local public contracts law N.J.S.A. 40A:11-1 et seq. Borrowers shall submit construction bids, an official action authorizing the construction award, and an executed construction contract within 36 and 24 months of Line of Credit Loan closing for counties and municipalities respectively and within 120 days of issuance of the I-Bank's Authorization to Advertise as required in N.J.A.C. 16:20A and 20B. Failure to award construction in a manner compliant with the provisions of this paragraph shall result in the immediate revocation of the Authorization to Advertise, require the immediate repayment of the Line of Credit Loan with reference to the stated contract and render the contract ineligible for I-Bank funding.

C. LINE OF CREDIT LOAN CLOSING

INTRODUCTION

Each Transportation Bank applicant is required to issue a note or a bond to the I-Bank in order to evidence and secure its repayment obligation with respect to, respectively, the Line of Credit Loan or the Long-Term Loan Agreement. Each applicant is required to secure its note or bond with a General Obligation tax pledge. In addition, it must be able to satisfy its repayment obligations and provide assurances of repayment of existing Transportation Bank obligations in the event of loan default. N.J.S.A. 58:11B-7(k). Such conditions are central to the Transportation Bank's ability to meet its fiduciary obligations in the management of public funds as well as ensuring loan repayments are available for future transportation Projects.

LINE OF CREDIT LOANS

Each Project financed through the Transportation Bank will receive (i) a Line of Credit Loan (with closing prior to or during Project design) that will serve to finance (a) project environmental planning (if applicable), engineering design, and (b) construction, and (ii) a Long-Term Loan (with closing upon completion of Project construction) that will serve to refinance and restructure the Line of Credit Loan, which Long-Term Loan will have a term of the Project's useful life not to exceed the period set forth in N.J.S.A. 58:11B6(d) (i.e., 31 years).¹¹

The maturity of Line of Credit Loans is limited to periods set forth in N.J.S.A. 58:11B-9 (i.e., three fiscal years subsequent to the fiscal year during which the Line of Credit Loan closed. Pending legislation as of this writing, if enacted, will authorize up to two additional years for environmental planning and engineering design activities.

Line of Credit Loan interest rates vary between 0% and 50% of the short-term market rate based on the I-Bank's AAA short-term rating. The I-Bank will be utilizing LAIF funding and may utilize capital from one or more private lending institutions ("Private Capital") as sources of funding for Line of Credit Loans. LAIF funds will be lent at an interest rate of 0%. Private Capital will be available to the I-Bank at the I-Bank's AAA rated market rate plus any additional Private Capital costs and will be utilized for no more than 50% of each Line of Credit Loan. LAIF funding will comprise 100% of Line of Credit Loans for those Borrowers having investment grade ratings less than A3 (Moody's) or A- (S&P and Fitch), in the event such ratings negatively impact the cost of Private Capital or are otherwise unacceptable to the provider of Private Capital. Notwithstanding, long-term loans to such Borrowers will reflect the terms of the Transportation Bank Financing Program applicable to all Borrowers in effect at the time of construction contract award.

Line of Credit Loans are available within as little as three (3) weeks of satisfaction of the following:

- **I-Bank Project Certification** – For a Project to receive Transportation Bank financing, the I-Bank must certify that each of a Project's component contracts satisfy Transportation Bank requirements, e.g., engineering contract certification is a determination that costs associated with Project environmental planning and/or engineering design are eligible for financing, and construction contract certification¹² is a determination by the Transportation Bank that construction costs are eligible for financing;
- **Short-Term Financial Addendum Form** - While the actual requirements may vary by type of applicant (i.e., municipal, county or authority), information required in the STFAP shall include (i) Project description; (ii) information pertaining to official action (ordinances and resolutions) and the status thereof; (iii) information regarding the anticipated draw needs with respect to the Project; (iv) litigation disclosure; and (v) Local Finance Board application information; and
- **Local Finance Board Approval** – Pending anticipated legislation, Transportation Bank loan applicants will not be required to secure Local Finance Board ("LFB") approval of the applicants' debt instruments issued to the I-Bank pursuant to the I-Bank's enabling act (N.J.S.A. 58:11B-7) and the Local Authorities Fiscal Control Law (N.J.S.A. 40A:5A-6). Such debt would be able to be approved by the Division of Local Government Services ("DLGS"). As is currently available for the I-Bank's Water Bank participants, the anticipated modifications to existing legislation would authorize the I-Bank to secure such approval upon the applicant's authorization set forth in the STFAP. Legislation pending as of the date of this writing, if enacted, would bring additional efficiencies with regard to certain other Department of Community Affairs approvals: specifically, (i) I-Bank loan applicants would be relieved of securing LFB approval of the waiver of the five percent (5%) down payment requirement provided the local bond ordinance exclusively funds a Transportation Bank Project, and (ii) LFB approval would not be required for Transportation Bank applicants' Non-Conforming Maturity schedules; and

- **Credit Approval.** All Borrowers are required to satisfy the I-Bank's Credit Policy. In brief, all applicants are required to have no less than an investment grade rating (e.g., at least BBB-, Baa3, or BBB-) from Fitch Ratings, Moody's Investors Service or Standard & Poor's Ratings, respectively. There are limited exceptions to this requirement listed in the Credit Policy (e.g. the ability of a borrower to supply a QBA bond). In addition, each applicant is required to secure its note or bond to the Transportation Bank with a General Obligation tax pledge.

Upon satisfaction of the above, the I-Bank will contact the applicant to schedule the Line of Credit Loan closing. In connection with Line of Credit Loan closing, the I-Bank will circulate each of the following documents: (i) the form of Note to be issued by the Borrower to the I-Bank, including a series of Exhibits for inclusion thereto that shall include but not be limited to, the following: (a) the Project description; (b) the basis for the determination of allowable costs of the Project; (c) the loan disbursement schedule; (d) the Project event schedule, (e) the general administrative requirements; (f) a form of certification regarding lobbying; and (g) a disclosure of lobbying activities form; and (ii) the form of opinion to be rendered by bond counsel and general counsel to the Borrower (including, without limitation, opinion points with respect to the enforceability of the Note). In addition to such forms to be completed and submitted by the Borrower at closing in the form required by the Transportation Bank, the Borrower must provide a certified copy of its official action relating to the authorization of its Project and the issuance of the Note. The nature of the Line of Credit Loan and its structure as a note purchase program results in an efficient economy of closing documents.

Upon Line of Credit Loan closing, funds are committed for the specific contract certified, initially the engineering contract. Funds for construction are committed at the time of certification of the construction contract by the DOT. In addition, the terms and conditions of the Project's long-term loan are committed upon the construction contract certification.

As previously stated, the I-Bank does not anticipate extending long-term financing for transportation Projects in FY19. Notwithstanding, it is anticipated that long-term loans, when made, will bear a fixed interest rate of between 0% and 50% of the I-Bank's AAA rated market rate for the lesser of the Project's useful life or 31 years based on a certification as to useful life by the Borrower's consulting engineer. Additional Information regarding Long-Term Transportation Bank Loans is set forth in Section II(D) below.

