

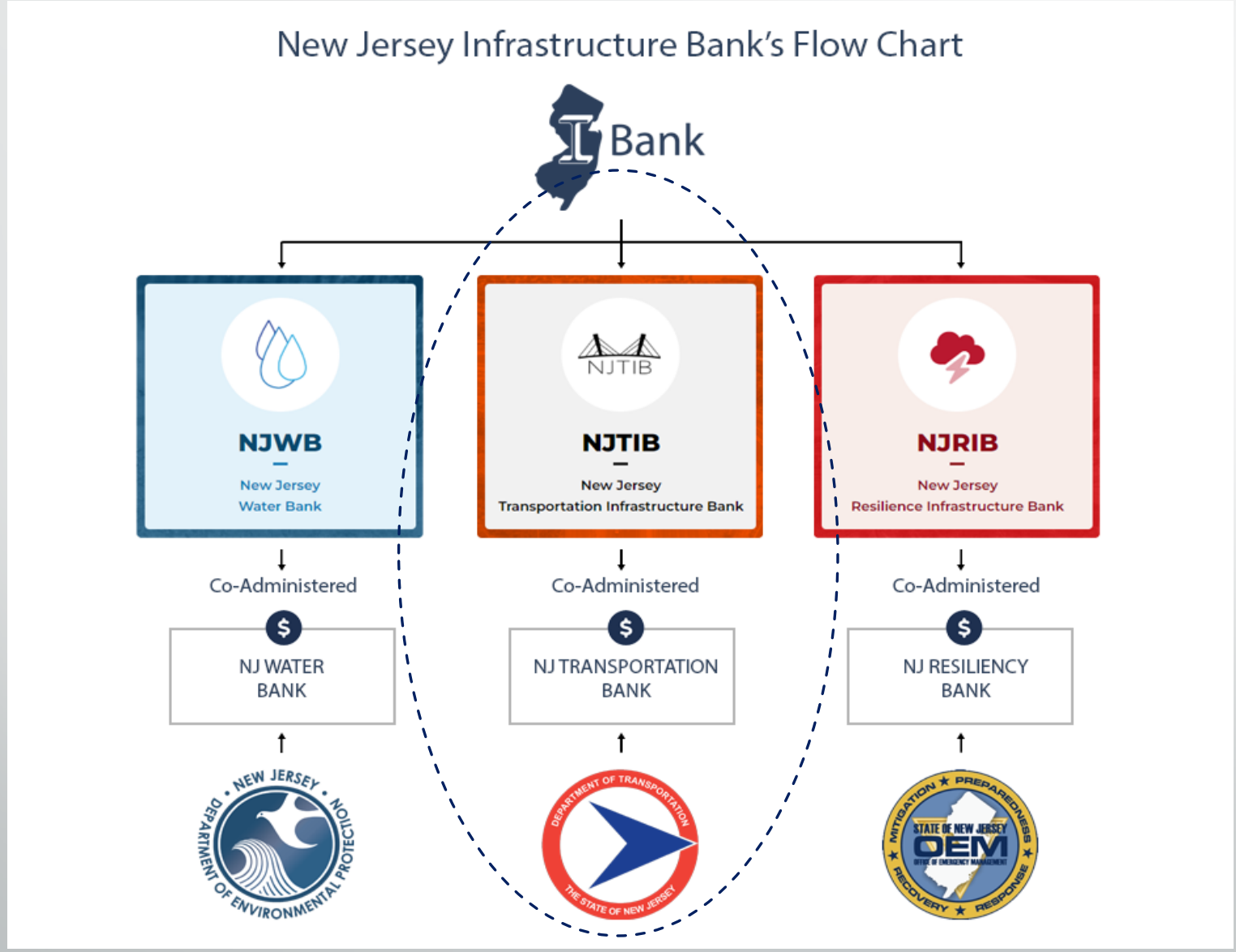
# New Jersey Infrastructure Bank

## 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

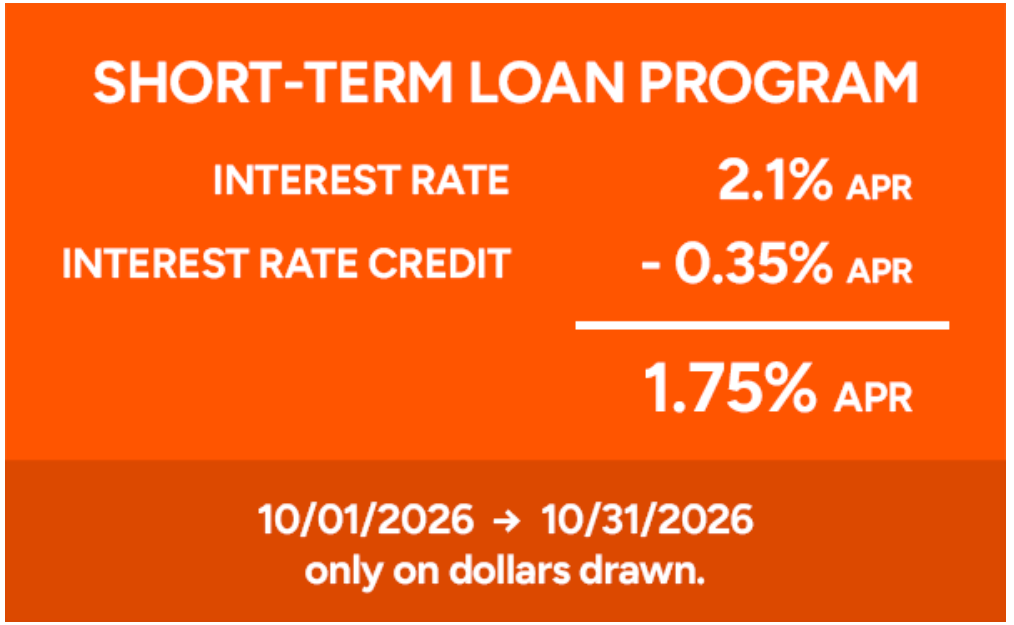
# Transportation Bank Short-Term Loans

