

NEW JERSEY TRANSPORTATION INFRASTRUCTURE FINANCING PROGRAM

STATE FISCAL YEAR 2022 FINANCIAL PLAN

Submitted to the State Legislature by:

The New Jersey Department of Transportation

The New Jersey Infrastructure Bank

MAY 2021



New Jersey Infrastructure Bank

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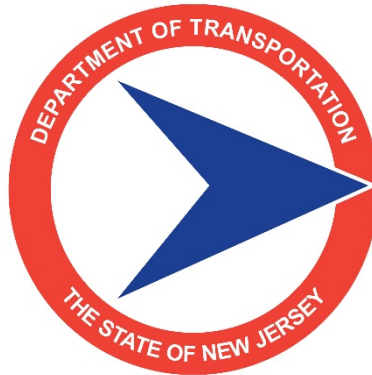
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**Report to the Legislature
Pursuant to**

P.L. 1985, Chapter 334
New Jersey Infrastructure Trust Act
as amended including P.L.2016, c.56

By

Robert A. Briant, Jr., Chairperson
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I. INTRODUCTION/PROGRAM OVERVIEW

The New Jersey Infrastructure Bank¹ (the “I-Bank” or “NJIB”) presents this State Fiscal Year 2022 Financing Program Year New Jersey Transportation Infrastructure Financial Plan (the “Financial Plan”) to the New Jersey State Legislature. This report is required by the New Jersey Infrastructure Trust Act, N.J.S.A. 58:11B-1 *et seq.* (the “Act”) which establishes, among other things, the “New Jersey Transportation Infrastructure Financing Program” (the “Transportation Bank”).

In accordance with the Act, the I-Bank, and the New Jersey Department of Transportation (the “DOT” or “Department”) jointly administer the Transportation Bank to make low interest loans to New Jersey counties, municipalities, and regional transportation authorities for critical local transportation infrastructure projects.

In January of this year, the DOT published the Project Priority List that included a discussion of project eligibility requirements, the Transportation Infrastructure Bank Priority System (“Priority System”) and the initial Transportation Infrastructure Project Priority List (“PPL”) (“January Report”) for SFY2022.²

This SFY2022 Financial Plan discusses the following Transportation Bank initiatives for SFY2022:

- The loan application process, parameters, and standards of approval for loans;
- The allocation of funds for each quarter to be utilized for project loans;
- Available loans, loan terms, and the loan closing processes to be utilized in SFY2022 for Projects identified in the PPL as updated and amended each quarter in SFY2022; and
- A summary of the status of the projects which received short-term loans from the I-Bank in SFY2021.

ELIGIBLE PROJECTS / ELIGIBLE BORROWERS

In accordance with the Act, the Transportation Bank is authorized to finance surface transportation, marine and aviation projects (individually “Project”, collectively, “Projects”).

Transportation Projects

The Transportation Bank is authorized to finance capital projects for public highways, approach roadways and other necessary land-side improvements, ramps, signal systems, roadbeds, transit lanes or rights of way, pedestrian walkways and bridges connecting to passenger stations and servicing facilities, bridges,

1. The I-Bank is neither a “bank” nor a “savings bank” within the meaning the New Jersey Banking Act of 1948, or a “national banking association” or a “federal savings bank” within the meaning of the National Bank Act, nor is it subject to the supervision of New Jersey Department of Banking and Insurance (“DOBI”) or the Office of the Comptroller of the Currency (“US Treasury Department”), the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation. The I-Bank does not accept “deposits” within the meaning of the New Jersey Banking Act of 1948 or the National Bank Act, and its obligations are not insured by the Federal Deposit Insurance Corporation.

2. The SFY2022 January Report is available at: <https://cdn.njib.gov/njitib/publications/sfy2021/SFY2021NJTIBJanuaryReport.pdf>

and grade crossings (“Transportation Project”). Eligible borrowers are local government units, including counties, municipalities, municipal, county, or regional transportation authorities, or any other political subdivision of the State, authorized to construct, operate, and maintain public highways or Transportation Projects. A detailed discussion of project and borrower eligibility is set forth in the SFY2022 January Report.

Transportation Bank financing is limited to Transportation Project costs incurred, including construction costs, engineering, legal counsel, financial advisor, permitting, project management and other costs or fees as recognized in N.J.A.C. 16:20B-4, excluding any costs for which DOT or other grants have been received. Note that grant funds received prior to loan closing are utilized to cover a portion of the project costs, and the local government unit that is seeking a Transportation Bank loan (“Project Sponsor”) may use future grant funds towards payment of a Transportation Bank loan.

Marine Projects

Recent amendments to the I-Bank Enabling Act authorize the Transportation Bank to finance projects to develop or improve public port or terminal facilities, and related infrastructure or capital equipment, including, but not limited to, any design, planning, acquisition, construction, reconstruction, relocation, installation, removal, repair or rehabilitation project that facilitates, increases the efficiency of, or improves the capacity for inter-modal trade and cargo movement for commercial or industrial facilities that are part of port or terminal facilities. Such projects include dredging, soil hardening, paving of the port facilities, and ferry terminal facilities designed for public use and the transportation of people and goods such as watercraft, docks, wharves, piers, slips, storage places, sheds, warehouses, and related infrastructure.

Aviation Projects

The recent amendments to the I-Bank Enabling Act also authorize the Transportation Bank to finance projects to develop or improve county or municipal airport facilities, or airport facilities owned or operated by a regional transportation authority that is not a bi-state authority, and related infrastructure or capital equipment, including any design, planning, acquisition, construction, reconstruction, relocation, installation, removal, repair or rehabilitation project that facilitates, increases the efficiency of, or improves the capacity for inter-modal trade for commercial and industrial facilities that are part of airport facilities. Such projects include any project to develop or improve terminal facilities designed for public use and for the transportation of people and goods, such as airports, runways, berms, basins, storage places, sheds, warehouses, and related infrastructure.

PROJECT FUNDING METHODOLOGY / PROJECT LIST

The Priority System and ranking methodology are the basis for determining the allocation of the limited Transportation Bank funds to projects. The Priority System incorporates project eligibility requirements of N.J.A.C. 16:20A and 16:20B for Transportation Projects. Full detail of the Priority System and ranking methodology are set forth in the SFY2022 January Report (see footnote 2 on page 1).

PROJECT PRIORITY LIST (PPL) / FUNDING ALLOCATION

Transportation Project Priority List

Identification of a Project on the PPL is a prerequisite to receiving Transportation Bank financing. Projects are placed on the ensuing year's PPL according to DOT's preliminary project ranking upon receipt of an Application Submission which is discussed further in Section II, Part B, "Financing Program/Application Process." The initial list of Projects eligible for funding in SFY2022 pursuant to the SFY2022 Priority System are set forth in the PPL. The Projects on the initial SFY2022 PPL consist of a pool of **twenty-six (26)** Projects with a total estimated cost of **\$137.2 million**.

The I-Bank may amend the PPL up to four times during each Financing Program year. The SFY2022 PPL is expected to be amended at the beginning of each quarter (July, October, January, and April). Projects will be placed on an amended PPL upon Transportation Bank staff's review and completion of initial due diligence. Initial due diligence consists of: (i) gathering information relevant to assessing project eligibility; (ii) determining Project Sponsor eligibility (i.e. credit worthiness); (iii) deciding reasonableness of cost estimates; and (iv) forecasting a project application and construction schedule.

Transportation Project Funding Allocation

Projects on the PPL are allocated funds upon the Project Sponsor's representation that the construction award will meet the ensuing year's construction readiness standards. At the beginning of each quarter: the DOT applies base ranking to all projects for which initial due diligence is complete. Up to an additional 75 ranking points are applied to projects based on readiness to proceed and loan status as set forth in the January Report. At that time, Projects are placed on the amended PPL in ranked order.³ Funds allocated for that quarter, as set forth in the Transportation Bank's Financial Plan, in addition to any funds unallocated from prior quarters, will be applied to projects in ranked order. Up to 50% of the quarterly allocation, in the discretion of the Executive Director, may be prioritized to fund eligible cost increases of Projects for which funds have already been allocated in a prior quarter. Such cost increases are available to Projects for up to 20% of total Project cost. Cost increases in excess of this threshold amount require DOT and I-Bank approval.

