

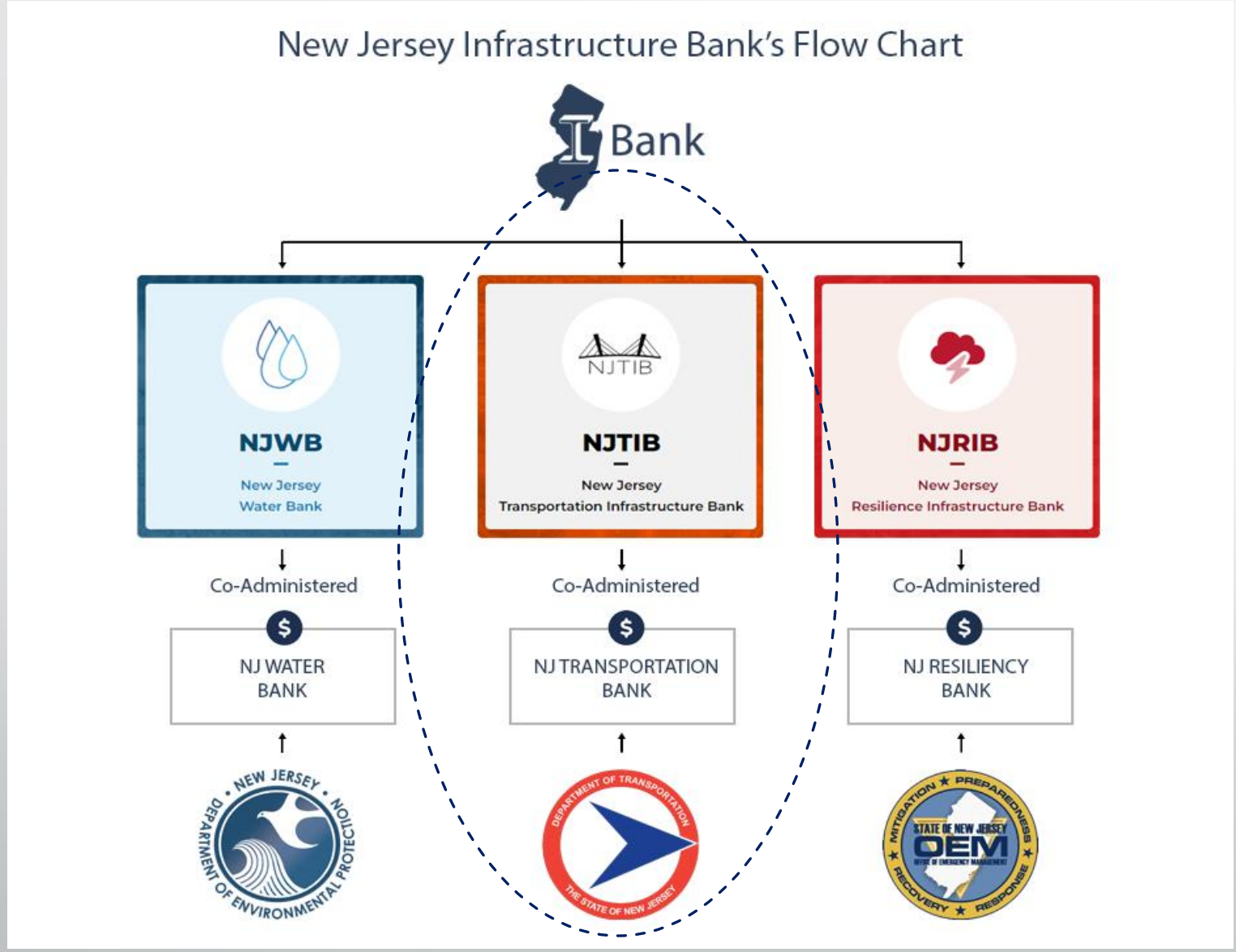
New Jersey Infrastructure Bank

NJ Transportation Bank

NJ I-Bank & NJ DOT

North Jersey Transportation Planning Authority (NJTPA) Board Meeting – November 2026

NJ Transportation Bank



Mission – To provide and administer low-interest rate loans to qualified borrowers (counties, regional authorities, municipalities, and water purveyors) in New Jersey for the purpose of financing local **transportation** infrastructure projects.

