

PNWER

RIA

**Regional
Infrastructure
Accelerator**



Developing a TIFIA / RRIF Action Plan for Alaska

Alaska Municipal League Annual Conference
December 7, 2023

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Objectives for Today

Provide introduction to financing opportunities available through US DOT Build America Bureau, how to access information and resources, and how the PNWER RIA program and partners can assist.

Facilitate discussion with participants about benefits and drawbacks of TIFIA and RRIF, identifying unique challenges and opportunities present in Alaska.

Develop action plan for connecting Alaska local governments with Build America Bureau programs. This Action Plan will guide PNWER RIA outreach and engagement activities in Alaska for the next 24 months.

In Room Poll



Question 1: Have you ever heard of the U.S. Department of Transportation's TIFIA and RRIF Programs?

- **TIFIA** – Transportation Infrastructure Finance and Innovation Act
- **RRIF** – Railroad Rehabilitation and Improvement Financing Program

In Room Poll



Question 2: On a scale of 1 to 5, how much do you know about TIFIA and RRIF?

1

Nothing, I've never heard of these programs

2

I've heard the acronym before

3

I've heard of these programs, but I don't know much about them

4

I've generally understand how these programs work

5

I understand the programs and how they could apply to my projects



In Room Poll



Question 3: On a scale of 1 to 5, how comfortable would you feel considering TIFIA / RRIF for a project's funding package?



About PNWER

Pacific NorthWest Economic Region

PNWER is a public-private partnership established in 1991 chartered by the states of Alaska, Idaho, Montana, Oregon, and Washington; the western Canadian provinces of Alberta, British Columbia, and Saskatchewan; and Yukon and Northwest Territories.



➤ PNWER Goals

- Identify and promote "models of success"
- Serve as a conduit to exchange information.
- Promote greater regional collaboration
- Enhance the competitiveness of the region in both domestic and international markets
- Leverage regional influence in Ottawa and Washington D.C.
- Achieve continued economic growth while maintaining the region's natural environment
- Communicate provincial and state policies throughout the region



➤ PNWER Working Groups

- Arctic Caucus
- Border
- Center for Regional Disaster Resilience
- Infrastructure Finance
- Invasive Species
- Innovation & Small Business Development
- Legislative Energy Horizon Institute
- Energy & Environment
- Tourism
- Transportation & Infrastructure
- Workforce Development

PNW Infrastructure Challenges 2016



Lack of multi-state coordination and regional transportation planning across modes, and clear need for a region-wide, corridor focused strategic investment plan.



U.S. PNW states are not fully leveraging the potential of Public-Private Partnerships (P3s) and other innovative financing mechanisms. In contrast, our Canadian counterparts are known experts on P3s and leveraging private capital for public projects. Currently there's no effective way to bridge that international information gap.



Important projects without a clear “champion” will often go unfunded for several years, negatively impacting the function and safety of our transportation systems.

U.S. Department of Transportation

Office of the Secretary

- Office of the Under Secretary for Transportation Policy
 - Build America Bureau

Outreach & Project Development

- Outreach
- Project Development

Credit Programs

- Underwriting
- Portfolio Management
- Risk Management

Technical Assistance

- Community Solutions
- Innovative Finance

DOT Operating Administrations

- Federal Highway Administration (FHWA)
- Federal Transit Administration (FTA)
- Federal Railroad Administration (FRA)
- Federal Aviation Administration (FAA)
- Maritime Administration (MARAD)

- Experience with, and knowledge of, specific projects, sponsors, sectors, communities, and stakeholders
- Conduct oversight of projects – ensure compliance with all applicable federal requirements
- Administer DOT formula and discretionary grant programs
- Provide technical assistance

Build America Bureau

About the Bureau

Advancing investment in America's transportation infrastructure by providing **financial** and **technical** assistance

Financial Assistance

Flexible, low-cost, long-term credit assistance (loans, loan guarantees, and lines of credit) – \$100 B available – for a wide range of eligible projects; and tax-exempt bonds – \$15 B available – for public-private partnerships.

Technical Assistance

Grants for project planning and development, community solutions, and advisory services; and opportunities for training and education on the use of innovative project planning, financing, and delivery techniques.

Build America Bureau

Technical Assistance Programs / Resources

Build America Center

- \$5 M FHWA/Bureau partnership
- University of Maryland and four other universities provide TA
- Web - BAC.UMD.EDU

Thriving Communities

- \$21+ M awarded
- In-kind service to build the capacity of disadvantaged 64 communities
- 229 LOIs received
- Capacity Builders NOFO closed November 28, 2023

Rural & Tribal Assistance

- 5-year pilot program (\$10 M total)
- 13 communities including seven tribes awarded \$3.4 M November 20, 2023



Regional Infrastructure Accelerators

- \$10 M awarded to 10 RIAs in the first two rounds
- 14 New RIAs announced for \$24 M October 13, 2023

DOT Navigator

- New resource to help communities identify grant and TA opportunities
- Web - transportation.gov/grants/dot-navigator/