³The SFY2021 3rd Amended Interim PPL was published on 3/2/2021 and is available at:
https://cdn.njib.gov/nitib/publications/sfy2020/SFY20_Trans_3rdAmended_PPL.pdf

The SFY2022 funding allocation for the anticipated appropriation funds for Transportation Projects is as follows:

Projected Availability of Funds for SFY2022				
SFY2022 Quarter	Allocation of Appropriations + Loan Repayments + Fees	Current Year Leverage	Prior Year Leverage	Total Available Allocations
Q1	\$24.2 million	\$24.2million	\$57.7 - 116.4 million	\$106.1 - 164.8 million
Q2	\$-	\$-		\$-
Q3	\$-	\$-		\$-
Q4	\$-	\$-		\$-
Total:	\$24.2 million	\$24.2 million	\$57.7 – 116.4 million	\$106.1 – 164.8million

Marine and Aviation Project Funding Allocation

Funds have not yet been appropriated to finance either Marine Projects or Aviation Projects. While projects may be placed on the PPL based on the ranking methodology set forth in the January Report, allocations will be made subject to the specific appropriation of funds for marine and aviation projects which are separate and apart from the funds appropriated for surface transportation projects.

PROJECT FINANCING

The SFY2022 Transportation Bank offers low interest loans designed to significantly reduce the financing cost of a borrower participating in the Transportation Bank (hereinafter “Borrower”) relative to the financing cost associated with independent financing. Loans will be offered by the I-Bank to the highest Priority System ranked, construction ready projects on a quarterly basis.

Because the Transportation Bank is modeled after the longstanding New Jersey Environmental Infrastructure Financing Program (the “Water Bank”), Project Sponsors that have financed water infrastructure projects through the Water Bank will find the financing processes of the Transportation Bank familiar. Each Project financed through the Transportation Bank initially receives a Short-Term Construction Financing Program Loan (“Short-Term Loan”) to finance the cost of engineering work, certain soft costs, and construction that, thereafter, is refinanced through long-term financing (“Long-Term Loan”). This structure offers: (i) available low-cost capital (through a Short-Term Loan) during Project engineering up through Project construction completion; (ii) generally no debt service repayment until after construction completion; (iii) a term of debt amortization through repayments that is the lesser of the Project’s certified useful life or 31 years; and (iv) significantly lower interest rates on Long-Term Loans than independent financing.

Funds will be available upon Short-Term Loan closing after Transportation Bank’s certification of the Project’s applicable contract(s). Funds are disbursed upon submission and receipt of requisitions and contractor invoices as discussed in Section II, Part D, “Short-Term Construction Financing Program; Loan Closing.”

Short-Term Loan interest rates will be set monthly as directed by the I-Bank's Board of Directors ("Board"). Financing will be provided from a combination of funding sources. A detailed discussion of short-term financing terms and conditions may be found in Section II, Part D, "Short-Term Construction Financing Program; Loan Closing."

ADVANTAGES OF TRANSPORTATION FINANCING

Program participants realize significant benefits and cost-saving measures through the following program features:

- Available Funding During Construction – Through Short-Term Loans, funds are available upon certification of the Project's engineering contract (including environmental compliance, if applicable) through to Project construction completion. Funds are disbursed through an expedited requisition approval process (usually 2-10 business days) relieving Borrowers from utilizing cash-on-hand or costly working capital bank lines and enabling payments to contractors and vendors on a timely basis;
- Generous Allowable Costs – Associated project costs may be financed through the Transportation Bank based upon costs incurred, including environmental compliance (if applicable), engineering design, project management, and other Project-related fees (i.e. legal and other advisory services) necessary to finance or construct the Project. Payment of costs for services rendered is not a prerequisite to a Borrower's submission of requisitions or receipt of corresponding funds from the I-Bank;
- Interest Cost Savings During Construction – In SFY2022, Borrowers will receive a Short-Term Loan with an interest rate determined by the Board that is reset monthly and shall be based on the I-Bank's cost of short-term funds. For example, the Short-Term loan rate on April 1, 2021 was set at 0.30%. To highlight the cost efficiency of a Transportation Bank Short-Term Loan, Borrowers are charged a cost of funds ONLY on those funds drawn;
- Debt Service Cash Payments Deferred During Construction – During Project construction, Borrowers' payment of principal, interest (as applicable) and fees are generally deferred until construction completion. Such obligations are refinanced and restructured as part of the Long-Term Loan, with the accrued interest capitalized as part of the Long-Term Loan refinancing and restructuring;
- Interest Cost Savings During Long-Term Financing – It is anticipated that Long-Term Loans will be issued in the summer of 2021 financed in part from the proceeds of the sale of I-Bank long-term bonds and will bear an interest rate of up to 50% of the I-Bank's all-in market rate. This lower cost of funds is accomplished by financing the non-I-Bank bond portion of the Long-Term Loan with funds appropriated to the Transportation Bank through the DOT from the Transportation Trust Fund at zero percent. In the current interest rate environment, this financing structure results in interest savings of approximately 25% of the total Long-Term Loan amount for a Project having a

useful life of 31 years when compared to the cost of an average “A” rated Borrower financing their Project independent of the Transportation Bank;

- Level Debt Service / No Front-Loading Requirement – local government units, when issuing their own general obligation debt, are required to “front load” their debt service schedule. This ensures that debt service payments are larger in the early years of the loan and decline over time. The Transportation Bank provides for level debt service throughout the life of the loan normalizing annual payments for budgetary purposes and for taxpayers;
- Minimized Financing Costs – As more fully referenced below under Section II, I, “Fees”, Borrowers are charged a flat 2% administrative fee for the review of Project applications and disbursement of funds with 50% due upon Short-Term Loan closing and the remaining 50% due upon Long-Term Loan closing. Borrowers also pay an annual 0.15% loan servicing fee on the original loan amount to service the Long-Term Loan. If Borrowers do not convert a Short-Term Loan to long-term financing, the balance of the 2% administrative fee not already paid is due on the total amount drawn during the Short-Term Loan at the time of repayment;
- Flexible Long-Term Loan Maturity – Shorter amortization schedules are available for Borrowers who wish to minimize the repayment period of their loan.



Borough of Little Silver - Sidewalk Project Phase II

II. FINANCING PROGRAM

A. SOURCES / USES OF FUNDS – FUNDING ALLOCATIONS

Surface Transportation Projects – Funding Sources

Beginning in SFY2018, the State legislature commenced annual appropriations of State Local Aid Infrastructure Funds (“LAIF”) to the I-Bank’s Transportation Infrastructure Bank Fund as a separate program to provide a separate avenue of financing to local Transportation Projects. State LAIF appropriations from SFY2018 through SFY2021 total \$90.4 million, of which \$2.6 million was appropriated in each of the first three years and \$1.6 million in SFY2021 to the I-Bank to cover Transportation Bank administration and operation expenses. Any funds not used for such expenses are made available for lending purposes.

In SFY2022, it is anticipated that an additional \$22.6 million appropriation of LAIF funds will be received, of which \$1.6 million is expected to be made available for Transportation Bank administration and operating expenses. The I-Bank expects to utilize proceeds from the sale of notes and obligations of the

Transportation Bank Program for it is anticipated that the amount available for loans, including appropriations and private capital, may total as much as \$164.8 million in SFY2022.

In the event that additional funds are appropriated from the State budget for specific types of Transportation Projects, such funds will be dedicated to those projects that meet the criteria set forth in the appropriation. These funds would be allocated to eligible projects and financed in accordance with the terms and conditions of the Transportation Bank.

In addition to State funds and private capital, the I-Bank recently received approval from the Federal Highway Administration of the I-Bank's submission for designation as a State Infrastructure Bank ("SIB") which would enable the I-Bank to seek funding from certain federal financing programs under favorable terms. The I-Bank is considering seeking federal funding pursuant to the Fixing America's Surface Transportation ("FAST") Act / Transportation Infrastructure Financing and Innovation Act ("TIFIA") for Transportation Projects in rural communities that are financed through the I-Bank.

In SFY2022, Transportation Bank administration and operations will be funded first by interest earnings on undisbursed funds and administrative fees earned on closed loans and then by the \$1.6 million in operating funds appropriated for administration and operations.

Appropriated funds available for SFY2022 may be allocated for loans at the beginning of each quarter (July, October, January, and April) based on the needs of prioritized Projects in the preceding quarter. Allocations are committed to the highest ranked Transportation Projects during each quarter as discussed in the "Application Process" section below. Any excess funds not utilized in a given quarter shall be allocated to Transportation Projects in the next following quarter to the point of available funds. Any additional funding received by the I-Bank for Transportation Project loans from either private or federal sources shall be applied over the remaining fiscal year quarters in SFY2022 unless otherwise required by law.

Marine and Aviation Projects – Funding Sources

In the event that funds are appropriated for Aviation or Marine Projects, such funds will be dedicated to those projects that meet the criteria as set forth in the appropriation. These funds would be allocated to eligible projects and financed in accordance with the terms and conditions of the Transportation Bank. Funds will be committed to the highest ranked Aviation and Marine Projects in accordance with the ranking criteria set forth in the SFY2022 January Report.