FEES

I-Bank Administrative Fee. An Administrative Fee in the amount of 2% of the total estimated eligible Project cost is charged to all Borrowers. The 2% Administrative Fee offsets the cost of the Project review and construction management services provided to the Borrower and other operating costs. One-half of the Administrative Fee (1% of the total estimated eligible Project cost) is due and payable by the Project sponsor upon Line of Credit Loan closing and will be financed through the Line of Credit Loan. Therefore, the Administrative Fee will be drawn on the date of closing of the Line of Credit Loan and transferred in satisfaction of this fee payment obligation. The remaining 1% Administrative Fee balance is paid by the

Borrower subsequent to the Long-Term Loan closing and as a component of the Borrower's first long-term loan repayment. A separate annual administrative fee is payable to the I-Bank in the amount of 0.15% of the total original principal amount of the Long-Term Loan by all Borrowers to offset the I-Bank's ongoing loan servicing efforts.

Event of Default Fees and Expenses. The Borrower is charged reasonable fees and expenses of attorneys and other expenses incurred in the collection of repayments or any other sum due or the enforcement of the performance of any duties, covenants, obligations, or agreements of the Borrower under the Note.

Engineering Costs. To the extent that consulting engineers are used for application review or construction management for a Borrower's Project, the costs thereof may be charged to the Borrower.

DISBURSEMENT OF FUNDS

Funds are disbursed to Borrowers upon the Borrowers' demonstration that Project costs have been incurred as opposed to a demonstration that the applicant has disbursed funds. Upon Line of Credit Loan closing, Transportation Bank funds are disbursed by the I-Bank upon the review and approval of engineering and construction invoices and requisitions utilizing the sources of funds set forth above. The Project construction drawdown schedules are developed by the I-Bank, based upon the Borrowers' own submissions, prior to Line of Credit Loan closing.

The I-Bank intends to offer each Borrower Project costs deemed eligible by the Transportation Bank (certified amount), subject to a Borrower's satisfaction of financing program requirements and funding limitations.

D. THE I-BANK FINANCING DETAIL

THE I-BANK LONG-TERM BONDS

Each I-Bank financing for a given qualifying Project will consist of (i) a short-term Line of Credit Loan that will serve to finance Project engineering and completion of Project construction, and (ii) a Long-Term Loan that will serve to refinance the short-term loan upon completion of Project construction. The I-Bank anticipates that those Projects financed through the Line of Credit Loan program in FY19 will complete construction in FY20 or thereafter. Please see Section II(C) above for detailed information concerning the I-Bank's Line of Credit Loan program.

Although the I-Bank is considering the utilization of Long-Term Bond proceeds as one source of funds for the long-term loans to be made to each such Project, it does not anticipate the issuance of such Long-Term Bonds in FY19, as construction for all Projects that have been the subject of a Line of Credit Loan in FY19 will be ongoing throughout FY19 and will not have achieved completion by the conclusion of FY19. Moreover, given the need to generate sufficient market interest and competitive pricing among underwriters for the issuance of Long-Term Bonds, as well as the I-Bank's experience that a bond sale

consisting of an aggregate principal amount of at least \$20 million is required in order to generate sufficient market interest and competitive pricing, it is anticipated that the first I-Bank Long-Term Bonds will be sold and issued only upon completion of multiple Projects, which, as noted above is not anticipated until FY20 or thereafter.

Notwithstanding this expectation on the part of the NJIB that Long-Term Bonds will not be issued until FY20 or thereafter, the following are the currently anticipated general parameters of the I-Bank's Long-Term Bonds to be issued in the future (i.e., FY20 or thereafter) in order to refinance multiple Line of Credit Loans.

- Each series of Long-Term Bonds will fund a pool of long-term loans and will serve to refinance the Line of Credit Loan that previously had been made by the I-Bank to each pool participant in order to fund completion of Project construction by such participant. Each participant will be assigned to a loan pool by the I-Bank on the basis of such factors as its individual credit characteristics, its effect on the pool's coverage, and the terms and conditions of its own outstanding bond documents, among others.
- Each series of Long-Term Bonds will be Special Obligations of the NJIB, secured primarily by the repayment by each pool participant of its long-term loan pursuant to the terms of a long-term loan agreement by and between the NJIB and each such participant. Such Borrower's loan repayments, in turn, will be collateralized by a General Obligation bond issued by such Borrower (or a government entity on the Borrower's behalf) to the I-Bank in order to secure such Borrower's obligation to make these loan repayments on time and in full.
- Additional security for the Long-Term Bonds (i) will be provided by certain State-aid payable to certain of the Borrowers, and (ii) may be provided by a debt service reserve fund. All Borrowers will issue bonds to the I-Bank, backed by the Borrowers' (or conduit's) General Obligation Pledge.
- The long-term loan agreement and the local unit bond or other approved collateral of the Borrower are, except for certain reserved rights, assigned by the I-Bank to the Trustee for the Long-Term Bonds as security for the Long-Term Bonds.
- Neither the State nor any political subdivision thereof (other than the I-Bank, but solely to the extent of the applicable I-Bank transportation trust estate) is obligated to pay the principal of or interest on the Long-Term Bonds, and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof (the I-Bank has no taxing power) is pledged to the payment of the principal of or interest on the Long-Term Bonds.

- The I-Bank will structure its Long-Term Bond financings so as to realize [the highest bond ratings] from all three rating agencies (Fitch, Moody's, and Standard & Poor's) that it is able to achieve, so as to realize the lowest cost of financing for its Borrowers.
- The I-Bank will consider various alternative and/or additional structural features with respect to its Long-Term Bonds to be issued in FY20 and thereafter, to the extent such structural features will serve the best interests of the Transportation Bank and will provide additional savings for the Borrowers that are pool participants.

ESCROW CLOSING

Prior to the sale of a series of Long-Term Bonds, the I-Bank will conduct an escrow closing for each participant in the pool, provided that, prior to escrow closing, such participant has adopted all necessary ordinances and resolutions and procured all required authorizations relating to its participation in the Transportation Bank. Loan agreements, Borrower bonds and related certifications are held in escrow until after bond sale and until all conditions precedent to final closing have been met. At that time, the documents are released from escrow concurrently with closing. This process ensures, to the greatest extent possible, that all Borrower conditions precedent to closing are satisfied prior to the competitive bond sale. Escrow is estimated to commence two months prior to each bond sale.

COMPETITIVE SALE OF LONG-TERM BONDS

Subsequent to escrow closing, the NJIB will schedule its bond sale. The NJIB enabling legislation requires that the NJIB's Long-Term Bonds be sold via a competitive process. Pursuant to such competitive process, the NJIB must publish a summary of the "Notice of Sale" once in at least three New Jersey newspapers and once in a recognized bond publication. The Long-Term Bonds will be awarded on the basis of the lowest true interest cost bid. Bidders are required to submit their bids electronically.

