



State Road and Tollway Authority

F-710-001

Georgia Transportation Infrastructure Bank

Effective Date: May 26, 2009
Scope: All SRTA Employees
Owner: Human Resources

PURPOSE

In accordance with the Georgia Transportation Infrastructure Bank Act, O.C.G.A. §§ 32-10-120 *et seq.*, this policy establishes the guiding principles for the creation and operation of the Georgia Transportation Infrastructure Bank ("GTIB") by the Board of the State Road and Tollway Authority ("SRTA").

DIRECTIVES

OBJECTIVES

The objectives in administering the Georgia Transportation Infrastructure Bank shall be to:

- 1) Make an additional funding resource available to government units in order to initiate and complete transportation projects.
- 2) Give priority to bridge, highway (road), rail, bicycle facility and transit projects that are close to the start of, at, or under construction, have a higher degree of contributed matching funds, and have been initiated by government units, particularly cities and counties.
- 3) Select projects for financing that add transportation and economic value to the State.
- 4) Ensure consistency, fairness, and efficiency in the evaluation of applications.
- 5) Provide for a smooth operational process that maintains loan and grant documents, manages the GTIB's capital prudently, tracks loan expenditures/repayments, and provides adequate reporting.
- 6) Encourage innovation in transportation projects.

TYPES OF ASSISTANCE AVAILABLE

The GTIB will assist in financing qualified projects with an emphasis on providing loans. The GTIB may also provide other financial assistance contemplated by O.C.G.A. § 32-10-122(11).



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GTIB CAPITALIZATION-AUTHORIZED REVENUES

Revenues used to capitalize the GTIB will be consistent with O.C.G.A. § 32-10-60(6.1).

ELIGIBILITY

- Eligible borrowers will be consistent with the definition of a "Government Unit" as provided in O.C.G.A. § 32-10-122. A government unit may submit an application for the funding of an eligible project; however, preference may be given to counties and cities as applicants.
- Eligible costs will be consistent with the definition of "Eligible Costs" as provided in O.C.G.A. § 32-10-122. Preference will be given to eligible projects that are close to the start of, at, or under construction.
- Eligible projects will be consistent with the definition of "Eligible Projects" as provided in O.C.G.A. § 32-10-122. Preference will be given to highway (road), bridge, rail, transit and bicycle facility projects.
- Preference shall be given to projects in which GTIB proceeds don't account for 100% of the funding sources. Local or federal funds expended prior to the date of GTIB assistance may be applied as a match.
- Proposed project funding must reflect that proceeds from a loan or financial assistance from the GTIB, together with other funding sources, will be realistically sufficient to complete a project.

APPLICATION SUBMISSION

- All applications submitted for a loan, grant, or other financial assistance from the GTIB must be complete and received during the prescribed time frame designated by SRTA.
- An application fee will be required.
- A set of GTIB procedures developed by SRTA staff will detail the specific steps that an applicant must follow to submit an application and what information an applicant must provide.

INTEREST RATE DETERMINATION

To the extent feasible, the rate may be set at a level that provides an attractive alternative to traditional capital market funding sources, taking into account a variety of factors, such as the cost of capital to the State.



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LOAN PARAMETERS

- **Loan Amount:** A requested loan for an eligible project shall be made seeking an amount of at least \$25,000.
- **Loan Term:** The minimum loan term will be 5 years. The maximum term of a loan is limited to the lesser of 20 years or the useful life of the project.
- **Spend-down:** There will be a maximum spend-down period of 5 years. During this period, interest will accrue on any draws and compound annually. At the end of the spend-down period, any accrued interest may either be paid in full or amortized over the life of the loan. Including the spend-down period, the loan must be completely paid down within 25 years of the initial extension of loan proceeds.
- **Loan Repayments:** Loan repayments will be due monthly and collected via automatic debit. All loan repayments will be credited to the appropriate GTIB account. Loan terms and schedules may be modified subject to negotiation and approval.
- **Loan Prepayment:** There will be no penalty for prepayment. However, if a loan is modified, the terms of the modified loan may be negotiated on a case by case basis.
- **Interest:** During the spend-down period, the GTIB will retain any interest on funds earmarked for the borrower's projects that have not yet been drawn.
- **Loan Closing Fee:** There will be a loan closing fee based on a percentage of the loan amount. This fee will be paid as a fixed cost at closing.
- **Terms and Conditions:** The terms and conditions of a loan or other financial assistance from federal accounts shall comply with applicable federal requirements.

GRANTS

The grant application review process will follow the procedures developed in the document entitled "GTIB Grant Procedures."

The eligibility requirements may be further restricted to remain consistent with the intent of the grant program.

No more than 25% of the available uncommitted grant funds will be awarded to a single application.



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APPLICATION PROCESSING AND REVIEW

Application processing will be a multi-step collaborative effort among multiple agencies, including, but not limited to, SRTA and the Georgia Environmental Finance Authority ("GEFA"). Each agency will have specific roles and responsibilities throughout the process. The individual steps for application review and project selection will be followed in a manner consistent with a set of developed GTIB procedures.

An Advisory Committee will be established to evaluate the applications given a set of selection criteria. The Advisory Committee may be comprised of representatives from SRTA, GEFA, the Georgia Department of Transportation, the Georgia State Financing and Investment Commission, and other agencies. The Advisory Committee will review applications and make recommendations to the SRTA Board based on the GTIB procedures established.

The Board of SRTA will approve application recommendations of qualified projects.

The requested terms of an applicant's loan or assistance from the GTIB may be negotiated or reduced.

The decision of the Board regarding an application shall be final.

BANK OPERATIONS

Funds will be physically held at the Georgia Office of the State Treasurer and tracked internally by SRTA's staff. Individual accounts will be established and maintained in a manner consistent with O.C.G.A. §§ 32-10-121 and 32-10-126.

A set of procedures will establish the daily operational processes of the GTIB.

DEFAULT PROVISIONS

If SRTA does not receive a repayment due to the GTIB, it shall proceed with collection efforts set forth in O.C.G.A. § 32-10-130 and as otherwise allowed at law or in equity.

PROJECT CANCELLATION

In the event a project is cancelled prior to completion, any and all unused funds received by a borrower from the GTIB must be returned in full within 30 days. No further funds will be disbursed by the GTIB, and borrowers will be encouraged to immediately pay back any outstanding loan balance or other financial assistance if possible. If this is not possible, a schedule to pay back the loan will be established by SRTA and provided to the borrower.



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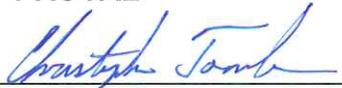
Georgia Transportation Infrastructure Bank

REPORTING

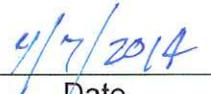
Following the close of each state fiscal year, SRTA staff shall submit to the Governor, Lieutenant Governor, Speaker of the House, and members of the SRTA Board an annual report detailing the activities of the GTIB. This annual report will be made available to the General Assembly, and copies will be submitted to the appropriate federal agencies in compliance with requirements of any federal programs for which funds were received.

SRTA staff will also follow up with all borrowers to monitor the progress of each project through the collection of progress reports and as-needed site visits and audits.

APPROVAL



Executive Director



Date

THERE ARE NO ATTACHMENTS TO THIS POLICY.

History

Original	June 29, 2009
Revision #1	September 26, 2013
Revision #2	April 7, 2014