Asset Categories

Bridge Assets	Multi-Modal Programs	Road Assets	Freight Assets	Congestion Relief







*Reference: Transportation Bank **January Report** at:* January Report FY2027.pdf

Program Roles and Responsibilities

DOT – *Technical*

- Design – Review of Plans & Specifications
- Environmental – EO215 Determination
- Civil Rights – Oversight of Process
- Construction Award – Review of Construction Bids

I-Bank – *Operational/Financial*

- Application system
- Application process support
- Credit and LFB
- Contract Certification
- Short-Term and Long-Term Loan Closing
- Requisition Disbursement

Application Process (Project)

- **Closely Mirrors Local Aid Process:**
  - Initial Application
  - PS&E
  - SBE Goal
  - EO215 Determination
  - Authorization to Advertise
  - Bid Package
  - Concurrence of Award

Application Process (Finance)

- **Applicant:**
  - Submits Executed Contract (engineering or construction)
  - Submits Financial Information
- **I-Bank:**
  - Determines Credit Approval
  - Certifies Applicable Contract
  - Closes Short-Term Loan

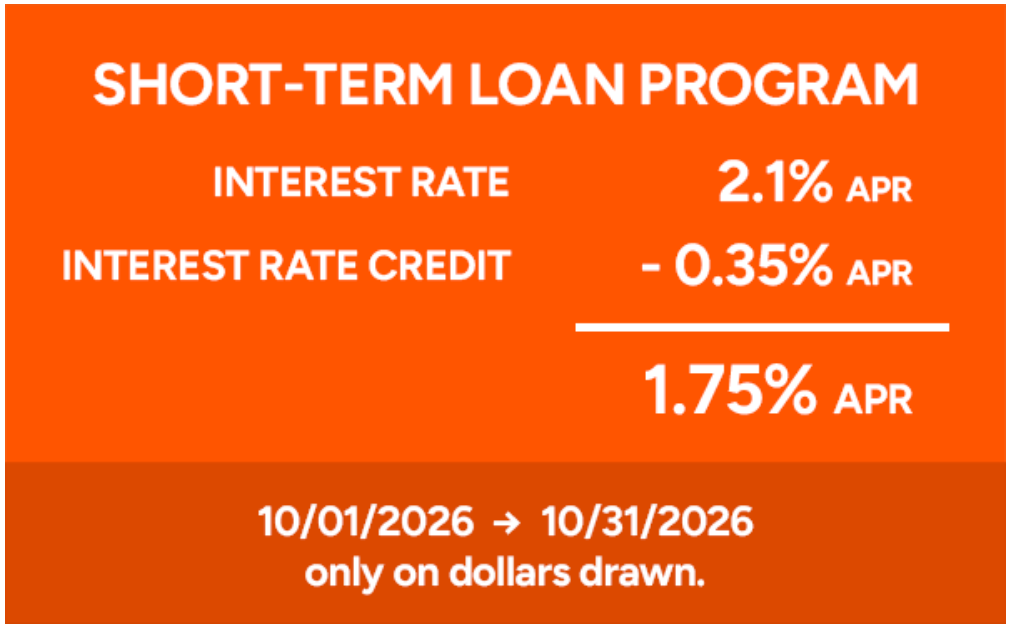
Transportation Bank Short-Term Loans

- Closes upon first contract certification, for entire estimated project cost
    - Engineering (Planning & Design)
    - Construction
    - Construction Management & Inspection

- Interest charged only on funds drawn (Int rate ~ 1% below BANS)
- Accrued interest is rolled into long-term loan
- Generous cost allowances (P&D, legal fees, permitting)
- Generally no out-of-pocket payments during construction
- 5 full fiscal years for P&D and construction

Use as Working Capital – Start Projects Sooner

- 100% loan funds available up front
- Invoices required (cost-incurred / <u>not</u> paid)



Transportation Bank Long-Term Loans

- Maturity terms: Lesser of **31** years or useful life
- Interest: ≤ 10-yr Loans ~ **25%** of I-Bank all-in AAA market rate
  - > 10-yr Loans ~ **50%** of I-Bank all-in AAA market rate
- 06/2026 all-in blended L-T rate ~ **2.065%;** *(next LT conversion: 01/27)*