BORROWER DISCLOSURE IN CONNECTION WITH THE MARKETING AND SALE OF I-BANK LONG-TERM BONDS

Depending upon the Borrowers' characteristics, the participants in the I-Bank's long-term program are required to provide, through completion of their Long-Term Financial Addendum Form ("FAF") and certification of the accuracy of the data therein, information necessary for disclosure in the I-Bank's Official Statement to be disseminated in connection with the sale and issuance of its Long-Term Bonds. Full disclosure is required for pool participants that are determined by the I-Bank to be "material obligated persons" (defined as any Borrower whose debt service repayments exceed 10% of the aggregate debt service repayments from all Borrowers included in a given series of Long-Term Bonds). Reduced disclosure is required from those Borrowers that do not meet the standard for "material obligated persons." In each instance in which the I-Bank is issuing Long-Term Bonds for the purpose of funding long term loans to a pool of Borrowers, the I-Bank will comply fully with the federal securities laws that are then-applicable to

its Official Statement, including, without limitation, compliance by the “material obligated persons” in such pool of Borrowers with respect to required Borrower disclosure.

SECONDARY MARKET DISCLOSURE

Rule 15c2-12 of the Securities and Exchange Commission requires that certain information be provided on an annual basis, following the issuance of bonds, for use in the secondary market. The I-Bank has developed a policy, in satisfaction of the requirements of Rule 15c2-12, to (i) provide ongoing secondary market disclosure with respect to its financing program and each series of Long-Term Bonds that it issues, and (ii) ensure the provision of ongoing secondary market disclosure by certain Borrowers (i.e., those Borrowers that are determined by the I-Bank to be “material obligated persons”) that participated in the pool that was financed with such series of Long-Term Bonds. In each instance in which the I-Bank is issuing Long-Term Bonds for the purpose of funding long term loans to a pool of Borrowers, the I-Bank will comply fully with the federal securities laws that are then-applicable to secondary market disclosure, including, without limitation, compliance by the “material obligated persons” in such pool of Borrowers with respect to required secondary market disclosure.

DEFICIENCY AGREEMENT / CREDIT ENHANCEMENTS

Certain authorities that are qualifying Borrowers have no taxing power and, as a result, must secure their bonds through a sponsoring public entity that provides the Transportation Bank with a General Obligation Pledge on behalf of the authority. In such cases, the I-Bank requires the Borrower bond of such Borrower to be additionally secured by a G.O. deficiency agreement with the Borrower’s underlying municipalities or the county. In the event such Borrower does not have an investment grade rating in satisfaction of the credit policy, the I-Bank will require the Borrower to secure such additional forms of credit enhancements.

STATE-AID INTERCEPT

To assure the continued operation and solvency of the I-Bank, the I-Bank’s enabling legislation authorizes the State Treasurer to intercept State aid to local government units that fail to meet their debt obligations to the I-Bank and to utilize those State aid funds to satisfy the local government unit’s debt obligations to the I-Bank.

The model for this approach is the State's Municipal Qualified Bond Program, which has been widely used by the State's lower rated urban Borrowers. State aid securing Qualified Bonds issued by participants in the Municipal Qualified Bond Program can be intercepted by the I-Bank as well through the I-Bank’s statutory intercept powers. The State's experience with the Municipal Qualified Bond Program indicates that the State aid intercept can raise the ratings on bonds issued by weaker Borrowers to typically one step below the State’s rating. Therefore, participating municipalities and municipalities which are subject to deficiency agreements with participating authorities will be required to allow the State Treasurer to intercept their State aid on behalf of the I-Bank if that borrower’s payments are ever insufficient to pay debt service on the I-Bank Loan.

The intercept under the Transportation Bank is subordinate to the intercept securing bonds issued under the Municipal Qualified Bond Program. Should participants in the Transportation Bank have outstanding Municipal Qualified Bonds, financing documents will include covenants requiring that the coverage ratio of debt service by State aid be calculated by including those bonds as well as the Transportation Bank loan. This will mitigate the adverse effect of the senior claim on State aid of those Qualified Bonds.

The I-Bank will employ its State aid intercept powers to intercept funds of any Borrower that has defaulted on its I-Bank obligation. Intercepted funds will be applied to make up any repayment deficiencies to the I-Bank. Further, the I-Bank may take other actions to cause the local government unit to repay in a timely manner any sums in default. To date, the Transportation Bank has not had to employ its State aid intercept powers.

COVENANTS AFFECTING THE LOCAL UNIT

The Transportation Bank long-term loan agreements are legally valid and binding obligations of the Borrower; the long-term local unit bonds or approved collateral are legally valid and binding obligations of the Borrower.

Consequently, each Borrower must be able to make unequivocal representations concerning its status. Ordinances and resolutions of the governing body must be in place to establish that the Borrower has the legal right and authority to undertake the Project, and own, efficiently operate and appropriately maintain the Project. The Borrower will need to certify that no undisclosed fact or event, and no pending litigation, will materially adversely affect the borrower, the project or the ability to make timely loan repayments.

Other covenants include:

- For a G.O. Borrower, a pledge of full faith and credit to exercise the unlimited *ad valorem* taxing power of the local government to insure the timely repayment of principal and interest;
- The intercept of State aid payable to a General Obligation Borrower who fails to meet I-Bank Loan repayment and/or administrative fee payment schedules; or
- The establishment of levies, fees or rates sufficient to meet operating and maintenance expenses to comply with all outstanding covenants relating to bonds or other evidence of indebtedness, and to pay other amounts due;
- A limitation on the Borrower's discretion to issue Qualified Bonds unless the coverage afforded by State aid anticipated for the current fiscal year is equal to a reasonable coverage test, which test in the past has been: the annual debt service on all outstanding Qualified Bonds divided by the annual funds available for these payments pursuant to the Qualified Bond Act must not exceed 0.80;

- A limitation on the use of loan proceeds to only finance allowable costs of the Project that are funded by the long-term loan;
- A limitation on the Borrower's discretion to sell, lease, abandon or otherwise dispose of the infrastructure without (i) an effective assignment of the Borrower's loan obligations, (ii) the prior written approval of the I-Bank, and (iii) an opinion from the I-Bank's bond counsel that such sale, lease, etc. will not have an adverse impact on either the security for the I-Bank's bonds or the tax-exempt status (if applicable) of the I-Bank's bonds;
- A prohibition on actions that may jeopardize the tax status of the bonds issued by the I-Bank (if applicable);
- A provision to provide secondary market disclosure information in accordance with the provisions of SEC Rule 15c2-12 and the policy established by the I-Bank, if required under the Rule; and
- The I-Bank may impose additional covenants on certain Borrowers in order to address unique circumstances.