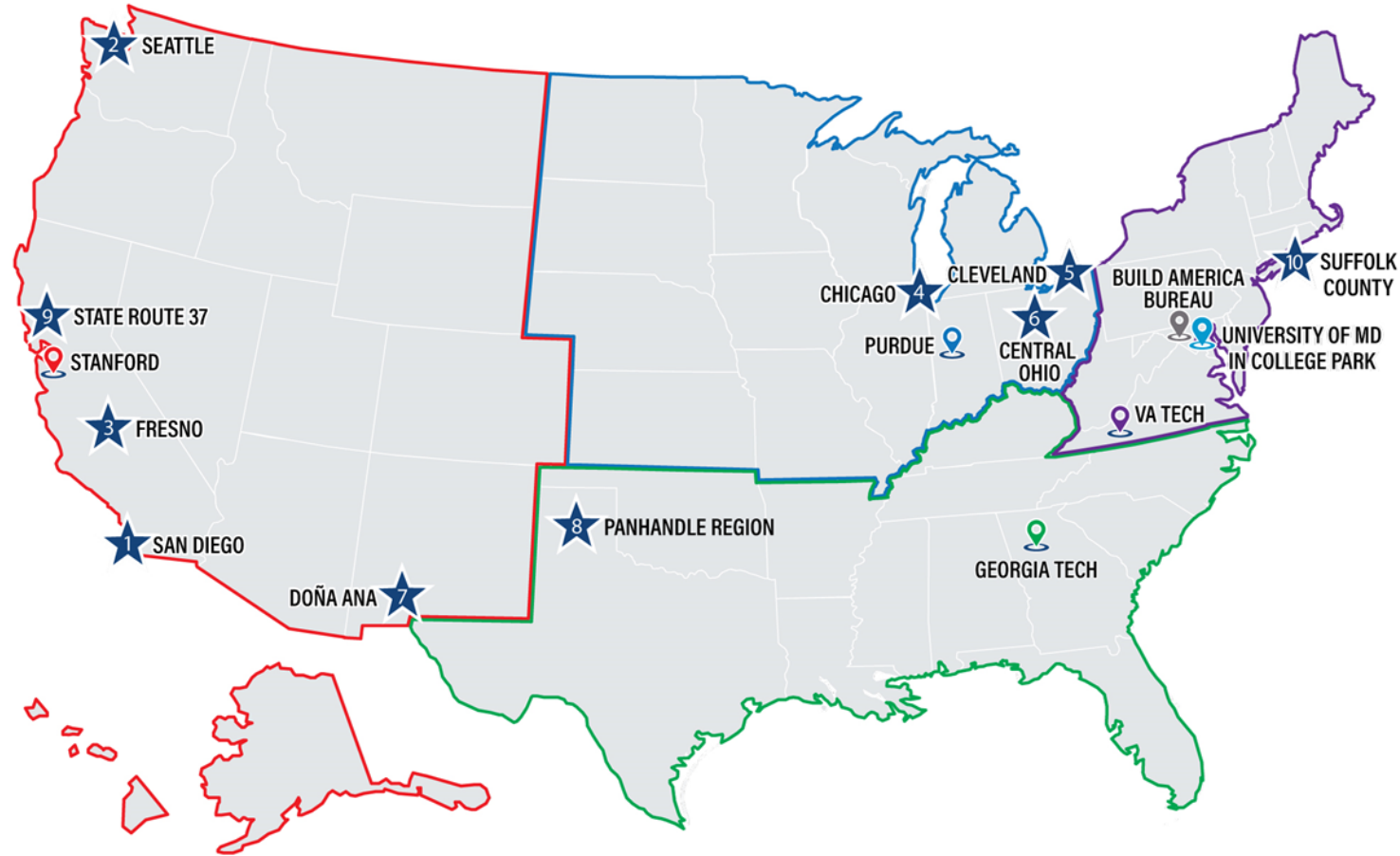
Innovative Finance

- 5-year program (\$100 M total)
- \$40 M will be available in the first round - **NOFO coming soon!**

<https://www.transportation.gov/buildamerica/technicalassistance>

Build America Bureau

Regional Infrastructure Accelerator & Build America Centers

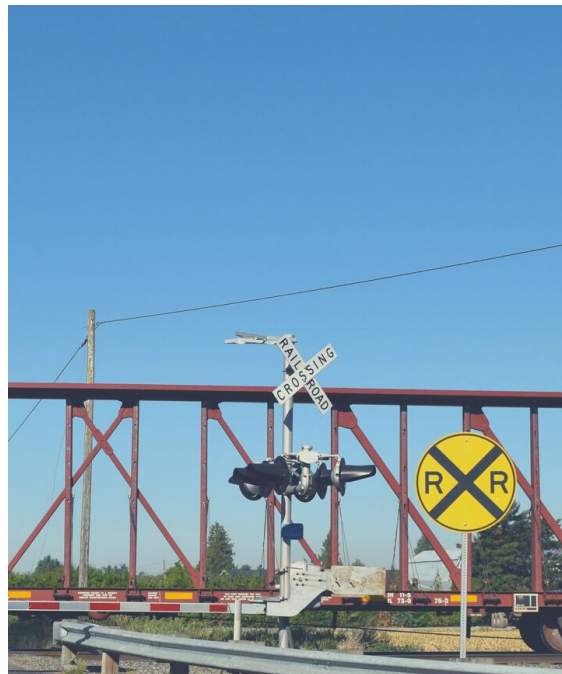


- ★ 1 San Diego Association of Governments (SANDAG)
- ★ 2 Pacific Northwest Economic Region (PNWER)
- ★ 3 Fresno Council of Governments (Fresno COG)
- ★ 4 The Chicago Metropolitan Agency for Planning (CMAP)
- ★ 5 Northeast Ohio Areawide Coordinating Agency (NOACA)
- ★ 6 Central Ohio Transit Authority (COTA)
- ★ 7 Dona Ana County, New Mexico
- ★ 8 Panhandle Regional Planning Commission, Texas
- ★ 9 Resilient SR 37 Program, CA
- ★ 10 Suffolk County, NY Midway Crossing Project

- ★ ACCELERATORS
- 📍 BUILD AMERICA CENTER LOCATIONS AND REGIONS
- WEST
- SOUTHWEST
- MIDWEST
- NORTHEAST
- 📍 NATIONWIDE AND REGIONS