Post-Emergency Projects

Recent changes to the I-Bank Enabling Act authorize the I-Bank to receive or access emergency or relief federal funds that are appropriated to the State subsequent to a federal or State declaration of emergency to make loans or grants in the implementation of the Transportation Bank. N.J.S.A.58:11B-19.1. Eligibility for these projects shall be determined in accordance with the terms of any such appropriation. This legislative change also authorizes the I-Bank to make non-project related loans and provide other assistance, including Customer Assistance Program ("CAP") payments and other financial assistance, on

behalf of or as a conduit for local government units in accordance with the criteria determined by the appropriation.

B. APPLICATION PROCESS

Overview

A separate application is required for each Project. Loan applications are accepted through the I-Bank's NJ-*Moves* online portal at any time throughout the year for all projects under the Transportation Bank, and funding is prioritized for projects which are construction ready. Applications are not accepted after construction advertisement unless the advertisement is withdrawn, and the receipt of bids is cancelled.

Loan applications will only be accepted through *NJ-Moves.com* and only from an individual specifically authorized by a Project Sponsor to submit the loan application as an authorized representative on behalf of the Project Sponsor (the "Authorized Representative"). Applications shall conform with DOT regulations including but not limited to Standards and Specifications set forth in N.J.A.C. 16:20B-5.1 and 5.2 and N.J.A.C. 16:20A-5.1 and 5.2. The loan application process is as follows:

Project Information Submission

The Authorized Representative initiates an application to apply for Transportation Bank financing by submitting (i) information identifying the Project Sponsor, (ii) general project information, (iii) project location map (iv) initial estimated cost breakdown, and (v) anticipated project schedule.

Application Meetings / Conference Calls

Upon receipt of the Project Information Submission, an application meeting may be held (either in person or via conference call) with each applicant and its professional advisors, as necessary, to provide the applicant with an overview of the application and review process. Topics covered at the meeting include guidance on submission requirements, costs, project scope-of-work sufficient to determine environmental compliance requirements, project schedule and application review process and deadlines. During the conference, Transportation Bank staff gather information relevant to initial due diligence. Thereafter, the Project Sponsor shall update the information in their application quarterly until notified by the I-Bank that funds have been allocated for the Project. If the Project Sponsor fails to submit a quarterly update for three consecutive quarters, the project will be bypassed. If at any point in time up to loan closing, the Project Sponsor decides it does not wish to secure financing for the project, it shall notify the I-Bank at the earliest possible moment, and the project will be bypassed.

At the onset of each quarter, the Transportation Bank updates the PPL and allocates available funds to the highest ranked and construction-ready projects. The I-Bank formally notifies the Project Sponsors for which Transportation Bank funding has been allocated that: (i) project funding has been reserved in an amount up to the project's total estimated project cost (inclusive of the I-Bank's initial Administrative Fee); (ii) the allocation is contingent upon the Project Sponsor's receipt of Concurrence of Award from the Department by the date set forth in the allocation letter ("Scheduled Award Date"); and (iii) additional financial and project information submissions will be required. The Project Sponsor's failure, due to

inaction by it or its agents, to receive Concurrence of Award from the Department on or before the Scheduled Award Date, will result in: (i) forfeiture of undisbursed project funds; (ii) de-obligation of long-term financing for project funds dispersed to date; and (iii) loss of five ranking points for the project on future PPLs. For a full discussion of Concurrence of Award from the Department, see section II, C(b), “Contract Review/Construction Contract Submission/Construction Contract Award.”



Cape May County – Avalon Boulevard (C.R. 601) over Ingrams Thoroughfare deck rehabilitation

Financial Information Submission

After the I-Bank has allocated funds to a project, and once a Project Sponsor is ready to proceed with project financing, a Financial Information Submission must be submitted electronically through **NJ-Moves.com**. This submission requires the Project Sponsor to provide the information necessary to demonstrate the Project Sponsor’s ability to meet the I-Bank’s creditworthiness requirements as laid out in the I-Bank’s credit policy (“Credit Policy”). The Credit Policy and related guidelines are available for download from the Policies and Procedures page of the I-Bank website at:

<https://www.njib.gov/nj/Legal+Structure+%252F+Policies.44>

While the actual requirements may vary by type of Project and applicant (i.e., municipal, county or authority), required financial information for each project shall include: (i) information pertaining to official action (declaration of intent to reimburse cost, ordinances, and resolutions) and the status thereof; (ii) Local Finance Board application authorization; and may include any other information needed by the Transportation Bank to evaluate the creditworthiness of the application.

C. CONTRACT REVIEW

Engineering Information Submission

a. **Engineering Design Contract:**

For Project Sponsors that seek financing for engineering design costs, a copy of the executed engineering contract must be submitted for review and I-Bank certification (“Engineering Design Contract”). The Engineering Design Contract must include: (i) the scope of work; (ii) the total contract value; and (iii) the personnel identified as qualified to perform the tasks by title and projected rate of pay. The Project Sponsor shall submit the resolution authorizing the Engineering Design Contract.

b. **Construction Management Contract:**

Project Sponsors who are financing construction management and inspection costs must submit the engineering services contract which will be utilized for project construction management (“Construction Management Contract”) for Transportation Bank certification. Construction Management Contracts must include (i) the scope of work, (ii) the total contract value, and (iii) the personnel identified as qualified to perform the tasks (by title and rate of pay) for services during bidding, construction, inspection, and project performance. The hours associated with the scope of work should match the values present in the final signed contract. Project Sponsors shall also submit a copy of the resolution authorizing the Construction Management Contract.

CERTIFICATION OF THE DESIGN CONTRACT AGREEMENT AND THE CONSTRUCTION MANAGEMENT CONTRACT AGREEMENT ARE BASED ON THE FOLLOWING CRITERIA:

- 1) The scope of work aligns to the Project and is necessary for the successful completion of the Project being financed;
- 2) The proposed cost is appropriate for the scope of work and comparable to other similarly situated Transportation Projects; and
- 3) The Project Sponsor has a valid resolution in place authorizing the construction management work for the Project.

Construction Contract Submission

a. Authorization to Advertise:

Transportation Bank approval, in the form of an “Authorization to Advertise”, is required prior to a Project Sponsor’s advertisement for construction bid. The Project Sponsor provides the relevant information to secure an Authorization to Advertise by submitting the following documents: (i) Construction plans; (ii) Construction contract specifications; (iii) Engineer’s Design Certification; and (iv) Right of Way Certification (if applicable).

Transportation Bank Contract Documents (Plans & Specifications).

Borrowers are required to comply with the current DOT standard specifications. Project Sponsors are required to submit plans and specifications produced by a licensed Professional Engineer containing but not limited to the following:

- A set of detailed plan drawings including site plan/section/elevation views,
- Current NJ prevailing wage rates,
- Certification that the applicant has not and shall not enter into any contract with any person debarred/suspended from government contracting,
- Certification that the applicant and its contractors shall comply with discrimination and affirmative action provisions of N.J.S.A. 10:2-1 through 10:2-4,
- Bonding (performance, payment, maintenance as applicable),
- Buy American provisions (N.J.S.A. 40A:11-18),
- Statement regarding need for uniformed traffic control and bid allowance, if applicable (N.J.S.A. 40A:11-23.1),
- Asphalt Price Adjustment Procedure, if applicable (N.J.S.A. 40A:11-13),
- Fuel Price Adjustment Procedure, if applicable (N.J.S.A. 40A:11-13),
- Brand name or equal, unless otherwise justified (N.J.S.A. 40A:11-13),
- Equal Employment Opportunity certification form,
- Division of Civil Rights form(s), as applicable,
- Affidavit of Non-collusion form,
- Certification of Non-Segregated Facilities form, and
- Disclosure of Investment Activities in Iran form.

The Transportation Bank retains the right to elicit additional information from the applicant in conducting its review of either a Project’s potential environmental impacts or engineering compliance

with governing regulations. Project Sponsors are advised of the requirement in the Funding Allocation Notice and provided with a link to contract specifications.