TERMS OF REPAYMENT

Interest begins accruing on the I-Bank's long-term loan when the I-Bank's Long-Term Bond closing occurs and the long-term loan proceeds are used to repay the Borrower's outstanding short-term loan.

Other repayment terms include:

- A level annual repayment schedule for the long-term loan, with interest payable in semi-annual installments and principal payable in annual installments;
- Payment of the remaining balance of the I-Bank's 2% Project administrative fee (1%) shall be paid at the time of the first long-term loan repayment. Payment of the I-Bank's annual 0.15% administration fee shall be paid semiannually, commencing with the first long-term loan repayment for the term of the loan;
- Payment of the I-Bank's administrative fee semiannually at the rate of 0.15% of the original principal amount of the long-term loan;
- A late charge of 12% per annum, or [.50% above the prime rate], whichever is greater, of the loan payment amount that is past due, calculated from the due date;
- The application of each I-Bank loan repayment pursuant to the terms set forth the Bond Resolution (typically to interest first, then principal).

The loan agreements may also provide Borrowers with an option to prepay loan obligations without penalty. Prepayment of the I-Bank Loan requires a 90-day written notice to the I-Bank and a written

approval thereof. I-Bank Loan prepayments, at a minimum, must take out accrued interest (if applicable), any premium, principal through the prospective payment date for which the prepayment is to be credited and any fees incurred by the Transportation Bank to execute such prepayment. Advance repayments will be applied first to interest on the portion prepaid, then to principal. The Borrower is responsible for paying all the costs of the I-Bank associated with any prepayments. In addition, whether or not prepayment is involved, any modification of the local government bonds securing the I-Bank Loan will require prior approval of the I-Bank.

DEFAULT

The long-term loan agreements define an Event of Default (“EOD”) as:

1. the failure by the Borrower to make a loan repayment on or before the due date;
2. the failure to make timely payment of an administrative fee on the I-Bank Loan within 30 days after written notice is given;
3. the representation of false and misleading information that has a material effect on the integrity of the loan agreements or related documents;
4. the appropriate filing by or against a Borrower of any petition of bankruptcy or insolvency;
5. the general failure of the Borrower to pay its debts; and
6. the failure to observe or perform any other duties, obligations or responsibilities required by the I-Bank for participation in the Financing Program, within 30 days after written notice.

With respect to the EODs specified in (2) and (6), the Trustee may be authorized to provide relief for up to 120 days if the Borrower can represent that the failure to pay, observe or perform is correctable within that time frame. In addition, default may be averted if a petition of bankruptcy or insolvency is dismissed without prospects for appeal.

In an event of payment default, the I-Bank may accelerate the long-term loan, and in the event of any default, the I-Bank may elect to take whatever action of law or equity is necessary to recover the deficiencies manifested by the default or direct the Trustee to pursue these remedies.

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III. APPENDICES

FY2019 Transportation Financing Program Project Priority List and
FY2019 Interim Transportation Financing Program Project Priority List:

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APPENDIX A1

APPENDIX A1
FY2019 Transportation Financing Program Project Priority List and
FY2019 Interim Transportation Financing Program
Project Priority List

Alphabetical Order

Rank	Applicant	Project Name	Amount
39	Atlantic City	Ohio Avenue Bridge Replacement	\$4,000,000
84	Atlantic City	Atlantic City Boardwalk Bike Lane Project - Phase 1	\$1,000,000
7	Atlantic County	Poplar Avenue Over Japhet's Creek	\$500,000
18	Atlantic County	Old New York Road (Cr 610) Over Nacote Creek	\$3,500,000
52	Atlantic County	John F Kennedy Memorial Bridge (CR 629) Over Risley Channel	\$21,000,000
78	Atlantic County	Mill Road (Cr 651) Over Absecon Creek	\$1,000,000
107	Atlantic County	Replacement of Cotton Mill Bridge (No. 01hml54)	\$4,000,000
85	Atlantic Highlands Borough	Memorial Parkway Streetscape Improvements	\$1,500,000
108	Belleville Township	Township of Belleville Light Rail Pedestrian Safety Project	\$1,000,000
4	Bergen County	East Anderson Street (Cr 60) Over Hackensack River	\$9,500,000
58	Bergen County	Kingsland Ave/Passaic R (Avondale Brg)(0700b01)Alt	\$5,000,000
88	Bergen County	Magnolia Ave Over Pascack Brook	\$1,000,000
128	Bergen County	Midtown (Salem Street) Bridge - 020004b	\$1,000,000
97	Bridgeton City	Reconstruction of Existing Brick Sidewalks in Downtown Bridgeton Phase I (Laurel Street)	\$2,000,000
1	Burlington County	Centerton Road (Cr 635) Over Rancocas Creek	\$3,000,000
8	Burlington County	Dunns Mill Rd Over Blacks Creek	\$500,000
16	Burlington County	Hanover St (Cr 616) Over N Br of Rancocas Creek	\$1,500,000
19	Burlington County	Stage Road (Cr 654) / East Br Bass River	\$500,000
28	Burlington County	Fork Landing Road/ N. Br. of Pennsauken Creek	\$500,000
43	Burlington County	Marne Highway (Rt 537) / Mason Creek	\$2,000,000
44	Burlington County	Smithville Rd (Cr 684) Over North Branch of Rancocas Creek	\$1,500,000
57	Burlington County	Hammonton Road (Cr 542) Over Wading River	\$5,000,000
89	Burlington County	Rt 537 / N Br Pennsauken Cr	\$1,500,000
103	Burlington County	Georgetown-Chesterfield Rd/Blacks Ck	\$500,000
55	Camden County	Cross Camden County Trail- Browning Road	\$500,000