- 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**



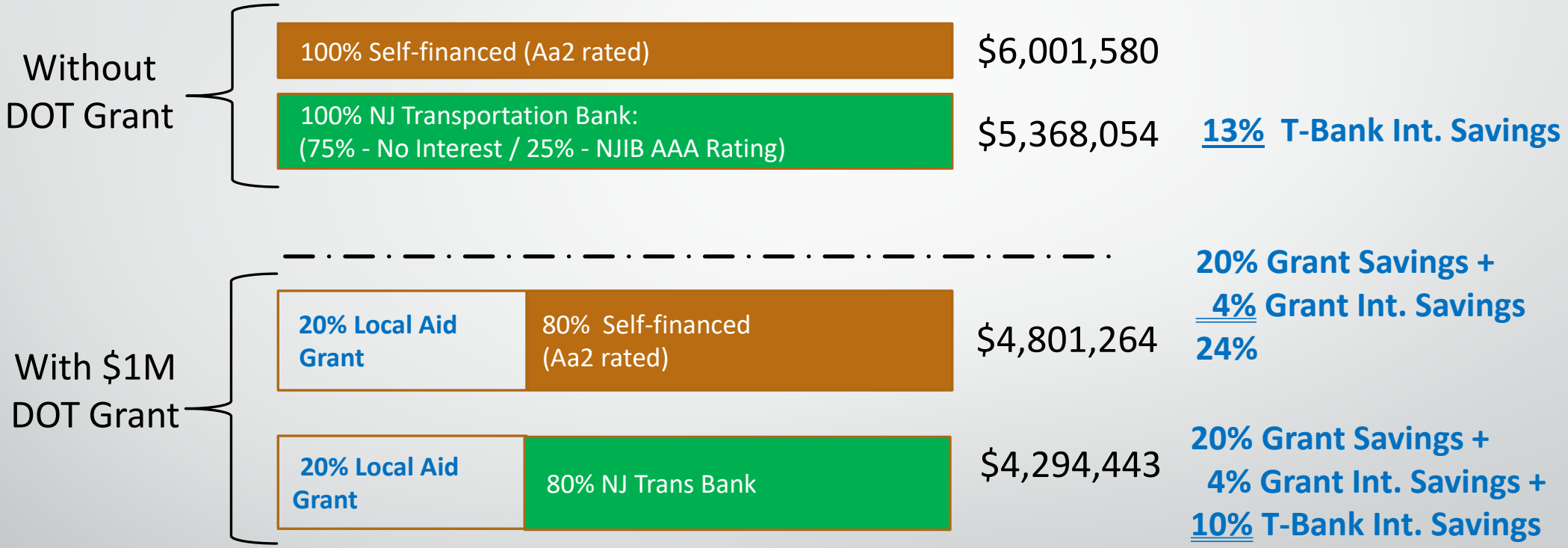
# Transportation Bank Fees

- **<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 Example