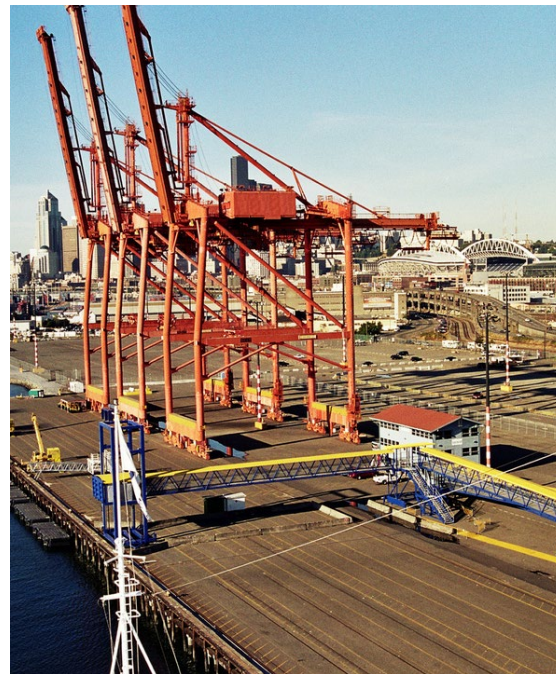
PNWER RIA Program Activities

*Round 1
2022-24*



Highway-Rail Grade Separation

Assist the rural community of Spokane Valley, WA to accelerate funding for community safety at Pines Road and along rail corridors



Drayage Emission Reduction

Establish a viable pathway for sustainable CO2 emission reduction in the Port areas of Seattle and Tacoma via drayage truck decarbonization



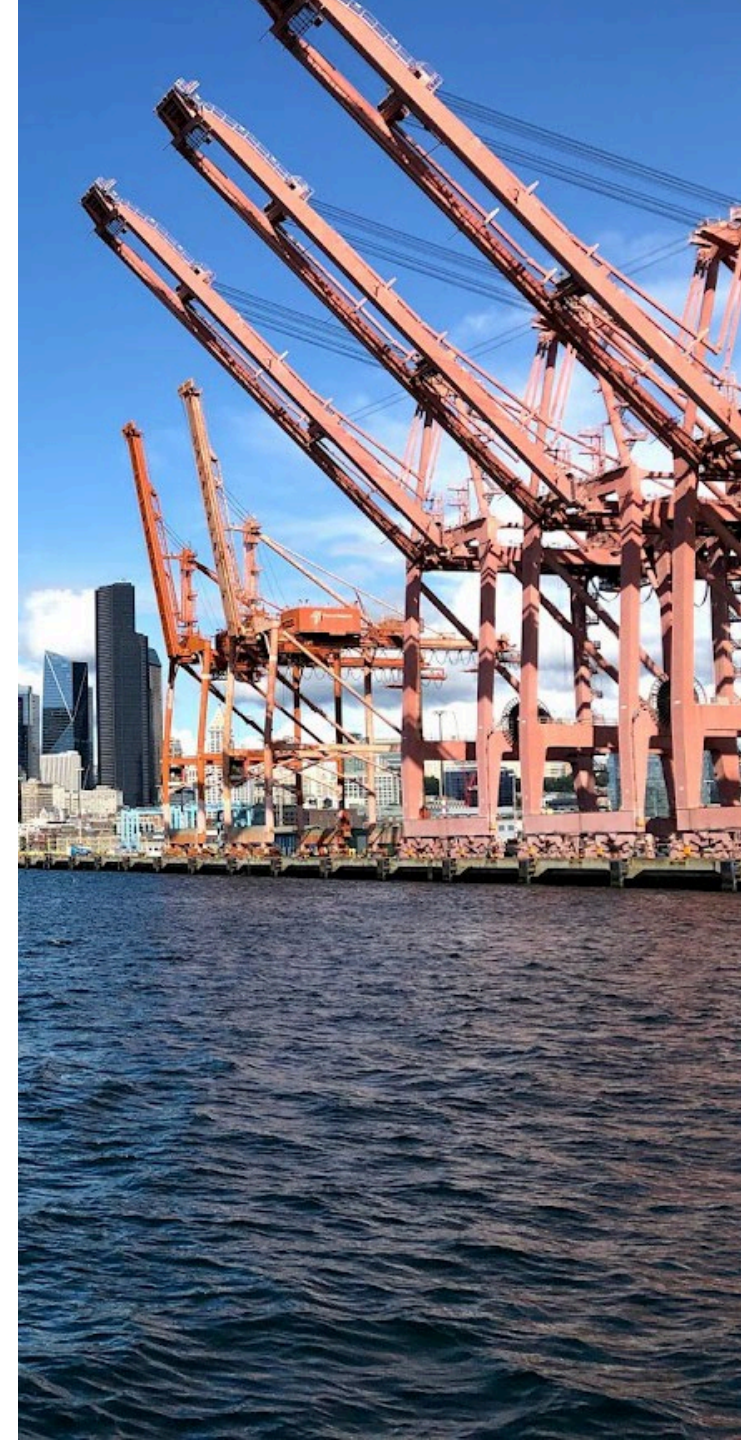
Center of Excellence

Develop capacity within PNWER RIA states to help states better understand federal credit & financing programs and how to navigate the new IIJA & IRA funding sources

PNWER RIA Program Goals

Round 1 | 2022-24

- **Mission Statement:** Convene, Connect, Match-Make for multi-state transportation projects that:
 - Ease Supply Chain Disruptions
 - Reduce Transportation Related Pollution
 - Increase Community Safety, Economic & Environmental Justice
- Improve regional understanding of the Build America Bureau innovative finance programs
- Provide technical assistance to identified projects
- Share information between states, Congressional Delegation, and DOT
- Identify pipeline of future projects that would be candidates for TIFIA / RRIF financing