Rank	Applicant	Project Name	Amount
121	Camden County	Replacement of Clementon-Berlin Road (Cr 534) Bridge (048e006)	\$3,000,000
5	Cape May County	Stone Harbor Blvd(Cr657)/Great Chnl	\$11,500,000
6	Cape May County	Ocean Drive (Cr619) Over Townsends Inlet Bridge Railing Improvements	\$1,000,000
42	Cape May County	County Rte 619 Over Great Channel	\$17,500,000
74	Cape May County	Cr633(Lafayette St)/Cape Island Cree)	\$2,000,000
93	Cape May County	Cr 621 (Ocean Dr)/Upper Thorofare	\$3,500,000
106	Cape May County	Roosevelt Blvd. (Cr623) Bridge Over Crook Horn Creek Deck Rehabilitation	\$1,000,000
110	Carlstadt Borough	Fifth Street Roadway Improvements	\$1,000,000
126	Carlstadt Borough	Seventh Street Roadway Improvements	\$1,000,000
113	Colts Neck Township	Improvements to Bucks Mill Road	\$1,000,000
98	Elizabeth City	Traffic Light System Replacement - Broad Street to East/West Grand Street	\$1,000,000
125	Elizabeth City	Jersey Gardens Boulevard Mse Wall Replacement	\$3,000,000
33	Essex County	Central Avenue Over Nj Transit City Subway	\$4,000,000
68	Essex County	Centre Street (Cr 648) Over Third River	\$1,500,000
76	Essex County	Clay Street Over Passaic River	\$5,500,000
122	Essex County	Replacement of Dougal Place Bridge Over Kane Brook	\$1,000,000
124	Essex County	Rehabilitation of Springfield Avenue Bridge Over Elizabeth River	\$1,000,000
115	Hawthorne Borough	Prescott Avenue	\$500,000
72	Hillsdale Borough	Borough of Hillsdale Bikeway	\$1,000,000
109	Hillsdale Borough	Patterson Street Safety Improvement Project	\$1,000,000
83	Howell Township	Capitol to the Coast Trail	\$1,000,000
32	Hunterdon County	Pine Hill Road Over South Branch Raritan River [Fc-80]	\$500,000
45	Hunterdon County	Van Lieus Rd Over Back Brook [E-243]	\$500,000
46	Hunterdon County	Main Street Over South Branch Raritan River [N-1]	\$1,500,000
48	Hunterdon County	Replacement of Bridge C-32 Located on Payne Road In Clinton township	\$1,000,000
51	Hunterdon County	Point Mountain Road Over Musconetcong River [2101609]	\$500,000
63	Hunterdon County	Milltown Road Over Lockatong Creek [K-87]	\$500,000
65	Hunterdon County	Woodsville Road Over Peters Brook [We-74]	\$500,000
66	Hunterdon County	Kuhls Road Over Branch of Neshanic River [Q-48]	\$1,000,000
91	Hunterdon County	Milford-Frenchtown Road (Cr 619) Over Harihokake Creek [A-45]	\$500,000
41	Jersey City	Fairmount Avenue Safety Improvements	\$1,000,000

Rank	Applicant	Project Name	Amount
56	Jersey City	Jersey City Morris Canal Greenway (Segment 3)	\$1,000,000
116	Keansburg Borough	Highland Blvd. Phase Ii Roadway Improvements	\$1,500,000
102	Lake Como Borough	Main St-Phase Iv and North Boulevard	\$1,000,000
82	Little Falls Township	Main Street/Morris Canal Streetscape Interconnect	\$1,000,000
100	Manalapan Township	Main St/Tennent Rd Bikeway Improvements	\$1,000,000
114	Mansfield Township	Mt. Bethel Rd Improvements Phase 1 & 2	\$1,000,000
95	Marlboro Township	Route 79 Sidewalk	\$1,000,000
17	Mercer County	Alexander Rd Over Stony Brook	\$1,000,000
22	Mercer County	Mine Road Over Stony Brook	\$1,000,000
36	Mercer County	South Broad Street (Us Route 206) Over Assunpink Creek	\$1,500,000
59	Mercer County	Hopewell-Princeton (Carter) Road (Cr 569) Over Bedens Brook	\$500,000
62	Mercer County	Iron Bridge Rd Over Crosswick's Creek	\$1,000,000
40	Middle Township	Sidewalk Improvements Along Goshen Road Dias Creek Hand Avenue	\$1,000,000
120	Middlesex County	Bridge 4-B-98, Old Cranbury Road Over the Millstone River	\$1,000,000
129	Middlesex County	Culvert 4-C-108, South Main Street	\$2,000,000
2	Monmouth County	Brielle Road Over Glimmer Glass	\$3,500,000
3	Monmouth County	Arneytwn-Hornerstwn Rd/Crosswicks Crk	\$1,000,000
9	Monmouth County	Rt 539 (Old York Road) Over New Sharon Brook	\$500,000
10	Monmouth County	Cr 6 (Amboy Avenue) Over Matawan Creek	\$4,500,000
11	Monmouth County	Perrineville Rd (Cr 1)/Tributary to Rocky Brk	\$500,000
15	Monmouth County	Green Avenue Over Debbies Creek	\$1,500,000
20	Monmouth County	Bingham Ave.Locust Pt Rd (Cr 8a) /Navesink	\$45,000,000
21	Monmouth County	Walns Mill Rd Over Crosswicks Creek	\$1,000,000
24	Monmouth County	Remson Mill Road Over Shark River	\$500,000
31	Monmouth County	Holmes Mill Road Over Miry Run	\$500,000
34	Monmouth County	Walns Mill Road Over Crosswicks Creek	\$500,000
35	Monmouth County	10th Street Over Waackaack Creek	\$500,000
37	Monmouth County	Lakwd-Alenwd Rd Over Haystack Brk	\$500,000
49	Monmouth County	Kent Road / North Branch Metedeconk River	\$1,000,000
60	Monmouth County	Allenwood Road Over Wreck Pond Brook	\$500,000
67	Monmouth County	Schoolhouse Road Over Shark River	\$500,000
69	Monmouth County	Cr12a (Navesink River Rd) Over Mcclees Creek	\$1,000,000
73	Monmouth County	Cr 54 (Phalanx Road) Over Hop Brook	\$2,000,000
80	Monmouth County	Rt 539 (Old York Road) Over Assunpink Creek	\$1,000,000

Rank	Applicant	Project Name	Amount
81	Monmouth County	Aberdeen Road Over Matawan Creek	\$500,000
92	Monmouth County	Cr 12 (Hubbard Ave) Over Shadow Lake	\$1,000,000
117	Monmouth County	Reconstruction of Bridge S-14 On County Route 50 (Swimming River Road) Over Swimming River	\$1,000,000
12	Morris County	Rutgers St. Over Rockaway River	\$1,000,000
50	Morris County	Waterloo Road Over Musconetcong River	\$500,000
111	Morris County	Replacement of Guide Rail Along Kinnelon Road (County Route 618)	\$1,000,000
53	Morristown Town	Speedwell Avenue and Spring Street Intersection Improvement Project	\$500,000
86	Morristown Town	Intersection Improvements at Route 202 (Speedwell Ave.) And Spring Street	\$1,000,000
70	Oakland Borough	Patriot's Way Bridge	\$500,000
27	Ocean County	Barnegat Branch Trail Phase Viii Construction	\$1,000,000
118	Ocean County	Replacement of Zebb's Bridge	\$2,000,000
99	Orange City Township	Orange Transit Station Underpass and Railroad Place Improvement Project	\$1,000,000
96	Passaic City	City of Passaic 2018 Safe Streets to Transit Improvements at Various Locations	\$1,000,000
29	Passaic County	Kingsland Road (NJ 7) Over Third River	\$1,000,000
30	Passaic County	Fifth Avenue Over Passaic River	\$2,500,000
77	Passaic County	Fairfield Rd (Cr 679)/Singac Brook	\$2,500,000
79	Passaic County	Paterson-Hamburg Turnpike (Cr 694) Over Pequannock River	\$2,500,000
119	Passaic County	Spruce Street Bridge Over the Passaic River Superstructure Reconstruction	\$1,000,000
123	Salem County	Replacement of Centerton Bridge, County Bridge #1701-235 On Centerton Rd, Cr #540 Over Muddy Run	\$2,000,000
130	Somerdale Borough	Reconstruction of Pasadena Drive	\$1,000,000
101	Somers Point City	Reconstruction of Bethel Road	\$1,000,000
13	Somerset County	Robert Street / Raritan Canal	\$500,000
14	Somerset County	Zion-Wertsville Road Over Rock Brook	\$500,000
23	Somerset County	Jefferson Avenue Over Green Brook	\$500,000
26	Somerset County	Morton St Over Cuckels Brook	\$500,000
64	Somerset County	Meeker Road Over Mine Brook	\$1,000,000
90	Somerset County	Lloyd Road Over Tributary to Indian Grove Brook	\$500,000
94	Somerset County	Station Road (Cr 679) Over Chambers Brook	\$500,000
54	South Brunswick Township	Stouts Lane Bikeway	\$1,000,000
112	Springfield Township	Mountain Ave. Flood Mitigation Program	\$1,500,000
25	Sussex County	Oil City Road / Branch of Wallkill River	\$500,000
38	Sussex County	County Fairgrounds Road Over Dry Brook	\$500,000