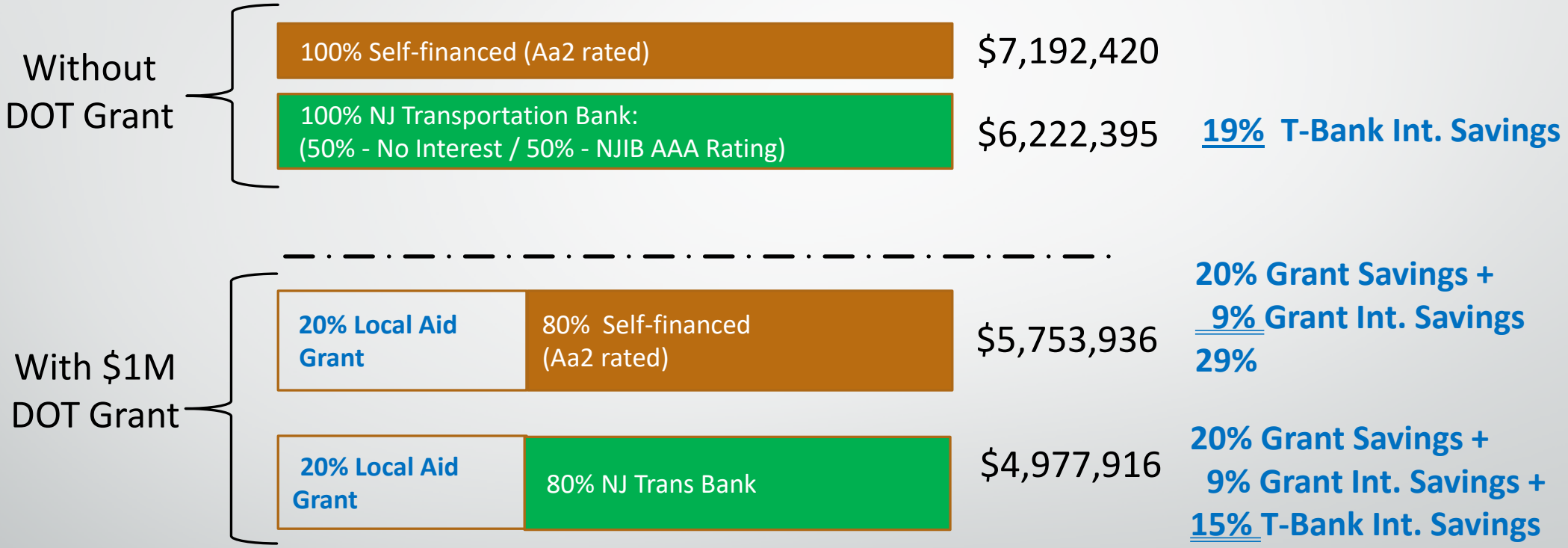
## Savings on $5M Project with 10-year maturity (Aa2 Borrower) at 25% AAA Rate




**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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