Highlights of Requirements

1. Environmental Compliance:

Transportation Bank funding recipients must meet the Transportation Bank's environmental compliance requirements. Many State construction Projects exceeding \$1 million are required to comply with State environmental regulations detailed in Executive Order 215 (September 11, 1989) ("EO 215") and in the provisions of the New Jersey Register of Historic Places Act. The DOT annually determines the applicability of EO 215 to candidate projects in its Capital Transportation Programs by assessing whether EO 215 exempts such projects from environmental review ("Exemption"). To that end, it is anticipated that the DOT will continue to provide environmental reviews for I-Bank applicants in SFY2022 and approve Exemptions as applicable, unless modified in a Memorandum of Understanding between the DOT and the I-Bank. Application Meetings provide a forum to discuss the Project's EO 215 determination. In the event an EO 215 Exemption is not applicable, an applicant will be notified by DOT of the need to submit documentation demonstrating compliance with EO 215 requirements. Borrowers are also required to satisfy applicable federal, or State, and local review processes and obtain all required environmental permits and approvals.

In the event that federal funds become available in the Transportation Bank, Projects funded with federal funds will be required to meet federal compliance requirements including but not limited to Disadvantaged Business Enterprise Program (DBE), the National Environmental Policy Act (NEPA), Davis-Bacon Act, and American Iron and Steel Act as conditions of funding.

2. Division of Civil Rights Compliance:

Transportation Bank loan recipients must comply with the DOT's Division of Civil Rights requirements. The DOT applies standards applicable to State-funded Local Aid Projects. After the Transportation Bank receives the engineer's estimate, the Project Sponsor is provided with the set aside goal (which is incorporated by the Project Sponsor in the contract specifications).

3. Prevailing Wage:

Borrowers are required to pay not less than the prevailing wage rate to workers employed in the performance of any construction contract pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.). Applicants are furnished with relevant provisions to be inserted in contract specifications during the application process.

Upon the Transportation Bank's completion of review of the contract submissions, environmental compliance, approval of the Division of Civil Rights, and prevailing wage, technical comments are submitted to the Project Sponsor requiring subsequent comment resolution followed by the Authorization to Advertise for construction. Project Sponsors are required to comply with applicable laws in their solicitation and award of construction contract bids.

b. Construction Contract Award:

Upon bid opening and approval of the governing body, the Project Sponsor shall submit the following to the Transportation Bank prior to awarding the construction contract:

- One copy of the summary of construction bids showing all bid quantities, unit prices and extensions;
- A fully executed and sealed resolution awarding the contract to the lowest responsible bidder, subject to the approval of the Transportation Bank;
- The final sealed plans and specifications;
- Division of Civil Rights requirements: (i.e., form CR-266 and applicable CR-272, CR-273 and CR-274 forms), copy of the signed goal memorandum specifying percentage, copy of the page from the specifications showing the SBE goals, copies of advertisements for bids through public bidding)
- A certification by a licensed engineer that the final sealed plans and specifications comport with that submitted to the Transportation Bank and incorporate the technical comments received from the Transportation Bank;
- A certification from the appropriate local official that all right-of-way is available for the project, if such certification was not already provided prior to advertisement; and
- Other related documents as may be required by the Transportation Bank.

Upon the review and approval of such submissions by Transportation Bank staff, the Department will issue a concurrence of construction contract award. Once concurrence of award has been issued, Project Sponsors must submit the executed contract being utilized for project construction ("Construction Contract") to the I-Bank for certification.

CERTIFICATION OF THE CONSTRUCTION CONTRACT IS BASED UPON:

- 1) Concurrence of Award of the Department; and
- 2) The authorizing resolution of the Project Sponsor to enter into the contract.

Post Concurrence of Award:

After the award concurrence by the Department and certification by the I-Bank, a Pre-Construction meeting shall be arranged by the Borrower. This meeting should be attended by representatives of the engineer's office, the contractor, police, utility companies and others involved in the project, and may involve I-Bank personnel. Regardless of Transportation Bank staff participation, minutes of the meeting must be kept and sent to the Transportation Bank. Topics of discussion should include:

- Construction Schedule
- Utility Relocation and Maintenance and Protection of Traffic

- Items of Construction
- Material Questionnaire (Form SA-11) Construction Methods
- Material Sampling Requirements Change Orders

D. SHORT-TERM CONSTRUCTION FINANCING PROGRAM; LOAN CLOSING

INTRODUCTION

Funding Commitment

Each Project financed through the Transportation Bank will first receive a Short-Term Loan to finance the Project through construction and then a Long-Term Loan to convert and restructure the Short-Term Loan. A commitment of funds for the total estimated project cost occurs upon Short-Term Loan closing. Short-Term Loan closing occurs after (i) the Transportation Bank's Allocation of Funds; (ii) the Transportation Bank's certification of one or more contract (i.e. the Engineering Design Contract, Construction Management Contract or Construction Contract); (iii) approval for financing from the Director of the Division of Local Government Services; and (iv) the Project Sponsor's satisfaction of all other conditions precedent to loan closing including satisfaction of the I-Bank's creditworthiness standards.

Pursuant to the Act, each Transportation Bank applicant is required to issue a note (with respect to the Short-Term Loan) or a bond (with respect to the Long-Term Loan agreement) to the I-Bank in order to evidence and secure its repayment obligation. Pursuant to the I-Bank's Credit Policy, each Transportation Bank applicant is required to secure its note or bond with a general obligation tax pledge (G.O. Pledge"). In addition, it must be able to satisfy its repayment obligations and provide assurances of repayment of existing Transportation Bank obligations in the event of loan default. N.J.S.A. 58:11B-7(k). Such conditions are central to the Transportation Bank's ability to meet its fiduciary obligations in the management of public funds as well as ensuring loan repayments are available for future Transportation Projects.

The Transportation Bank expects to have a critical mass of Borrowers with projects at or near construction completion and sufficient for a long-term public bond offering ("Long-Term Bonds") in the first half of SFY2022. To the extent that any existing or future Short-Term Loans mature prior to the date upon which the I-Bank will issue long-term public debt, such Short-Term Loans may be rolled over or extended, at the discretion of the I-Bank.

SHORT-TERM LOANS

Short-Term Loans may close as early as the Project design phase. They serve to finance environmental compliance (if applicable), engineering design, legal fees, and construction. The maturity of Short-Term Loans is limited to the periods set forth in N.J.S.A. 58:11B-9(g) (i.e., the sooner of the last day of the fifth succeeding fiscal year following the closing date of the Short-Term Loan or the last day of the third succeeding fiscal year following the date of construction certification following the closing date of the Short-Term Loan). Any Short-Term Loan made by the I-Bank may mature in a shorter period of time as

may be necessary to align with construction completion or to address the funding needs of the Transportation Bank.

One supplemental Short-Term Loan is available to larger complicated Projects which have been certified by DOT as requiring additional construction time beyond the Short-Term Loan maturity date. (a “Residual Loan”). In these cases, the initial Short-Term Loan is converted to a Long-Term Loan and a single second residual loan to finance the residual Project amount is available for the lesser of three additional fiscal years, or construction completion. The Residual Loan will be converted to long-term financing with a maturity term equal to the Project’s original Long-Term Loan. The terms of the Residual Loan will mirror the terms of the long-term financing consistent with the original terms of that construction component.

Construction draws for Project expenses will be made pursuant to requisitions submitted by Borrowers on certified contracts. All interest charges will be assessed on outstanding requisitioned amounts at a blended rate, which methodology will be established by the I-Bank Board, set monthly and posted on the I-Bank website. The interest rate calculation methodology will be developed to cover the I-Bank’s interest, fees and administrative expenses incurred from borrowing private capital. The basis for the methodology will consider the I-Bank’s cost of funds as well as the current market rate on New Jersey public Bond Anticipation Notes (BANS).

The Borrower is generally not obligated to repay principal or interest during the term of the Short-Term Loan. Interest charges are accrued and capitalized for the term of the loan for up to six months after construction completion. Short Term Loans are termed out at the earlier of construction completion or maturity of the loan, with any funds borrowed and/or owed by the Borrower rolled into the Borrower’s Long-Term Loan. Payments of principal, interest, and fees commence after Long-Term Loan closing.