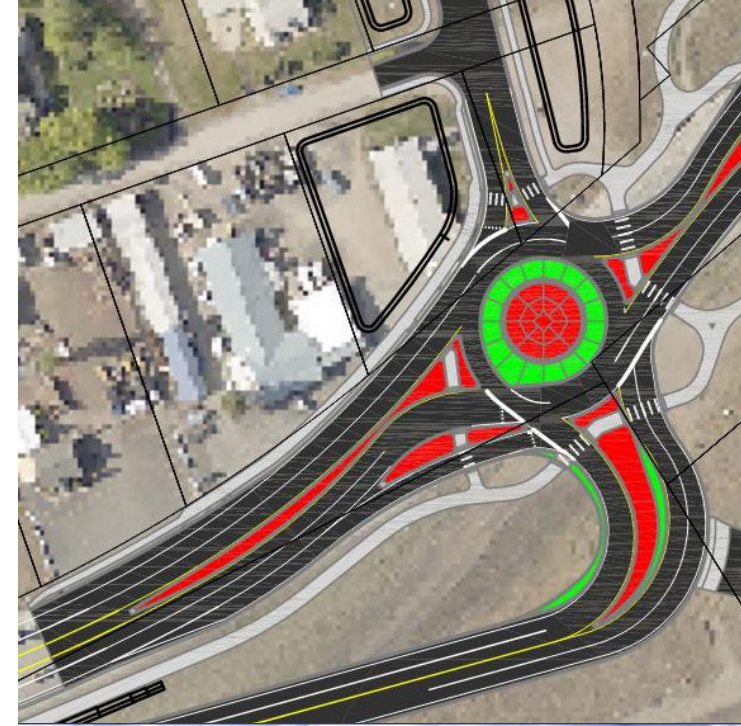


Early Achievements

Pines Road Highway/ Rail Grade Separation

- About the Project - \$40 million as of August 2022
 - City of Spokane Valley, WA | BNSF Rail Line | Amtrak Empire Builder
 - New road underpass allows for expansion of BNSF track, enables streamlined freight & passenger movement on railway and road
 - Improvement includes installation of new bike and pedestrian paths, trail access, EV charging stations, increasing community safety and multi-modal access
- History of the Project:
 - Identified by WSDOT & Freight Mobility Strategic Investment Board (FMSIB) in 2000
 - Did not receive funding, project became 'deferred'
 - 5 Unsuccessful BUILD/RAISE Applications (2017 – 2021)
- PNWER RIA provided technical assistance to the City of Spokane Valley for their 2022 RAISE grant application
 - The City received \$21 million RAISE Grant in 2022
 - PNWER RIA helped program be 'reprioritized' by state FMSIB to enable state funding
 - Received WSDOT grant for \$5 million in 2022

"The RIA's focus on impactful projects like this is already showing real value and the City appreciates their support as the project moves forward." –City of Spokane Valley Engineer



Early Achievements

Center of Excellence | 2022-23

- Launched PNWER RIA Program
 - First RIA to launch website – RIAnorthwest.org
- High Performance Rail Concept Developed
- Conducted individualized outreach to PNWER's 5 member states
- Provided Technical Assistance to Communities in PNWER States
- Establishing Private Sector Council & Advisory Board
- Hosted Events and Trainings Including:
 - Informational Webinar on RRIF for Northwest Shortline Railroads
 - PNWER's Economic Leadership Forum in Portland, OR | P3 Best Practices Panel with Patrick DeCorla Souza, FHWA; Mark Romoff, Canadian P3 Expert; Moderated by Anthony Buckley, WSDOT
 - Paying for MHD ZEVs in Washington State | Seattle, WA
 - PNWER Annual Summit | DOT Office Hours | Boise, ID
 - Co-Hosted Greater Northwest Passenger Rail Summit | Boise, ID



PNWER delegation discusses RIA program with Idaho Governor Brad Little. January 2023.



PNWER delegation discusses drayage decarbonization with Washington State Lt. Governor Denny Heck. January 2023.

PNWER States: AK | ID | MT | OR | WA

PNWER RIA

Lessons Learned in Round 1

- Build your on-staff expertise and knowledge base about TIFIA and RRIF programs
 - Know where your knowledge gaps are, fill them where possible
- Understand the private sector interest in or intersection with your project
- Build trust with your stakeholder community
 - Meet the community where they are and be prepared to share a lot of information about the RIA, TIFIA, RRIF, etc.
- Be innovative and creative about ways TIFIA and RRIF could apply to your project
 - If something isn't working, pivot.
- Everyone wants technical assistance
- Building a successful program takes time, trust, and persistence

- **PNWER RIA's Goal:** Convene, Connect, Match-Make for multi-state transportation projects that:
 - Ease Supply Chain Disruptions
 - Reduce Transportation Related Pollution
 - Increase Community Safety, Economic & Environmental Justice



PNWER RIA Program Areas

Round 3 – 2024-26



Build Northwest Center of Excellence

Serves as the overarching platform for all outreach activities, offering educational initiatives to project sponsors, legislators, and communities regarding innovative financing tools.



Critical Connections

Improve connectivity of Tribal nations, rural and remote communities by updating, replacing, or improving connective infrastructure including bridges, ports, intermodal facilities, and ferries.



Zero Emission Refueling for Commercial Traffic

Supporting development of Zero Emission refueling infrastructure systems for medium- and heavy-duty vehicles along freight corridors. Includes hydrogen and EV charging technologies.



High Performance Rail

Improve performance and safety of existing rail systems for freight and passenger service by identifying & bundling rail improvement projects along corridors for competitive grants and federal financing options.

PNWER RIA Projects

Round 3 – 2024-26

Alaska

- 1 **Jakolof Bay Dock Replacement**
City of Seldovia, Alaska
Partner: Alaska Municipal League
- 2 **Yakutat Transportation Infrastructure**
City of Yakutat, Alaska

★ **Build Northwest Center of Excellence**



Washington

- 3 **Hood River / White Salmon Bridge Replacement Project**
Hood River, OR / White Salmon, WA
- 4 **Amtrak Empire Builder**
Everett, WA to Glacier National Park, MT
- 5 **Amtrak Cascades Corridor Service Improvement Strategy**
Vancouver, WA to Eugene, OR

Oregon

- 3 **Hood River / White Salmon Bridge Replacement Project**
Hood River, OR / White Salmon, WA
- 5 **Amtrak Cascades Corridor Service Improvement Strategy**
Vancouver, WA to Eugene, OR
- 6 **Umpqua Indian Development Corporation ZEV Commercial Refueling Facilities**
Canyonville, OR
Partner: Cow Creek Band of Umpqua Tribe of Indians' Umpqua Indian Development Corp.