Rank	Applicant	Project Name	Amount
61	Sussex County	Cr 565 (Branchville Lewisburg Road) Over Papakating Creek	\$1,000,000
71	Tenafly Borough	Central Business District Safe Streets to Transit Improvements Phase 1	\$500,000
105	Tinton Falls Borough	Fox Chase Drive Resurfacing	\$1,000,000
75	Union County	Elm Street and Orchard Street Over Stream 10-7-15	\$3,000,000
87	Union County	W.R. Tracy Drive (Cr 645) Over Surprise Lake	\$500,000
47	Warren County	Rymon Road Over Musconetcong River	\$1,000,000
127	Washington Township	Improvements to Naughtright Road	\$500,000
104	Wood-Ridge Borough	Burma Road Bikeway	\$1,000,000
		<i>Bridge Assets Total</i>	<i>\$231,500,000</i>
		<i>Road Assets Total</i>	<i>\$14,500,000</i>
		<i>Cong. Relief Total</i>	<i>\$1,000,000</i>
		<i>Multimodal Total</i>	<i>\$20,500,000</i>
		Grand Total	\$267,500,000

APPENDIX A2

APPENDIX A2

**FY2019 Transportation Financing Program Project Priority List and
FY2019 Interim Transportation Financing Program Project Priority List**

Ranked Order

Rank	Applicant	Project Name	Amount
1	Burlington County	Centerton Road (Cr 635) Over Rancocas Creek	\$3,000,000
2	Monmouth County	Brielle Road Over Glimmer Glass	\$3,500,000
3	Monmouth County	Arneytwn-Hornerstwn Rd/Crosswicks Crk	\$1,000,000
4	Bergen County	East Anderson Street (Cr 60) Over Hackensack River	\$9,500,000
5	Cape May County	Stone Harbor Blvd(Cr657)/Great Chnl	\$11,500,000
6	Cape May County	Ocean Drive (Cr619) Over Townsends Inlet Bridge Railing Improvements	\$1,000,000
7	Atlantic County	Poplar Avenue Over Japhet's Creek	\$500,000
8	Burlington County	Dunns Mill Rd Over Blacks Creek	\$500,000
9	Monmouth County	Rt 539 (Old York Road) Over New Sharon Brook	\$500,000
10	Monmouth County	Cr 6 (Amboy Avenue) Over Matawan Creek	\$4,500,000
11	Monmouth County	Perrineville Rd (Cr 1)/Tributary to Rocky Brk	\$500,000
12	Morris County	Rutgers St. Over Rockaway River	\$1,000,000
13	Somerset County	Robert Street / Raritan Canal	\$500,000
14	Somerset County	Zion-Wertsville Road Over Rock Brook	\$500,000
15	Monmouth County	Green Avenue Over Debbies Creek	\$1,500,000
16	Burlington County	Hanover St (Cr 616) Over N Br Of Rancocas Creek	\$1,500,000
17	Mercer County	Alexander Rd Over Stony Brook	\$1,000,000
18	Atlantic County	Old New York Road (Cr 610) Over Nacote Creek	\$3,500,000
19	Burlington County	Stage Road (Cr 654) / East Br Bass River	\$500,000
20	Monmouth County	Bingham Ave.Locust Pt Rd (Cr 8a)/Navesink	\$45,000,000
21	Monmouth County	Walns Mill Rd Over Crosswicks Creek	\$1,000,000
22	Mercer County	Mine Road Over Stony Brook	\$1,000,000
23	Somerset County	Jefferson Avenue Over Green Brook	\$500,000
24	Monmouth County	Remson Mill Road Over Shark River	\$500,000
25	Sussex County	Oil City Road / Branch of Wallkill River	\$500,000
26	Somerset County	Morton St Over Cuckels Brook	\$500,000
27	Ocean County	Barnegat Branch Trail Phase Viii Construction	\$1,000,000
28	Burlington County	Fork Landing Road/ N. Br. Of Pennsauken Creek	\$500,000

Rank	Applicant	Project Name	Amount
29	Passaic County	Kingsland Road (NJ 7) Over Third River	\$1,000,000
30	Passaic County	Fifth Avenue Over Passaic River	\$2,500,000
31	Monmouth County	Holmes Mill Road Over Miry Run	\$500,000
32	Hunterdon County	Pine Hill Road Over South Branch Raritan River [Fc-80]	\$500,000
33	Essex County	Central Avenue Over NJ Transit City Subway	\$4,000,000
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35	Monmouth County	10th Street Over Waackaack Creek	\$500,000
36	Mercer County	South Broad Street (Us Route 206) Over Assunpink Creek	\$1,500,000
37	Monmouth County	Lakwd-Alenwd Rd Over Haystack Brk	\$500,000
38	Sussex County	County Fairgrounds Road Over Dry Brook	\$500,000
39	Atlantic City	Ohio Avenue Bridge Replacement	\$4,000,000
40	Middle Township	Sidewalk Improvements Along Goshen Road Dias Creek Hand Avenue	\$1,000,000
41	Jersey City	Fairmount Avenue Safety Improvements	\$1,000,000
42	Cape May County	County Rte 619 Over Great Channel	\$17,500,000
43	Burlington County	Marne Highway (Rt 537) / Mason Creek	\$2,000,000
44	Burlington County	Smithville Rd (Cr 684) Over North Branch of Rancocas Creek	\$1,500,000
45	Hunterdon County	Van Lieus Rd Over Back Brook [E-243]	\$500,000
46	Hunterdon County	Main Street Over South Branch Raritan River [N-1]	\$1,500,000
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50	Morris County	Waterloo Road Over Musconetcong River	\$500,000
51	Hunterdon County	Point Mountain Road Over Musconetcong River [2101609]	\$500,000
52	Atlantic County	John F Kennedy Memorial Bridge (Cr 629) Over Risley Channel	\$21,000,000
53	Morristown Town	Speedwell Avenue and Spring Street Intersection Improvement Project	\$500,000
54	South Brunswick Township	Stouts Lane Bikeway	\$1,000,000
55	Camden County	Cross Camden County Trail- Browning Road	\$500,000
56	Jersey City	Jersey City Morris Canal Greenway (Segment 3)	\$1,000,000
57	Burlington County	Hammonton Road (Cr 542) Over Wading River	\$5,000,000

