

State Infrastructure Bank

Executive Director Guidelines



Texas Department of Transportation

Executive Director Guidelines for the State Infrastructure Bank

I. Definitions

- A. Available Cash Balance means SIB Cash Balance minus Reserved Cash.
- B. Borrower Outstanding Loan Balance means the remaining principal balance of an active loan.
- C. Deck Project means a project that includes a cap, stitch, or other structure to fully cover an eligible roadway, including elements to support the structure.
- D. First-Come, First-Served Application means a SIB loan application for less than \$10 million where TxDOT has primary responsibility of the overall project and local participation is required.
- E. Program Call means the period during which Program Call Applications are accepted.
- F. Program Call Application means a SIB loan application over \$10 million or a SIB loan application under \$10 million for a project where TxDOT does not have primary responsibility for the project.
- G. Reserved Cash means the cash reserved for loans that have been approved by the Texas Transportation Commission but has not been disbursed yet.
- H. SIB Cash Balance means the total cash in the SIB fund.
- I. SIB Outstanding Loan Balance means the remaining principal balance of all active SIB loans.
- J. Total SIB Program means the total of the SIB Outstanding Loan Balance, Reserved Cash and Available Cash Balance.

II. Guidelines for Determination of Available SIB Funds

- A. Limit Per Project. The total financial assistance for any one project should not exceed 10% of the Total SIB Program.
- B. Limit Per Borrower. The total financial assistance to any one borrower should not exceed 20% of the Total SIB Program.
- C. Limit for Project Revenue Loans. The total financial assistance for all borrowers pledging project revenues as security for repayment should not exceed 50% of the Total SIB Program.
- D. Limit on Deck Project Loans.
 - Borrowers requesting financial assistance for a Deck Project are limited to:
 - Borrower Outstanding Loan Balance for Deck Project loans of ten percent (10%) of the SIB Available Cash Balance; and
 - The combined total of all borrowers within a TxDOT District may not have Outstanding Loan Balances for Deck Project loans that exceed fifteen percent (15%) of the SIB Available Cash Balance.
 - The limitation will be calculated using the SIB Available Cash Balance from the end of the previous TxDOT fiscal year.
 - The applicable limitation for borrowers will be determined based on the date

their completed application is received.

- If a borrower pays down their Borrower Outstanding Loan Balance below the then current limitation, they may borrow for a Deck Project up to that year's limitation.

E. All limitations will be rounded up to the nearest million.

III. **Guidelines for First-Come, First-Served Applications**

- A. A cash reserve of \$40 million should be maintained in the SIB for First-come, First-Served applications.
- B. SIB funds should not be reduced below the \$40 million cash reserve for a Program Call Application.

IV. **Guidelines for Program Call Applications**

- A. Application Deadlines for Program Call Applications. Program calls may be semi-annual or monthly, unless additional application deadlines are needed in the interim. The Executive Director may suspend deadlines if they are determined to be necessary.
- B. Available Cash Balance for Program Call Applications. Program Call Application deadlines will be suspended if at any time the SIB's projected Available Cash Balance is below \$50 million.
- C. Limit on Loan Amount for Program Call Applications. Program Call Applications will be limited to a principal loan amount that is 35% or less of the estimated total project cost.
- D. If the SIB Available Cash Balance exceeds \$75 million, the limitation in Section IV(C) will not be applicable to non-tolled projects and non-deck park projects.

V. **Guidelines for the Negotiation of Terms of Agreements**

- A. Disbursement Schedule. The amount, type, and timing of disbursements of financial assistance should be in accordance with the schedule below:
- At least 1/3 disbursed within 1 year
 - At least 2/3 disbursed within 2 years
 - Fully disbursed within 3 years

Disbursements could occur later than the disbursement schedule only if the borrower can demonstrate that the delay is needed because of weather delays, disruptions in the financial markets, or other *force majeure* events impacting construction and the need for the financial assistance.

- B. Subordinate Lien on Security. If the proposed collateral securing the financial assistance is a subordinate lien on revenues, then the amount of the SIB loan should not be greater than the amount of any senior lien bonds for the project with the same source of security.
- C. Borrower's Certificate. As a requirement for closing a financial assistance transaction and for disbursement of SIB funds, the applicant should provide a certificate warranting that the proposed revenues are eligible to be used to repay the loan and that the financial assistance will not violate any of the borrowing or bond commitments the borrower may have in place.

VI. Guidelines for Refinancing

A borrower may request to refinance their SIB loan with the following conditions:

- A. Borrower may refinance the SIB loan only one (1) time during the loan term.
- B. The loan term will not be extended.
- C. Borrower will pay a fee equal to .50% of the current outstanding loan balance
- D. Borrower may finance the fee required under Section VI(C).
- E. Borrower should be in good standing with the State Infrastructure Bank.

To make a request to refinance their SIB loan, the Borrower must submit a letter on official letterhead to the Department making the request.

VII. Waiver of Executive Director Guidelines

The guidelines contained herein are subject to change and may be waived on a case-by-case basis at the discretion of the Executive Director.

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