Idaho

- 4 **Amtrak Empire Builder**
Everett, WA to Glacier National Park, MT
- 7 **Accelerating Rapid Bus Transit Service** Treasure Valley, ID
Partner: Valley Regional Transit
- 8 **Treasure Valley Regional Express Rail & Transload Facility**
Treasure Valley, ID
Partner: Valley Regional Transit

Montana

- 4 **Amtrak Empire Builder**
Everett, WA to Glacier National Park, MT
- 9 **Proposed Amtrak North Coast Hiawatha Route Corridor Improvement Strategy**
Sandpoint, ID to Wibaux, MT
Partner: Big Sky Passenger Rail Authority
- 10 **St. Regis Zero Emission Refueling & EV Fast Charge Facility**
St. Regis, MT



Build America Bureau

Financing Programs

TIFIA

Transportation Infrastructure Finance & Innovation Act of 1998

- Surface transportation and public infrastructure
- Airports can finance up to 33% of eligible project costs

RRIF

Railroad Rehabilitation & Improvement Financing

- Passenger, freight, and commuter rail and transit-oriented development (TOD)
- Finance up to 100% of eligible project costs

Private Activity Bonds

- State/local governments issue tax-exempt bonds
- Private entity responsible for debt service
- Can be used alone or in combination with TIFIA and RRIF

Key Features

- Highly customizable to meet borrower needs
- Borrow up to 33% of eligible project costs, and up to 49% for rural, transit, and TOD projects
- Long-term repayment period – up to 35 years (*some 75!*)
- Accrues interest when funds drawn
- Optional five-year deferral after completion
- No pre-payment penalty
- Also offer loan guarantees and lines of credit

LOW INTEREST RATE

4.53%

for 35-year loan as of 11/28/23



Build America Bureau

Eligible Projects & Borrowers

TIFIA

Projects

- Roadways, highways, vehicular bridges and tunnels, land ports of entry, complete streets
- Public transportation infrastructure and rolling stock (including joint development)
- Intercity rail/bus infrastructure and rolling stock
- Bicycle and pedestrian infrastructure
- Intelligent transportation systems
- Intermodal facilities (e.g., rail-truck, air-truck)
- Seaports, including access roads
- Airports (airside, landside)

Borrowers

- Government entities
- Government-sponsored authorities
- Corporations, private entities, developers
- Business or transportation improvement districts
- State Infrastructure Banks (SIB)

RRIF

Projects

- Railroad (freight and intercity or commuter passenger rail) infrastructure, facilities, rolling stock, and equipment
- Seaports with railroad service infrastructure and facilities
- Refinancing debt incurred for eligible project costs
- Planning and design expenses related to eligible projects
- Intermodal infrastructure and facilities
- Economic development

Borrowers

- Railroads (Class I, II, III)
- Government entities
- Government-sponsored authorities
- Interstate compacts
- Joint ventures*

Build America Bureau

Rural Project Initiative (RPI)



RURAL
PROJECT
INITIATIVE

½ U.S. Treasury rate =
2.27% on 11/28/23

➤ Additional Requirements

- Rural Project: Located outside of a Census-defined urbanized area with population greater than 150,000
- Maximum Project Cost: **\$100 million or less**

➤ Additional Benefits

- Finance up to **49% of costs**
- Fixed rate of **½ Treasury rate**
- **Reduced or waiver borrower advisor fees for \$75 M or less loans**



MST O&M Facility (left)
Monterey, CA



RTA O&M Facility (right)
San Luis Obispo, CA



 TIFIA Rural Areas

 TIFIA Urban Areas



Build America Bureau

TIFIA 49 Initiative for Transit & TOD

New policy initiative announced by U.S. Transportation Secretary Pete Buttigieg on October 4 that maximizes TIFIA's lending authority **up to 49%** (vs. historical 33%) of total eligible project costs for:



PUBLIC TRANSPORTATION



TRANSIT-ORIENTED DEVELOPMENT

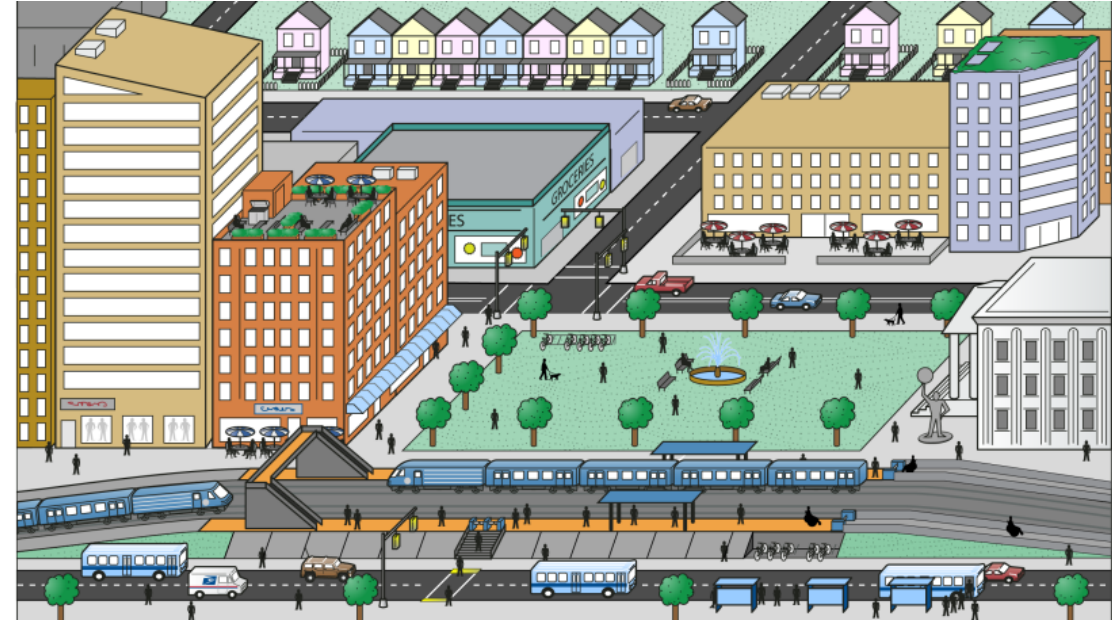
Until now, the only projects eligible for financing of up to 49% were rural and “Extra” projects