Assuming the Project Sponsor has the requisite approvals in place, Short-Term Loans are available within as little as three (3) weeks of receiving (i) I-Bank Project Certification, (ii) approval from the Director of Local Government Services, and (iii) satisfaction of the Transportation Bank’s creditworthiness standards defined in the Credit Policy.

i. **I-Bank Project Certification**

For a project to receive Transportation Bank financing, the I-Bank must certify that each of a project's component contracts satisfy Transportation Bank eligibility requirements.

ii. **Approval by Director of Division of Local Government Services**

Transportation Bank loan applicants are not required to seek Local Finance Board approval of the applicants’ short-term debt instruments sold to the I-Bank to secure the applicant’s pledge of the repayment obligation pursuant to the Act (N.J.S.A. 58:11B-7). Instead, the Project Sponsor may authorize the I-Bank to secure such approval upon the applicant’s authorization set forth in the Financial Information Submission. The I-Bank will request such approval from the Director of the Division of Local Government Services on behalf of the Project Sponsor. Legislation recently signed into law, P.L.2021, c.80, introduces additional efficiencies regarding certain Department of

Community Affairs approvals for long-term funding. Specifically, I-Bank loan applicants will no longer be required to secure Local Finance Board approval of the waiver of the five percent (5%) down payment requirement provided the local bond ordinance exclusively funds a Transportation Bank Project. In addition, Local Finance Board approval will not be required for Transportation Bank applicants' Non-Conforming Maturity schedules.

iii. **Credit Approval**

All Borrowers are required to satisfy the I-Bank's Credit Policy by demonstrating an ability to satisfy both the loan repayment obligations and the Transportation Bank's credit worthiness standards as set forth in the I-Bank's Credit Policy. Generally, all applicants are required to have no less than one investment grade rating from Fitch Ratings, Moody's Investors Service or Standard & Poor's Global Ratings as set forth in the I-Bank Credit Policy and no non-investment grade ratings. Applicants with a credit rating of less than Baa1 or BBB+ are required to procure an additional investment grade rating. The Credit Policy allows for limited exceptions to this requirement (e.g. the ability of a borrower to supply the I-Bank with a State Municipal Qualified Bond Act bond). In addition, each applicant is required to secure its note or bond to the benefit of the Transportation Bank with a G.O. Pledge which must be investment grade rated to secure its repayment obligations. The updated Credit Policy may be obtained on the I-Bank's website at: [https://cdn.njib.gov/njib/policies/Amended and Restated Credit Policy-202010.pdf](https://cdn.njib.gov/njib/policies/Amended_and_Restated_Credit_Policy-202010.pdf).

iv. **Compliance with Application Schedule**

Each Borrower is required to comply with its agreed upon Scheduled Award Date as set forth in the Note (see "Application Process" above). A Borrower's failure to receive concurrence of award on or before the Scheduled Award Date due to the inaction by it or its agents shall result in the de-obligation of long-term funding for the project. Moreover, no Short-Term Loan funds will be disbursed for non-certified contracts. Any non-disbursed funds for certified contracts will be unallocated and returned to the Transportation Bank's general loan fund, and the project's readiness ranking will be reduced by 5 ranking points in future funding rounds.

Upon satisfaction of (i)-(iv) above, the I-Bank will contact the applicant to schedule the Short-Term Loan closing. In connection with Short-Term Loan closing, the I-Bank will circulate each of the following documents: (i) the form of Note to be issued by the Borrower to the I-Bank, including a series of Exhibits for inclusion thereto that shall include but not be limited to, the following: (a) the project description; (b) the basis for the determination of allowable costs of the project; (c) the loan disbursement schedule; (d) the project event schedule; (e) the general administrative requirements; (f) a form of certification regarding lobbying; and (g) a disclosure of lobbying activities form; and (ii) the form of opinion to be rendered by bond counsel and general counsel to the Borrower, including, without limitation, the enforceability of the Note being issued to the I-Bank. In addition to such forms to be completed and submitted by the Borrower at closing in the form required by the Transportation Bank, the Borrower must provide a certified copy of its official action relating to the authorization of its project and the issuance of

the Note. The nature of the Short-Term Loan and its structure as a note purchase program results in an efficient economy of closing documents.

Upon Short-Term Loan closing, funds are committed for the entire estimated project cost but are only available for draw upon each specific contract certification. For Short-Term Loans issued upon the certification of engineering contracts, long-term financing terms are established based upon the terms available in the year of certification of each construction contract. Funds for construction are made available at the time of concurrence of the construction contract by the DOT and certification by the I-Bank. For Short-Term Loans issued at the time of construction contract certification, long-term financing terms are established based on the terms available in the year of that construction contract certification. If a project has multiple construction contracts, various financing year terms may apply to a single project loan, terms which are set for the costs of each construction component at the time of each contract certification. The long-term financing terms apply at the time of Long-Term Loan closing for applicants receiving construction contract certification and financing the cost of construction through non-Transportation Bank sources.

ADDITIONAL SHORT-TERM FUNDING

Projects for which the Short-Term Loan amount is insufficient to complete construction may request additional loan amounts for eligible project costs. Project Sponsors shall submit the request for additional funds and supporting documentation through [NJ-Moves.com](https://www.nj-moves.com). Up to 50% of the funds available at the next quarterly allocation, in the discretion of the Executive Director and DOT, may be prioritized to fund eligible cost increases to Projects for which funds have already been allocated. Such cost increases are available to Projects up to 20% of total Project cost. Cost increases in excess of this threshold amount may require Transportation Bank approval.

DISBURSEMENT OF FUNDS

Upon Short-Term Loan closing, Transportation Bank funds for eligible costs are disbursed by the I-Bank for a certified contract upon the review and approval of contractor invoices and requisitions. Funds are disbursed to Borrowers upon the Borrowers' demonstration that project costs have been incurred. Borrowers are not required to either pay or demonstrate that they have paid such costs.

E. SFY2022 EMERGENCY AND RESILIENCY FINANCING PROGRAMS

DISASTER RELIEF (SAIL) PROGRAM OVERVIEW

Changes to the I-Bank Enabling Act recently extended the Disaster Relief Emergency Loan Financing Program to the Transportation Bank. The Disaster Relief Emergency Loan Financing Program, also known as the Statewide Assistance Infrastructure Loan Program ("SAIL Program"), was enacted in August 2013, in recognition of the challenges that local governments faced in securing funding for Sandy recovery projects from multiple federal and State sources. While initially established to fund and finance environmental infrastructure projects, recent legislation, P.L.2021, c.74, expands the purview of the SAIL

Program to include the funding and financing of Transportation Projects, aviation projects, and marine projects.

The SAIL Program works in coordination with the existing Federal Highway Emergency Relief Program administered by the DOT Local Aid Program to provide local government units quick access to temporary, low-cost, short-term bridge loans in the aftermath of a declared disaster to repair damages incurred during the disaster and to improve transportation infrastructure. Projects funded through the SAIL Program must be identified in a project priority list which can be submitted to the legislature any time during the year prior to receipt of SAIL Program financing pursuant to N.J.S.A. 58:11B-9.5(c).

SAIL Program loans are available to local government units seeking short-term funding assistance to address immediate cash flow needs for their disaster-related transportation infrastructure projects whether the funds are to be used for local match requirement and/or anticipation of reimbursement through federal grant programs such as those provided by the FHWA Emergency Relief (ER) Program administered through the DOT, the Federal Emergency Management Act (FEMA) or other United States Department of Transportation programs. For Local Government Units seeking to rebuild their transportation infrastructure after disasters, New Jersey's SAIL Program is designed to provide ready cash to alleviate the financial stress that may result from delays in the receipt of federal reimbursement and to finance those aspects of a project that may not be eligible for funding through federal grant programs, such as certain betterments. Importantly, SAIL Program participants also receive assistance with compliance oversight as many local communities are neither equipped nor experienced in dealing with federal FEMA or FHWA requirements. The I-Bank requires that funds disbursed as part of the SAIL Program, which are reimbursed by a federal program generally in short order, be immediately paid back by the recipient to the Transportation Bank. These funds are not long-term financed.

Partnership with NJOEM and FEMA

The I-Bank works closely with NJ Office of Emergency Management ("NJOEM"), FEMA, and DOT Local Aid Office on behalf of Borrowers: to (i) help obtain reimbursement of eligible costs as quickly as possible while optimizing the amount recovered; and (ii) provide compliance oversight to mitigate the potential of funding rejection or future de-obligation. Given the necessity that project expenses meet federal requirements as a condition of reimbursement, and the need to have such applications approved expeditiously, the I-Bank, on behalf of the Transportation Bank, may retain an outside engineering consulting firm to assist in the review of construction design and eligible costs, conduct site visits and review disbursement requests. SAIL Program Borrowers are responsible for payment of the review costs of the consulting engineer, incurred on a borrower's behalf and are set by the Board in a future SAIL Program Authorization Resolution. Depending on the size of the project, engineering review costs for emergency projects would be generally equivalent to the Transportation Bank's 2% Administrative Fee and incorporated into the Borrower's long-term financing package.

SAIL Program Short-Term Loans issued in SFY2022 will be at an effective interest rate set by the Board and based on the I-Bank's cost for short-term funds. SAIL Program Short-Term Loans may be issued for the same maturity terms as are available to Transportation Bank Short-Term Loans.