*****Principal Forgiveness (PF)*****

$2 million in PF reserved for P&D

100% PF offered for the first **$100,000 of P&D costs**



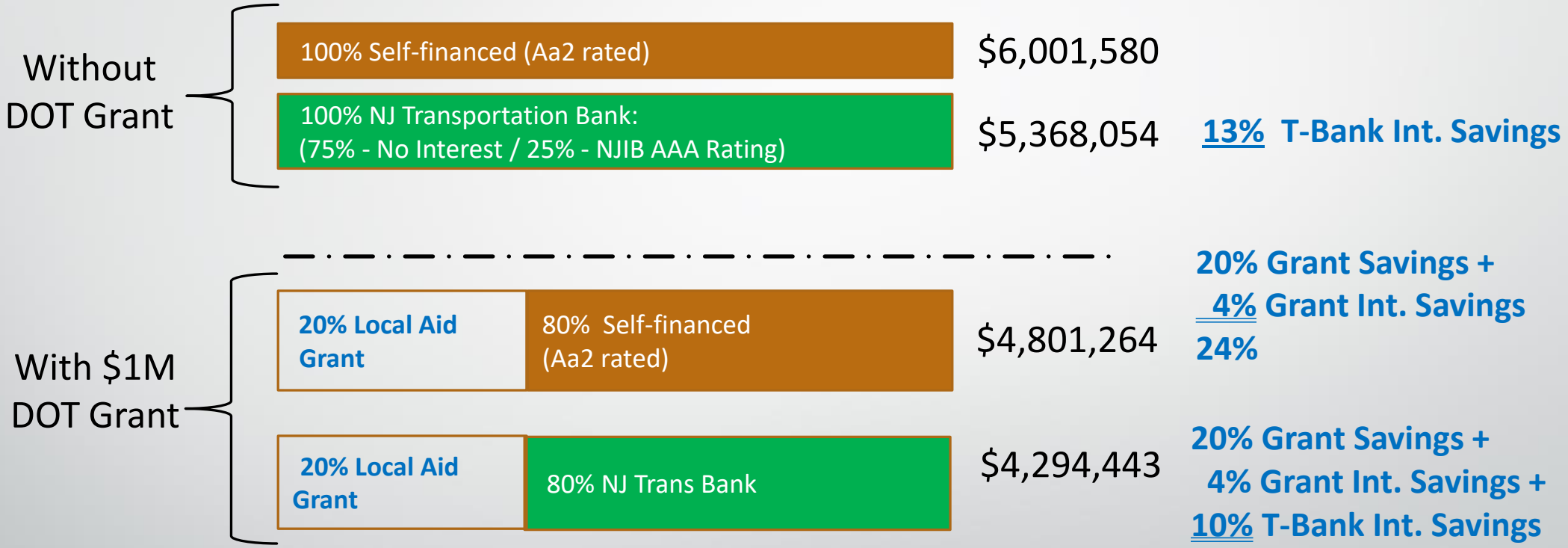
Transportation Bank Fees

- **<u>Loan Origination Fee</u>:**
  - 2% of Project Costs
    - 1% due at time of Short-Term loan closing (Part of S-T loan)
      - **No cash outflow** to borrower
    - Remaining 1% due upon conversion to Long-Term loan (part of 1st debt payment)

- **<u>Administrative Fees</u>:**
    - 0.10% one-time COI fee
    - 0.17% annual fee based on original loan amount

Budget Benefits

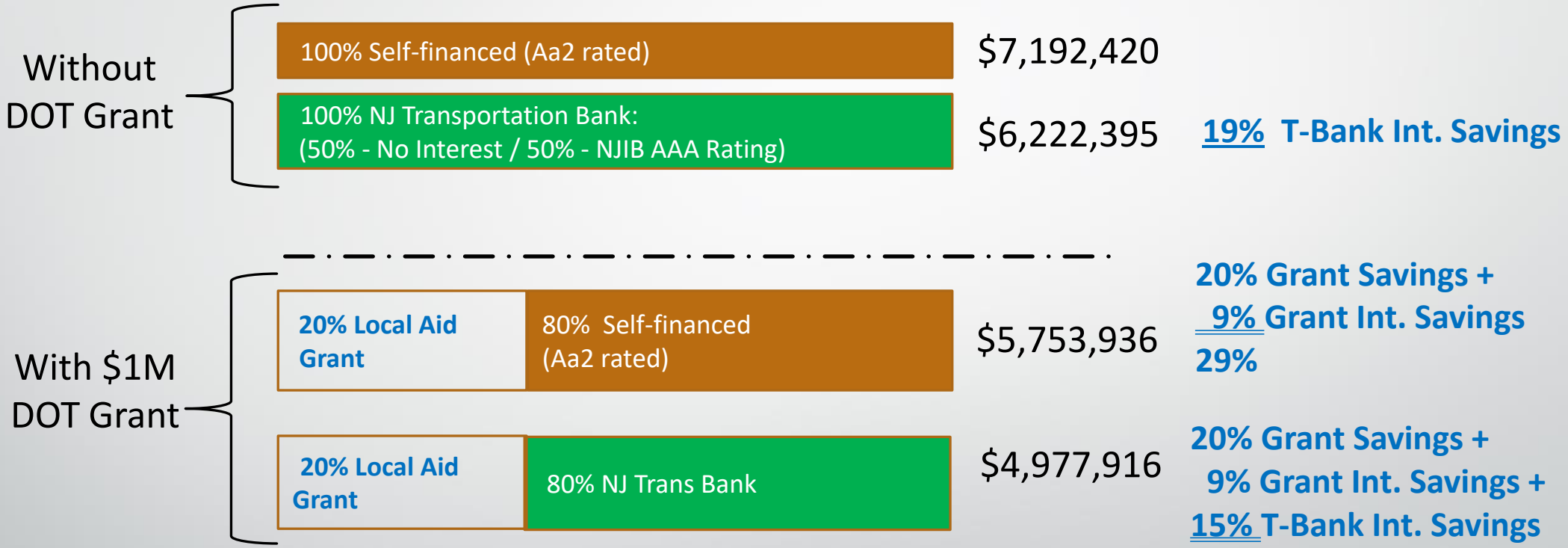
Savings on $5M Project with 10-year maturity (Aa2 Borrower) at 25% AAA Rate