Build America Bureau

TIFIA 49 Initiative for Transit & TOD

- Projects eligible under U.S. Code: Title 23 (FHWA grant programs) or Title 49, Chapter 53 (FTA grant programs), including but not limited to stations or facilities for fixed guideway transit*
- Stations or facilities for intercity bus**
- Stations or facilities for intercity passenger rail***
- Intermodal stations or facilities including one of the above modes



*Surface
Transportation*

*Public
Infrastructure
(TIFIA)*

*Joint
Development
(TIFIA)*

*Economic
Development
(RRIF)*

Build America Bureau

Major Requirements

National Environmental Policy Act (NEPA)

- Federal environmental review and final determination (i.e., CE, FONSI, or ROD)

Uniform Relocation Assistance and Real Property Acquisition Act (URA)

- Just relocation assistance and compensation to persons displaced by Federally assisted projects

Planning & Programming

- All TIFIA projects consistent with RTP and/or STP, and included in TIP and/or STIP
- RRIF rail projects consistent with state rail plans

Buy America

- Domestic sourcing of steel, iron, manufactured goods, and construction materials

Davis-Bacon

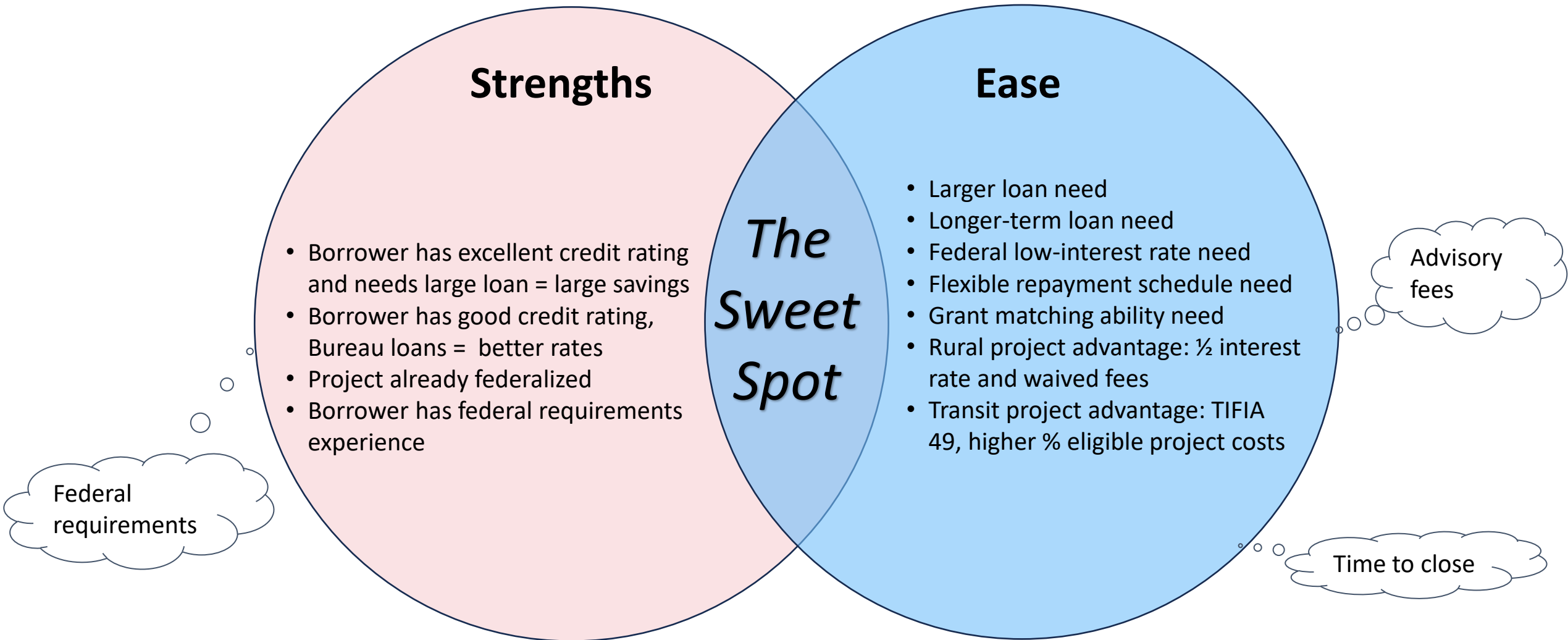
- Prevailing wages and labor standards for contractors and subs performing on federally assisted contracts

Other Modal Requirements

- Project oversight regime of modal grant programs
- e.g., a transit project receiving a RRIF loans must comply with all FTA (Ch. 53) grant requirements