SAIL Program financing will be available in SFY2022 for short-term financing for projects to repair or improve the resiliency of transportation infrastructure systems adversely impacted by any newly declared disaster. SFY2022 SAIL Program loan interest rates are structured identically to that of Short-Term Loans as discussed above.

SAIL PROGRAM PROJECT FUNDING IS AVAILABLE TO LOCAL GOVERNMENT UNITS UPON THE DETERMINATION AND CERTIFICATION IN WRITING BY THE DOT COMMISSIONER THAT EACH PROJECT:

1. is necessary and appropriate to repair damages to a transportation, marine or aviation facility directly arising from an act of terrorism, seismic activity, weather conditions or other emergency event which occurred within the three fiscal years that gave rise to a declaration by the Governor of a state of emergency; or
2. is necessary and appropriate to mitigate the risk of future damage to a transportation, marine or aviation facility from an act of terrorism, seismic activity, weather conditions or other emergency event comparable in scope and severity to the act of terrorism, seismic activity, weather conditions or other emergency event that gave rise to a declaration by the Governor of a state of emergency which occurred within three fiscal years of the project being identified on the Project Priority List;
 - i. is a transportation, marine or aviation facility located in a County included in the Governor's state of emergency declaration;
 - ii. has an applicant that has satisfied the Transportation Bank's eligibility requirements of the funding sources for which reimbursements are sought (e.g., FHWA ER, FEMA, USDOT and/or the NJEIFP); and
 - iii. has an applicant that has secured all SAIL Program application and financial approvals.

LOAN FUNDING SOURCES

The sources of funding for the SAIL Program are the amounts available under the Short-Term Loan program. For both the Short-Term Loan Program and SAIL Program, the I-Bank may procure private capital or utilize the I-Bank's transportation operating revenues to secure additional funds, as necessary.

F. FEDERAL GRANT RESILIENCE PROGRAMS (BRIC and STORM)

Based on the success of the SAIL Program under the Water Bank, the I-Bank is taking steps to enhance its ability to serve the disaster needs of the State by further leveraging federal emergency funding. For example, in coordination with NJOEM, the I-Bank has applied for a grant through FEMA's Building Resilient

Infrastructure and Communities (BRIC) Program, a federal competitive grant program designed to support states and local communities that undertake hazard mitigation projects. BRIC is a relatively new FEMA pre-disaster hazard mitigation program that shifts the focus from financing post-disaster clean up and rebuild to investing in infrastructure to mitigate the damage that could result from a disaster.

The I-Bank intends to partner with the NJOEM-Recovery Bureau to create an application process that compiles applicant and project data for prioritizing, selecting, and developing complete BRIC applications. The expected result would be an improvement in the state's capability to identify suitable mitigation projects and to develop a steady queue of application-ready mitigation projects for submission of BRIC grants.

The I-Bank will also provide construction financing for grant recipients by reimbursing for construction expenses in advance of the receipt of approved BRIC funds. As with the I-Bank's successful SAIL Program, the I-Bank will act as the construction progress monitor, ensuring the completion of projects in a timely manner and in accordance with all applicable rules and regulations. Any qualified amounts not reimbursed by the federal grant program (local non-federal cost share responsibility and amounts not reimbursable by BRIC) will be long-term financed by the I-Bank through its respective Water Bank or Transportation Bank, thus satisfying the non-federal cost share requirements (generally 25%) of the BRIC program.

Similarly, the I-Bank is working with NJOEM to provide financing services pursuant to the federal Storm Act funds. The Safeguarding Tomorrow through Ongoing Mitigation (STORM) Act authorizes the Federal Emergency Management Agency (FEMA) to enter into agreements with states or Indian tribal governments to make capitalization grants for the establishment of hazard mitigation revolving loan funds to reduce risks from disasters and natural hazards. The I-Bank anticipates working with NJOEM to develop a revolving hazard mitigation infrastructure fund similar to the current revolving Water Bank and Transportation Bank that would supplement projects in the Water Bank and Transportation Bank.

G. OTHER EMERGENCY APPROPRIATIONS

The I-Bank may access federal emergency or relief funds that are appropriated to the State subsequent to a federal or State declaration of emergency. These funds may be used to make loans or grants in the implementation of the Transportation Bank to local government units included on the PPL which may be updated up to four times throughout the year.

H. LONG-TERM FINANCING

THE I-BANK LONG-TERM BONDS

Upon completion of construction, or such earlier time as determined by the I-Bank, a Long-Term Loan will serve to refinance and restructure the Short-Term Loan. In some instances, the I-Bank may determine, based on the best interests of the Transportation Bank, that a project may proceed directly to long-term financing. Long-Term Loans have a maximum term equal to the lesser of the Project's certified useful life (based on a certification as to useful life provided to the Transportation Bank by the Borrower's consulting

engineer) or the period set forth in N.J.S.A. 58:11B-6(d) (currently 31 years). In anticipation of construction completion, the Project on the Project Priority List, original or amended, will be designated eligible for long-term financing, and placed, with other like Projects, onto a sub-list referred to as the "Project Eligibility List" (set forth in Appendix A). Upon identification of the Project in an appropriations law, and submission by the Borrower of the Long-Term Financial Information Submission, the Project is eligible for Long-Term Loan closing. The Project is removed from the PPL subsequent to Long-Term Loan closing. The I-Bank is considering the issuance of a long-term bond series in the summer of 2021 and utilizing the proceeds as one source of funds for the Long-Term Loans to be made to each such Project. For each project, Borrowers are offered financing for the first \$100 million of project costs at a blended interest rate of 50% of the I-Bank's all-in market rate. Project costs over \$100 million will be 100% financed at the I-Bank's all-in market rate. Smaller projects may receive a Long-Term Loan financed directly with I-Bank cash on hand (" Direct Loans"). Direct Loans may be made in advance of a public bond issuance. When made, Direct Loans will bear a fixed interest cost of between 0% and 50% of the I-Bank's all-in market rate and will be for a term equal to the lesser of the Project's useful life (based on a certification as to useful life by the Borrower's consulting engineer provided to the Transportation Bank) or 31 years. The Transportation Bank reserves the right to set a shorter maturity term based on State or national projections of the impact of climate change on any project, such as rising sea level.

The following are the currently anticipated general parameters of the I-Bank's Long-Term Bonds with the purpose to refinance multiple Short-Term Loans.

- Each series of Long-Term Bonds will fund a pool of Long-Term Loans that, in turn, will serve to refinance Short-Term Loans that previously had been made by the I-Bank to pool participants. Each participant will be assigned to a loan pool by the I-Bank on the basis of such factors as a status of construction completion, the Borrower's individual credit characteristics, the Borrower's effect on the pool's coverage, and the terms and conditions of each Borrower's own outstanding bond documents, among others.
- Each series of Long-Term Bonds will be special obligations of the I-Bank, secured primarily by the repayment by each pool participant of its Long-Term Loan pursuant to the terms of a Long-Term Loan agreement by and between the I-Bank and each such participant. Each such Borrower's loan repayments will be collateralized by a bond issued by such Borrower to the I-Bank (or a government entity on the Borrower's behalf) to secure such Borrower's obligation to make these loan repayments on time and in full. All Borrowers are required to issue bonds to the I-Bank, backed by the Borrowers' (or conduit's) General Obligation pledge.
- Pursuant to the Credit Policy, for Borrowers with lower credit ratings, additional security for the Long-Term Bonds will be provided by certain State-aid payable to certain credit impaired Borrowers (see "State Aid Intercept" section below) and may be provided by a debt service reserve fund.

- The Long-Term Loan agreement and the local unit bond or other approved collateral of the Borrower are, except for certain reserved rights, assigned by the I-Bank to the Trustee for the Long-Term Bonds as security for the Long-Term Bonds.
- Neither the State nor any political subdivision thereof (other than the I-Bank, but solely to the extent of the applicable I-Bank transportation trust estate) is obligated to pay the principal of or interest on the Long-Term Bonds, and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Long-Term Bonds. The I-Bank has no taxing power.
- The I-Bank will structure its Long-Term Bond financings to optimize the cost of financing for Transportation Bank Borrowers relative to the amount of funds the Transportation Bank makes available for loans.
- The I-Bank will consider various alternative and/or additional structural features and sources of funds with respect to its Long-Term Bonds to be issued in SFY2022 and thereafter, to the extent such structural features and sources of funds will serve the best interests of the Transportation Bank and will provide additional savings for the Borrowers that are pool participants.