Borrowers Save between 13% – 34% on Project Costs

Budget Benefits

Savings on $5M Project with 20-year maturity (Aa2 Borrower) at 50% AAA Rate



Borrowers Save between 19% – 44% on Project Costs





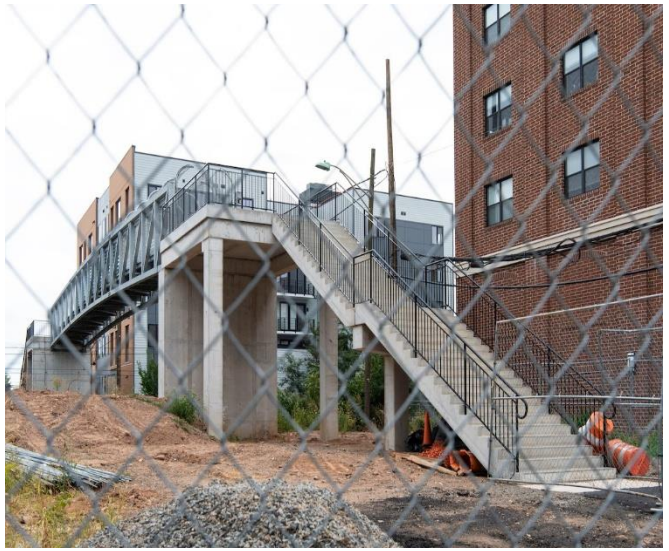
	I-Bank (75/25)	Independent	
Project Costs	$ 6,197,230	$ 6,197,230	
Cost of Issuance	$ 1,646	$ -	
Origination Fee	$ 61,973	$ -	
Accrued Interest	$ 132,424	$ -	
	$ 6,393,273	**$ 6,197,230**	
All-In TIC	2.065%		
11/1/2035			
Principal	$ 6,393,273	$ 6,197,230	
Interest	$ 351,351	$ 1,362,309	
Debt Service	$ 6,744,624	$ 7,559,539	
Admin Fee	$ 103,251	$ -	
Origination Fee	$ 61,972	$ -	
Net Debt Service	**$ 6,909,847**	**$ 7,559,539**	**$ 649,692**
			10%

Transportation Bank Case Study - Princeton

- **Savings based on an actual $6.2M project with a 10-year long-term loan maturity**
- ***Short maturity, high rated borrower; Saved ~$65K per annum***

	I-Bank (50/50)	Independent	
Project Costs	$ 2,262,111	$ 2,262,111	
Cost of Issuance	$ 1,219	$ -	
Origination Fee	$ 22,621	$ -	
Accrued Interest	$ 127,841	$ -	
	$ 2,413,792	**$ 2,262,111**	
All-In TIC	3.688%		
11/1/2035			
Principal	$ 2,413,792	$ 2,262,111	
Interest	$ 1,206,461	$ 2,261,296	
Debt Service	$ 3,620,253	$ 4,523,407	
Admin Fee	$ 121,051	$ -	
Origination Fee	$ 22,621	$ -	
Net Debt Service	**$ 3,763,925**	**$ 4,523,407**	**$ 759,482**
			34%





Transportation Bank Case Study - Bayonne

- **Savings based on an actual $2.3M project with a 30-year long-term loan maturity**
- ***Longer maturity; Small loan size; City saved ~1/3 of cost of project through T-Bank financing***

Helpful Information

- **Time constraints due to reviews?**
  - Typical project review time is 3-6 months, sooner if documents are complete and comprehensive
  - Dedicated DOT resources for technical reviews
- **Project size**
  - Minimum size = $150,000
    - To-date: $378,000 to $20,000,000
  - The largest project on PPL is $65,000,000

Transportation Bank Contact Information

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