Rank	Applicant	Project Name	Amount
58	Bergen County	Kingsland Ave/Passaic R (Avondale Brg)(0700b01)Alt	\$5,000,000
59	Mercer County	Hopewell-Princeton (Carter) Road (Cr 569) Over Bedens Brook	\$500,000
60	Monmouth County	Allenwood Road Over Wreck Pond Brook	\$500,000
61	Sussex County	Cr 565 (Branchville Lewisburg Road) Over Papakating Creek	\$1,000,000
62	Mercer County	Iron Bridge Rd Over Crosswick's Creek	\$1,000,000
63	Hunterdon County	Milltown Road Over Lockatong Creek [K-87]	\$500,000
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70	Oakland Borough	Patriot's Way Bridge	\$500,000
71	Tenafly Borough	Central Business District Safe Streets to Transit Improvements Phase 1	\$500,000
72	Hillsdale Borough	Borough of Hillsdale Bikeway	\$1,000,000
73	Monmouth County	Cr 54 (Phalanx Road) Over Hop Brook	\$2,000,000
74	Cape May County	Cr633(Lafayette St)/Cape Island Cree)	\$2,000,000
75	Union County	Elm Street and Orchard Street Over Stream 10-7-15	\$3,000,000
76	Essex County	Clay Street Over Passaic River	\$5,500,000
77	Passaic County	Fairfield Rd (Cr 679)/Singac Brook	\$2,500,000
78	Atlantic County	Mill Road (Cr 651) Over Absecon Creek	\$1,000,000
79	Passaic County	Paterson-Hamburg Turnpike (Cr 694) Over Pequannock River	\$2,500,000
80	Monmouth County	Rt 539 (Old York Road) Over Assunpink Creek	\$1,000,000
81	Monmouth County	Aberdeen Road Over Matawan Creek	\$500,000
82	Little Falls Township	Main Street/Morris Canal Streetscape Interconnect	\$1,000,000
83	Howell Township	Capitol to The Coast Trail	\$1,000,000
84	Atlantic City	Atlantic City Boardwalk Bike Lane Project - Phase 1	\$1,000,000
85	Atlantic Highlands Borough	Memorial Parkway Streetscape Improvements	\$1,500,000
86	Morristown Town	Intersection Improvements at Route 202 (Speedwell Ave.) And Spring Street	\$1,000,000
87	Union County	W.R. Tracy Drive (Cr 645) Over Surprise Lake	\$500,000

Rank	Applicant	Project Name	Amount
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89	Burlington County	Rt 537 / N Br Pennsauken Cr	\$1,500,000
90	Somerset County	Lloyd Road Over Tributary to Indian Grove Brook	\$500,000
91	Hunterdon County	Milford-Frenchtown Road (Cr 619) Over Harihokake Creek [A-45]	\$500,000
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93	Cape May County	Cr 621 (Ocean Dr)/Upper Thorofare	\$3,500,000
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95	Marlboro Township	Route 79 Sidewalk	\$1,000,000
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99	Orange City Township	Orange Transit Station Underpass and Railroad Place Improvement Project	\$1,000,000
100	Manalapan Township	Main St/Tennent Rd Bikeway Improvements	\$1,000,000
101	Somers Point City	Reconstruction of Bethel Road	\$1,000,000
102	Lake Como Borough	Main St-Phase Iv and North Boulevard	\$1,000,000
103	Burlington County	Georgetown-Chesterfield Rd/Blacks Ck	\$500,000
104	Wood-Ridge Borough	Burma Road Bikeway	\$1,000,000
105	Tinton Falls Borough	Fox Chase Drive Resurfacing	\$1,000,000
106	Cape May County	Roosevelt Blvd. (Cr623) Bridge Over Crook Horn Creek Deck Rehabilitation	\$1,000,000
107	Atlantic County	Replacement of Cotton Mill Bridge (No. 01hml54)	\$4,000,000
108	Belleville Township	Township of Belleville Light Rail Pedestrian Safety Project	\$1,000,000
109	Hillsdale Borough	Patterson Street Safety Improvement Project	\$1,000,000
110	Carlstadt Borough	Fifth Street Roadway Improvements	\$1,000,000
111	Morris County	Replacement of Guide Rail Along Kinnelon Road (County Route 618)	\$1,000,000
112	Springfield Township	Mountain Ave. Flood Mitigation Program	\$1,500,000
113	Colts Neck Township	Improvements to Bucks Mill Road	\$1,000,000
114	Mansfield Township	Mt. Bethel Rd Improvements Phase 1 & 2	\$1,000,000
115	Hawthorne Borough	Prescott Avenue	\$500,000
116	Keansburg Borough	Highland Blvd. Phase Ii Roadway Improvements	\$1,500,000

Rank	Applicant	Project Name	Amount
117	Monmouth County	Reconstruction of Bridge S-14 On County Route 50 (Swimming River Road) Over Swimming River	\$1,000,000
118	Ocean County	Replacement of Zebb's Bridge	\$2,000,000
119	Passaic County	Spruce Street Bridge Over the Passaic River Superstructure Reconstruction	\$1,000,000
120	Middlesex County	Bridge 4-B-98, Old Cranbury Road Over the Millstone River	\$1,000,000
121	Camden County	Replacement of Clementon-Berlin Road (Cr 534) Bridge (048e006)	\$3,000,000
122	Essex County	Replacement of Dougal Place Bridge Over Kane Brook	\$1,000,000
123	Salem County	Replacement of Centerton Bridge, County Bridge #1701-235 On Centerton Rd, Cr #540 Over Muddy Run	\$2,000,000
124	Essex County	Rehabilitation of Springfield Avenue Bridge Over Elizabeth River	\$1,000,000
125	Elizabeth City	Jersey Gardens Boulevard Mse Wall Replacement	\$3,000,000
126	Carlstadt Borough	Seventh Street Roadway Improvements	\$1,000,000
127	Washington Township	Improvements to Naughtright Road	\$500,000
128	Bergen County	Midtown (Salem Street) Bridge - 020004b	\$1,000,000
129	Middlesex County	Culvert 4-C-108, South Main Street	\$2,000,000
130	Somerdale Borough	Reconstruction of Pasadena Drive	\$1,000,000
		<i>Bridge Assets Total</i>	<i>\$231,500,000</i>
		<i>Road Assets Total</i>	<i>\$14,500,000</i>
		<i>Cong. Relief Total</i>	<i>\$1,000,000</i>
		<i>Multimodal Total</i>	<i>\$20,500,000</i>
		Grand Total	\$267,500,000

APPENDIX B

APPENDIX B
FY2019 Appropriations
(Project Eligibility List)

Projects are placed on the Project Eligibility List in anticipation of long-term financing for which State Appropriation will be sought. Long-term financing is issued upon construction completion to ensure certainty of project cost. All Projects financed in FY19 will receive short-term financing and are anticipated to complete construction in FY20 or thereafter. As such, there are no Projects to be included on the Project Eligibility List at this time.