FEDERAL FUNDING

The Transportation Bank is assessing the viability of utilizing federal TIFIA loan funds as an additional source of funds for project financing. The final maturity date of a loan financed in part with TIFIA funds shall not exceed the maximum time period allowed under the TIFIA program, currently 35 years, after the secured loan is obligated. The I-Bank anticipates utilizing a portion of its available appropriated TTF funds as the match requirement for a TIFIA loan which, depending on the Borrowers in the pool, ranges between 20% to 51% of the total project costs. The Department shall have no obligation to provide additional funds and TIFIA borrowing by the I-Bank will not impact DOT's annual federal funding allocations.

For Transportation Projects which receive financing from the I-Bank sourced in part from TIFIA funds, financing shall be provided with a combination of up to 80% financing from TIFIA at the TIFIA cost of funds (generally, 50% of the U.S. Treasury interest rate for rural projects as defined by FHWA) and the residual funds provided by the I-Bank at the I-Bank's cost of funds. Borrowers whose loans are financed in part with TIFIA funds shall receive an interest rate on their I-Bank loan at approximately 50% of the I-Bank's all-in market rate.

ESCROW CLOSING

Prior to the sale of a series of Long-Term Bonds, the I-Bank will conduct an escrow closing for each participant in the pool, provided that, prior to escrow closing, such participant has adopted all necessary ordinances and resolutions and procured all required authorizations relating to its participation in the Transportation Bank's Long-Term Bond financing. Loan agreements, Borrower bonds and related certifications are held in escrow until after bond sale and until all conditions precedent to final closing have been met. At that time, the documents are released from escrow concurrently with closing. This

process ensures, to the greatest extent possible, that all Borrower conditions precedent to closing are satisfied prior to a competitive bond sale and that closing proceeds without incident. Escrow is estimated to commence four to eight weeks prior to each bond sale closing, thereby minimizing any potential disruption at the time of bond closing.

SALE OF LONG-TERM BONDS

Subsequent to escrow closing, the I-Bank will schedule and hold its bond sale. The I-Bank enabling legislation allows the I-Bank's Long-Term Bonds to be sold via a competitive or negotiated sale. If the bonds are competitively sold, the I-Bank must publish a summary of the "Notice of Sale" once in at least three New Jersey newspapers and once in a recognized bond publication. The Long-Term Bonds will be awarded on the basis of the lowest true interest cost bid. Bidders are required to submit their bids electronically.

BORROWER DISCLOSURE IN CONNECTION WITH THE MARKETING AND SALE OF I-BANK BONDS

Depending upon the Borrowers' credit characteristics, the participants in the I-Bank's Long-Term Bond pool are required to provide, through completion of a Long-Term Financial Information Submission and certification of the accuracy of the data therein, information necessary for disclosure in the I-Bank's Official Statement to be disseminated in connection with the sale and issuance of its Long-Term Bonds. Full disclosure is required for pool participants that are determined by the I-Bank to be "material obligated persons" (defined as any Borrower whose debt service repayments exceed 10% of the aggregate debt service repayments from all Borrowers included in a given series of Long-Term Bonds). Reduced disclosure is required from those Borrowers that do not meet the standard for "material obligated persons." In connection with each issuance of Long-Term Bonds the I-Bank will comply fully with the then applicable federal securities laws, including, without limitation, providing disclosure in the Official Statement regarding each "material obligated persons" in the pool of Borrowers.

SECONDARY MARKET DISCLOSURE

Securities and Exchange Commission ("SEC") Rule 15c2-12 requires that certain information be provided on an annual basis, following the issuance of bonds, for use in the secondary market. The I-Bank has developed a policy, in satisfaction of the requirements of SEC Rule 15c2-12, to: (i) provide ongoing secondary market disclosure with respect to each series of bonds issued by the Transportation Bank ; (ii) ensure the provision of ongoing secondary market disclosure by certain Borrowers (i.e., those Borrowers that are determined by the I-Bank to be "material obligated persons" with respect to a series of I-Bank issued Long-Term Bonds; and (iii) ensure the disclosure of certain "Listed Events" in a timely fashion not in excess of ten business days from the occurrence thereof.

DEFICIENCY AGREEMENT / CREDIT ENHANCEMENTS

Certain local government units (" LGU") that are qualifying Borrowers have no taxing power and, pursuant to the I-Bank Credit Policy, must secure their bonds through a sponsoring public entity that provides the Transportation Bank with a General Obligation Pledge ("G.O.") on behalf such LGU. In such cases, the I-

Bank requires the Borrower's bond to be additionally secured by a G.O. deficiency agreement from the county or underlying municipalities. In the event that a Borrower does not have an investment-grade rating in satisfaction of the I-Bank's credit policy, the I-Bank will require such Borrower to secure additional forms of credit enhancements.

STATE-AID INTERCEPT

To assure the continued operation and solvency of the I-Bank, the I-Bank's enabling legislation authorizes the State Treasurer to intercept State aid to eligible local government units that fail to meet their debt obligations to the I-Bank and to utilize those State aid funds to satisfy the local government unit's debt obligations to the I-Bank.

The model for this approach is the State's Municipal Qualified Bond Act Program ("QBA Program"), which has been widely used by the State's lower rated Borrowers. State aid securing Qualified Bonds issued by participants in the QBA Program is pledged directly to the I-Bank's Bond Trustee. State aid may also be intercepted by the I-Bank through the I-Bank's statutory intercept powers. The State's experience with the QBA Program indicates that the State aid intercept can raise the ratings on bonds issued by financially stressed Borrowers to typically one step below the State's rating. Therefore, a local government unit that participates in the QBA Program will be required to allow the State Treasurer to intercept its State aid on behalf of the I-Bank if necessary, to satisfy the local government unit's financial obligations to the I-Bank.

The State aid intercept available to the Transportation Bank is subordinate to the State aid intercept securing other outstanding Municipal Qualified Bonds. Therefore, should participants in the Transportation Bank have outstanding Municipal Qualified Bonds, the Transportation Bank financing documents will include covenants requiring that the coverage ratio of State aid to debt service be calculated to include both such other outstanding Municipal Qualified Bonds and the Transportation Bank loan. This will mitigate the adverse effect of the senior claim on State aid of a Borrower's other Municipal Qualified Bonds.

The I-Bank will employ its State aid intercept powers to intercept funds of any Borrower that has defaulted on its I-Bank obligation. Intercepted funds will be applied to make up any repayment deficiencies to the I-Bank's bond holders. Further, the I-Bank may take other actions to cause the local government unit to repay in a timely manner any sums in default. To date, the Transportation Bank has not had to employ its State aid intercept powers.

COVENANTS AFFECTING THE LOCAL UNIT

The Transportation Bank Long-Term Loan agreements and the Long-Term Bonds and other collateral securing such loan agreements must be legally valid and binding obligations of the Borrower or Local Government Unit.

Consequently, each Borrower must be able to make unequivocal representations concerning its status. Ordinances and resolutions of the governing body must be in place to establish that the Borrower has either the legal right and authority to undertake the Project, and own, operate and appropriately

maintain the Project, or the legal right and authority to borrow funds on behalf of a duly-constituted regional transportation authority, commission, or similar organization (a “Transportation Authority”), for a Project that will be owned, operated, and/or maintained by such Transportation Authority. The Borrower will need to certify that no undisclosed fact or event, and no pending litigation, will materially adversely affect the Borrower, the Project, or the ability to make timely loan repayments. In the case of a Borrower borrowing on behalf of a Transportation Authority, the I-Bank may require that the Transportation Authority provide certain certifications as well.

Other covenants include:

- For a G.O. Borrower, a pledge of full faith and credit to exercise the unlimited *ad valorem* taxing power of the local government unit to insure the timely payment of principal, interest, and fees;
- The intercept of State aid payable to a G.O. Borrower who fails to meet I-Bank Loan repayment and/or administrative fee payment schedules; or
- A limitation on the Borrower's discretion to issue Qualified Bonds unless the coverage afforded by State aid anticipated for the current fiscal year is equal to a reasonable coverage test, which test in the past has required that the annual debt service on all outstanding Qualified Bonds divided by the annual funds available for debt service payments pursuant to the Qualified Bond Act that does not exceed 0.80;
- A limitation on the use of loan proceeds to only finance allowable costs of the project funded by the Long-Term Loan;
- A limitation on the Borrower's right to sell, lease, abandon or otherwise dispose of the infrastructure without (i) an effective assignment of the Borrower’s loan obligations, (ii) the prior written approval of the I-Bank, and (iii) an opinion from the I-Bank’s bond counsel that such sale, lease, etc. will not have an adverse impact on either the security for the I-Bank’s bonds or the tax-exempt status (if applicable) of the I-Bank’s bonds;
- A prohibition on actions that may jeopardize the tax status of the bonds issued by the I-Bank (if applicable); and
- A provision to provide secondary market disclosure information in accordance with the provisions of SEC Rule 15c2-12 and the policy established by the I-Bank, if required under the Rule.