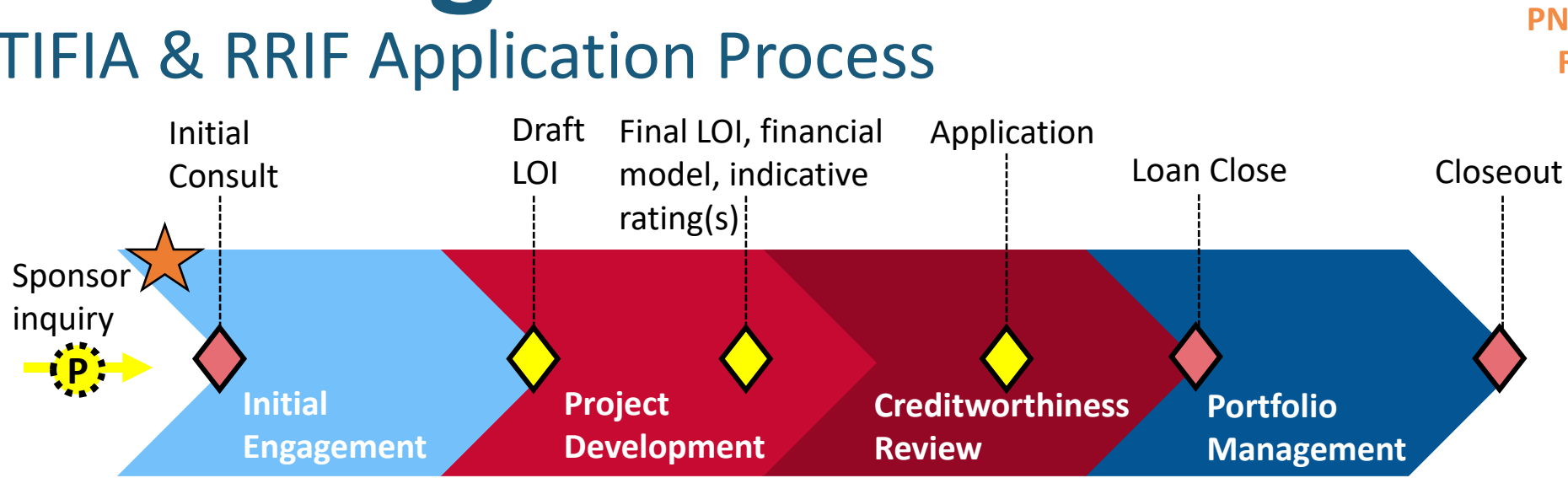
Build America Bureau

Borrower Considerations



Working With the Bureau

TIFIA & RRIF Application Process



PNWER
RIA

Technical Assistance


- Bureau staff always available to provide guidance and feedback, connect subject matter experts, and explore innovative funding-financing options
- Technical assistance grant funding opportunities available

- Provide program information
- Help define the project and address key questions:
 - Project + borrower eligibility
 - Scheduling
 - Repayment sources
 - Plan of finance (other sources)

- Form Project Development Team
- Preliminary eligibility analysis
- Identify applicable federal requirements
- Coordinate with field offices on project review
- Submit draft and final Letter of Interest (LOI)
- Financial model & indicative rating (TIFIA)
- Initial risk assessment

- Advisor procurement
- Financial due diligence
- Negotiate terms and conditions of loans
- Loan approval process; OMB and congressional notification; Secretarial approval

- Financial oversight: monitor disbursement & loan repayment
- Final rating(s) prior to loan close
- Field visits

 Sponsor submission

Does not represent complete list of sponsor submissions, steps, or requirements

PNWER RIA Program

Technical Assistance & Navigating the Bureau

- RIAs are your direct connection to US DOT Build America Bureau staff
 - What's working and what isn't with these programs
 - Who to talk to when you have questions
- Provide no-cost technical assistance to identified projects
 - Working with subrecipients including Alaska Municipal League and a team of infrastructure, finance, and policy experts
- Provide limited no-cost technical assistance to projects in the PNWER region interested in discussing TIFIA or RRIF financing
 - Approximately 10 – 15 hours of assistance
 - If more is needed, project can join pipeline for future acceleration
- Public-Private Partnership & Innovative Financing Training Sessions
 - June 2024 in Seattle, WA
 - Late 2024 / 2025 in Boise, ID
- TIFIA / RRIF Action Plan for Alaska



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Provide introduction to financing opportunities available through US DOT Build America Bureau, how to access information and resources, and how the PNWER RIA program and partners can assist.

Facilitate discussion with participants about benefits and drawbacks of TIFIA and RRIF, identifying unique challenges and opportunities present in Alaska.

Develop action plan for connecting Alaska local governments with Build America Bureau programs. This Action Plan will guide PNWER RIA outreach and engagement activities in Alaska for the next 24 months.

Building an Action Plan

Afternoon Work Session | Kahtnu 1

➤ Overall Goal of Action Plan:

- Improve Alaskan local governments' understanding of Build America Bureau finance programs
- Identify challenges to using TIFIA and RRIF in Alaska
- Communicate those challenges and troubleshoot solutions with Build America Bureau

➤ Define success for the Action Plan

- An effective TIFIA / RRIF Action Plan for Alaska would include...

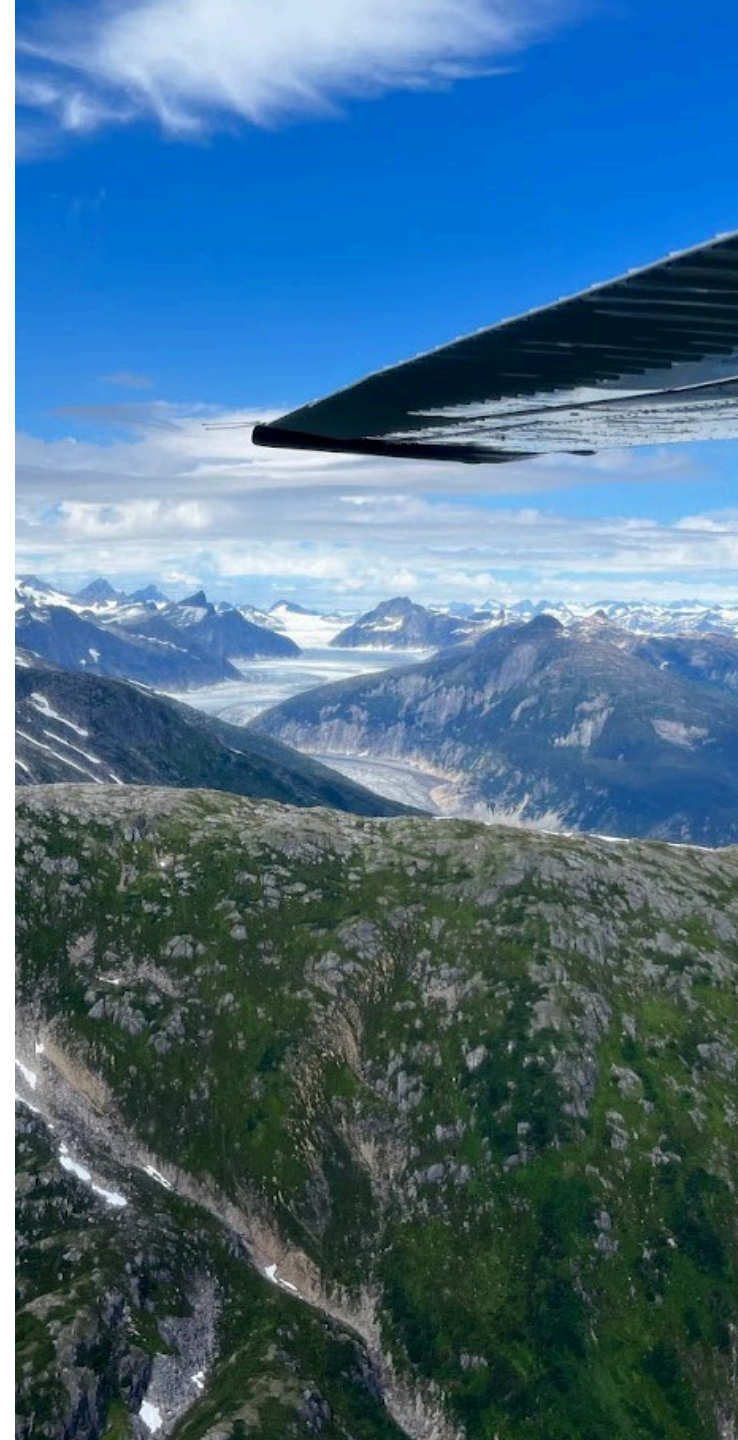
➤ Identify best methods of communicating information about TIFIA / RRIF to other local governments in Alaska