APPENDIX C

APPENDIX C
Status Report on Projects Funded in the
FY2018 Financing Program

Statutory authorization to conduct the Transportation Infrastructure Bank was received in January of 2018. As such, no Project loans were issued in FY18.

APPENDIX D

APPENDIX D

FY2019 Proposed Budget

NEW JERSEY INFRASTRUCTURE BANK							
3/20/2018							
5:00 PM	WATER			TRANSPORTATION		COMBINED TOTAL	
REVENUES	ORIGINAL EIT	REVISED	DRAFT	BUDGETED	DRAFT	BUDGETED	DRAFT
	2018	2018	2019	2018	2019	2018	2019
Admin Fee Total:	5,738,837	5,738,837	5,771,497	-	400,000	5,738,837	6,171,497
Loan Surcharge (COI at closing)(Fall Deal)	60,000	60,000	37,500	-	-	60,000	37,500
Loan Surcharge (COI at closing)(Spring Deal)			50,000	-	-	-	50,000
Loan Surcharge Total:	60,000	60,000	87,500	-	-	60,000	87,500
Interest Income (Direct Loans/IFP Loans/SAIL Loans):	125,000	125,000	125,000	-	-	125,000	125,000
Interest Income (Operating Accts):	150,000	150,000	555,000	106,667	670,625	256,667	1,225,625
Other Income Total:	275,000	275,000	680,000	106,667	670,625	381,667	1,350,625
TOTAL REVENUES:	6,073,837	6,073,837	6,538,997	106,667	1,070,625	6,180,504	7,609,622
EXPENSES	ORIGINAL EIT	REVISED	DRAFT	BUDGETED	DRAFT	BUDGETED	DRAFT
FINANCING PROGRAMS	2018	2018	2019	2018	2019	2018	2019
Bond Counsel - Issuance Costs	765,000	765,000	750,000	-	30,000	765,000	780,000
Bond Counsel - Program / Development Charges	250,000	250,000	400,000	275,000	350,000	525,000	750,000
B.C. Total	1,015,000	1,015,000	1,150,000	275,000	380,000	1,290,000	1,530,000
Financial Advisor - Issuance Costs	138,353	138,353	166,400	-	-	138,353	166,400
Financial Advisor - Program / Development Charges	120,000	120,000	120,000	60,000	120,000	180,000	240,000
F.A. Total	258,353	258,353	286,400	60,000	120,000	318,353	406,400
Trustee and Loan Servicer Fees (Includes UCC Filings)	198,997	198,997	185,000	-	-	198,997	185,000
Rating Service	129,000	129,000	195,750	-	-	129,000	195,750
SAIL Program Expenses	50,000	50,000	30,000	-	-	50,000	30,000
Master Program Trustee	11,000	11,000	17,000	-	-	11,000	17,000
Arbitrage Rebate Services	55,500	55,500	50,000	-	-	55,500	50,000
3rd Party Bond Issuance Expenses (iPREO, Newspapers, POS)	12,000	12,000	17,000	-	-	12,000	17,000
TOTAL BOND PROGRAM EXPENSES	1,729,850	1,729,850	1,931,150	335,000	500,000	2,064,850	2,431,150
NJIB OPERATIONS							
Total Salaries & Fringe (Original)	2,939,661	2,636,335	2,989,511	506,372	1,355,265	3,142,707	4,344,776
a. FTE Salaries (Original)	1,638,903	1,470,597	1,632,858	279,052	740,240	1,749,649	2,373,098
b. Fringe + DEP Indirect (2018: 51.95% + 20.49%)(Original)	1,300,758	1,165,738	1,356,653	227,320	615,025	1,393,058	1,971,678
I.T. - a. Expenses (Hardware, Software, Online Services)	723,924	662,494	547,342	97,964	150,491	760,458	697,833
I.T. - b. Services Contracts (2x-PCS Group)	9,600	8,371	-	1,229	-	9,600	-
Admin Expenses General (Office supplies, bond buyer, pub)	19,200	26,595	37,844	4,605	17,156	31,200	55,000
Ancillary (Copier, Postage, Phone)	33,756	33,479	-	5,277	-	38,756	-
Facilities - Rent & Property Insurance, PSEG	128,943	110,798	108,233	18,145	49,067	128,943	157,300
Investment Advisor (PFMAM)	91,000	91,000	91,000	4,667	25,375	95,667	116,375
Auditor - a. NJIB Financials (RSM US LLP)	43,500	43,500	41,628	-	18,872	43,500	60,500
Auditor - b. State CW/DW SRF Financials (RSM US LLP)	42,400	42,400	44,000	-	-	42,400	44,000
Internal Control Audit (CohnReznick)	90,000	83,949	110,091	6,051	49,909	90,000	160,000
State Liason Charges (AG/GAU)	34,700	29,425	34,404	5,275	15,596	34,700	50,000
Reports, Publications & Marketing	28,700	28,240	35,023	15,460	40,877	43,700	75,900
Vehicle (Insurance, gasoline)	18,880	14,388	10,794	4,492	4,893	18,880	15,687
Depreciation (Other: IT, Furniture, etc)	27,214	24,759	18,775	2,455	8,512	27,214	27,287
Board Member Expense	-	-	5,849	-	2,651	-	8,500
TOTAL OPERATING EXPENSES	4,231,478	3,835,733	4,074,494	671,992	1,738,664	4,507,725	5,813,158
TOTAL EXPENDITURES	5,961,328	5,565,583	6,005,644	1,006,992	2,238,664	6,572,575	8,244,308
Unencumbered Contingencies (for Direct Loans, etc.)	\$ 112,509	\$ 508,254	\$ 533,354	\$ 105,398	\$ 281,961	\$ 613,652	\$ 815,314

* Using \$1.45 million appropriated LAIF funds

APPENDIX E

APPENDIX E

2018 I-BANK BOARD MEETING DATES

January 11, 2018

February 8, 2018

March 12, 2018

April 12, 2018

May 10, 2018

June 18, 2018

July 12, 2018

August 9, 2018

September 13, 2018

October 11, 2018

November 8, 2018

December 13, 2018

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