

**FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT)**  
**State Infrastructure Bank (SIB)**

**Frequently Asked Questions (FAQs)**

**1. *What is the SIB?***

The SIB is a revolving loan and credit enhancement program and is used to leverage funds to improve project feasibility. The SIB can provide loans and other financial assistance to public or private entities. As existing loans are repaid, those repayments are revolved and available for future lending on other eligible SIB projects.

**2. *Under what authority does the federally-funded SIB operate?***

The National Highway System (NHS) Act of 1995 authorized up to 10 states to establish a pilot SIB. Florida was selected as one of the original ten states to establish such a SIB. Under the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), another SIB pilot was implemented with Florida as one of four participating states. The previous NHS Act SIB was rolled into the new pilot under TEA-21 to form the SIB program.

**3. *Under what authority does the state-funded SIB operate?***

The state-funded SIB functions under Section 339.55, Florida Statutes – State-Funded Infrastructure Bank. The bonding authority functions under Section 215.617, Florida Statutes – Bonds for State-Funded Infrastructure Bank.

**4. *Is the SIB a grant?***

No – the SIB cannot provide assistance in the form of a grant. The SIB is a loan program and must be repaid.

**5. *How is the federally-funded account capitalized?***

The federally-funded account is capitalized by federal money matched with state money as required by law. Any interest earned is also capitalized and available for lending.

**6. *How is the state-funded account capitalized?***

The state-funded account is capitalized by state money and bond proceeds. In June 2005, \$62.3 million of State Infrastructure Bank Revenue Bond Series 2005A were sold. In August 2007, \$61.3 million of State Infrastructure Bank Revenue Bond Series 2007 were sold. No additional bond sales are anticipated at this time. Any interest earned is also capitalized and available for lending.

**7. *What qualifies a project for the federally-funded SIB?***

Federally-funded SIB projects must meet all federal guidelines under title 23, United State Code (USC) or capital projects as defined in Section 5302 or title 49 USC. Projects must be included in the adopted comprehensive plans of the applicable Metropolitan Planning Organization (MPO) and must conform to all federal and state laws, rules and standards.

**8. *What qualifies a project for the state-funded SIB?***

State-funded SIB projects must be on the State Highway System or provide increased mobility on the State's transportation system, or provide intermodal connectivity with airports, seaports, rail facilities and other transportation terminals. Also eligible are projects of the Transportation Regional Incentive Program (TRIP) per Section 339.2819(4), Florida Statutes. Projects must be consistent, to the maximum extent feasible, with local Metropolitan Planning Organization (MPO) and local government comprehensive plans and must conform to policies and procedures within applicable Florida Statutes and other appropriate state standards for the transportation system.

The state-funded account also allows for the lending of capital costs or can provide credit enhancements for emergency loans for damages incurred on public-use commercial deepwater seaports, public-use airports, and other public-use transit and intermodal facilities that are within an area that is part of an official state declaration of emergency per Chapter 252, Florida Statutes and other applicable laws.

**9. *How do you go about receiving SIB funds?***

An application is required to ensure potential SIB projects meet eligibility, financial, and production criteria.

**10. *When are Applications for SIB assistance accepted?***

Applications are advertised on an annual basis and must be submitted by the project sponsor/borrower during the open advertisement periods posted on the department's SIB website.

*SIB Website:*     <http://www.fdot.gov/comptroller/PFO/sib.shtm>

**11. *What is the difference between an external and an internal application?***

External applications are used by public or private entities to submit proposed SIB loan requests. Internal applications are used by FDOT district offices to submit proposed SIB loan requests.

**12. What interest rate is used for Applications?**

The SIB Program Manager can assist with an indicative interest rate for planning purposes and financial model development prior to the submittal of an Application. As a comparator, the State and Local Government Series (SLGS) rates of similar maturities are used to aid in determining an interest rate, plus a risk premium. The Department will determine an indicative interest rate for the application based on current market conditions, financial strength of the borrower, term, and risk of loan.

SLGS Website: [https://www.treasurydirect.gov/govt/rates/tcirtcirt\\_index\\_opdirmnt.htm](https://www.treasurydirect.gov/govt/rates/tcirtcirt_index_opdirmnt.htm)

**13. If awarded, when are SIB funds available?**

If a SIB Loan application is accepted and awarded, SIB funds would not be available until the following state fiscal year. For example, if an application is received by June 2018 and awarded, SIB funds would not be available until July 1, 2019 at the earliest. This schedule allows for awarded projects to be programmed in the department's work program, followed by the budget and legislative appropriation process. No expenditures are eligible for reimbursement prior to this July 1, 2019 date AND the execution of a SIB Loan Agreement.

**14. How are the disbursements and repayments determined?**

The project sponsor/borrower proposes the disbursements and repayments in the original application based on a project schedule and estimated expenditures. Final disbursements and repayments are determined after a project has been awarded, financial feasibility is determined by gaming the disbursement/repayments in the SIB finance plan and a loan agreement is negotiated and executed.

**15. How much money is available for lending in the federally-funded SIB account?**

The federally-funded finance plan is posted on the department's SIB website each month. During an application cycle, the ending cash balance is an indicator or an estimate of how much funding is available.

**16. How much money is available for lending in the state-funded SIB account?**

The state-funded finance plan is posted on the department's SIB website each month. During an application cycle, the ending cash balance is an indicator or an estimate of how much funding is available. In addition to this cash balance, the state-funded account also has the ability to leverage the existing loan portfolio to provide a recurring source of loan funds through the issuance of revenue bonds.

**17. What is meant by primary repayment source and secondary repayment source?**

The primary repayment source is the funds pledged to repay a potential SIB loan. The secondary repayment source is a backstop in the event the primary repayment source falls short or becomes unavailable. Consideration is given to projects having the most secure sources of funding, a higher level of financial feasibility and financial

safeguards in place should project funding fall short, ensuring completion of the project and repayment of the SIB loan.

***18. Can a SIB loan be subordinate to other financing?***

The amount of any loan or other assistance may be subordinated to other debt financing for a project with an investment grade rating of “BBB” or higher.

***19. Where are the federally-funded and state funded SIB accounts housed?***

Florida’s SIB program is established as escrow accounts with the Department of Financial Services. All proceeds are invested by the State Treasurer in accordance with established state investment guidelines.

***20. Who can I contact if I have further SIB related questions?***

You can contact the SIB Program Manager using the following information:

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