- Webinars, Informational Sessions, Printed Materials, Workshops

➤ Set achievable milestones

➤ Draft realistic timeline for Action Plan implementation over 24 month period

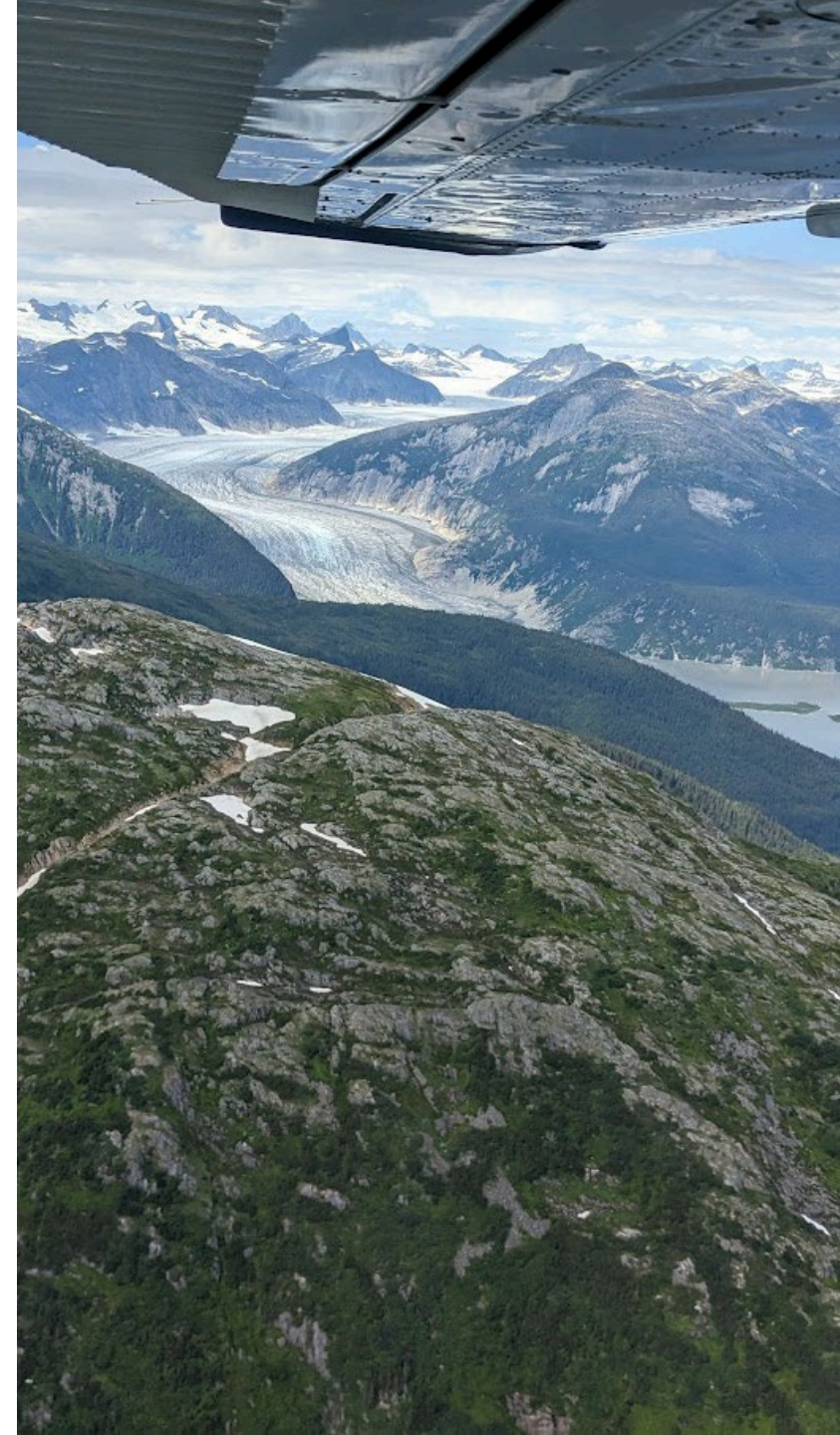
➤ Assign next steps to relevant stakeholders and staff



Building an Action Plan

Facilitated Discussion

1. How could programs like TIFIA or RRIF help your community finance a project?
2. What are some of the barriers Alaska local governments might face with these programs?
3. What parts of the TIFIA and RRIF programs are most relevant to Alaska local governments?
4. What strategies are most effective to share this information with your peers?
5. What kinds of assistance would be most helpful for an RIA to provide to ensure communities understand these financing programs, and can access assistance easily?



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