The I-Bank may impose additional covenants on certain Borrowers in order to address unique circumstances.

TERMS OF REPAYMENT

Interest begins accruing on the I-Bank’s Long-Term Loan at the time of the I-Bank’s Long-Term Bond closing.

Other repayment terms include:

- A level annual repayment schedule for the Long-Term Loan, with interest payable in semi-annual installments and principal payable in annual installments;
- The remaining balance of the 2% project administrative fee (1%) shall be paid at the time of the first Long-Term Loan repayment;
- The I-Bank's annual administrative fee at the rate of 0.15% of the original principal amount of the Long-Term Loan shall be paid semiannually, commencing with the first Long-Term Loan repayment, for the term of the loan;
- A late charge of 12% per annum, or 0.50% above the prime rate, whichever is greater, of the loan payment amount that is past due, calculated from the due date; and
- The application of each I-Bank loan repayment pursuant to the terms set forth in the Bond Resolution (typically to interest first, then principal).

The loan agreements may also provide Borrowers with an option to prepay loan obligations without penalty. Prepayment of the I-Bank Loan requires a 90-day written notice to the I-Bank and a written approval thereof. I-Bank Loan prepayments, at a minimum, must satisfy the payment in full of accrued interest (if applicable), any premium, and principal through the prospective payment date for which the prepayment is to be credited and any fees incurred by the Transportation Bank to execute such prepayment. Since the loans combine funds raised from bond proceeds with I-Bank appropriated funds for the financing of a project's eligible costs, the prepayment of any I-Bank Loan will be applied pro-rata to each corresponding portion of the loan. In addition, whether or not prepayment is involved, any modification of the local government bonds securing the I-Bank Loan will require prior, written approval of the I-Bank.

DEFAULT

The Long-Term Loan agreements will define an Event of Default as any one of the following:

1. the failure by the Borrower to make a loan repayment in full on or before the due date;
2. the failure to make timely payment of an administrative fee within 30 days after written notice is given;
3. the representation of false and misleading information that has a material effect on the integrity of the loan agreements or related documents;
4. the filing by or against a Borrower of any petition of bankruptcy or insolvency;
5. the general failure of the Borrower to pay its debts; and
6. the failure to observe or perform any other duties, obligations or responsibilities required for participation in the Transportation Bank, within 30 days after written notice.

With respect to the Events of Default specified in (2) and (6), the Trustee may be authorized to provide relief for up to 120 days if the Borrower can represent that the failure to pay, observe or perform is

correctable within that time frame. In addition, default may be averted if a petition of bankruptcy or insolvency is dismissed without prospects for appeal.

In an event of payment default, the I-Bank may accelerate the Long-Term Loan, and in the event of any default, the I-Bank may elect to take whatever action at law or in equity it deems necessary or direct the Trustee to pursue these remedies.

I. FEES

Administrative Loan Surcharge (Loan Origination Fee)

An Administrative Fee in the amount of 2% of the total estimated eligible Project cost is charged to all Borrowers. This non-refundable Administrative Fee offsets the cost of engineering and environmental services and requisition review, fund disbursement and site inspection services, legal fees, credit review and modeling, document processing and administrative expenses provided by the Transportation Bank for the Borrower in connection with, and as a condition precedent to, the inclusion of the project in the Transportation Bank Program. The total Administrative Fee will be two percent (2%) of the final project cost and is trued-up at long-term financing. One-half of the Administrative Fee (1% of the total estimated eligible Project cost) is due by the Project Sponsor upon Short-Term Loan closing and will be financed through the Short-Term Loan. Therefore, one-half of the Administrative Fee will be drawn on the date of closing of the Short-Term Loan and transferred to the I-Bank in satisfaction of this partial fee payment obligation. The remaining 1% Administrative Fee balance is due and payable by the Project Sponsor upon Short-Term Loan conversion, as a component of the Borrower's first Long-Term Loan repayment or in-full should the Project Sponsor opt out of long-term financing from the Transportation Bank at the time of loan payoff.

Loan Servicing Fee

A separate loan servicing fee is payable annually to the I-Bank in the amount of 0.15% of the total original principal amount of the Long-Term Loan throughout the loan repayment period by all Borrowers to offset the I-Bank's ongoing loan servicing efforts.

Event of Default Fees and Expenses

The Borrower is charged reasonable fees and expenses of attorneys and other expenses incurred in the collection of repayments or any other sum due or the enforcement of the performance of any duties, covenants, obligations, or agreements of the Borrower under the Note. The hourly cost of professional services is set forth in agreements between the I-Bank and its professional advisors.

Engineering Costs

To the extent that consulting engineers are used by the Transportation Bank for application review or construction management for a Borrower's Project, the costs thereof may be charged to the Borrower. The Borrower's Administrative Fee discussed previously will be reduced in accordance to offset any such

charge. The hourly cost of such services will be set forth in agreements between the I-Bank and its consulting engineers and the costs shared with Borrowers.



Atlantic County - Atl. Co. Rte. 629 Pedestrian & Traffic Signal Improvement Project

III. PINELANDS PROJECT FINANCING

Established by the Pinelands Infrastructure Trust Bond Act of 1985, L.1985, c.302, the Pinelands Infrastructure Trust Fund provides a source of funds specifically for infrastructure projects needed to accommodate existing and future needs in the 23 designated Pinelands Regional Growth Areas. Pinelands projects are approved by the Commissioner of the New Jersey Department of Environmental Protection only after a finding has been made by the Pinelands Commission that the master plan and zoning ordinance of the municipality, and master plan of the county, where the project is to occur conforms to the Pinelands Infrastructure Master Plan and the provisions of the comprehensive management plan.

Pinelands infrastructure projects are prioritized pursuant to the Pinelands Project Priority Methodology and placed on the Pinelands Project Priority List. The Pinelands Infrastructure Master Plan provides all ranking and prioritization guidelines for Pinelands infrastructure projects. The Pinelands Project Priority

List is developed in conformance with the Pinelands Infrastructure Master Plan. The Pinelands Infrastructure Master Plan was amended in February 2019 to include one transportation infrastructure project. The Pinelands Commission has requested that the project be financed through the Transportation Bank using the funds sourced from the Pinelands Infrastructure Trust Fund. The Transportation Bank has included Pinelands Projects on its Project Priority List based on the methodology and ranking of the Pinelands Commission.

Pinelands/I-Bank financing for the Pinelands transportation infrastructure project(s) will be structured in accordance with the Pinelands Commission Master Plan:

- Pinelands infrastructure transportation projects are funded by the I-Bank with monies appropriated to the I-Bank from the Pinelands Infrastructure Trust Fund;
- Up to 40% of allowable project costs will be in the form of a grant;
- Up to 50% of allowable project costs will be in the form of a loan at an interest rate of 1.00%;
- The remaining 10% of any Pinelands transportation infrastructure project shall be funded through local match (“Match”). A Project Sponsor may either self-finance the Match or apply for an I-Bank loan to finance the Match requirement as long as the project qualifies for Transportation Bank funds pursuant to the Transportation Bank Project Priority List. The interest rate of such an I-Bank loan would be at a rate commensurate with the I-Bank’s Transportation Bank. In the event a participant elects to fund the Match with an I-Bank loan, the Project Sponsor is subject to the terms and conditions of the applicable Transportation Bank Short-Term Loan Program; and
- A participant may issue their own bonds to finance the unallowable costs of the project and allowable costs which exceed the I-Bank/Pinelands amounts or participants may finance these costs from other funds. Each participant must be capable of financing these costs in order to be eligible for financing from the Transportation Bank.

IV. FUNDS APPROPRIATED IN SFY2022

To the extent that additional funds are appropriated to the I-Bank to finance transportation infrastructure projects in SFY2022, the I-Bank shall finance projects in accordance with the terms and conditions of the source of funds and Board approval. In the event funds are appropriated to the I-Bank for financing the transportation infrastructure component of redevelopment projects, the I-Bank may issue grants, loans and provide other financial assistance including the establishment of a debt service reserve fund, and establish financing terms in accordance with, and in furtherance of, the purposes of the appropriation.

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V. APPENDICES

SFY2022 Project Eligibility List	A
SFY2022 Operating Budget	B

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APPENDIX A

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APPENDIX A
State Fiscal Year 2022 Transportation Bank Appropriations (Eligibility) List
for Long-Term Financing

Priority List Rank	Applicant	Project No.	Estimated State Funded Amount	Estimated Total Loan Amount ¹	Project Description
1	Burlington County	TB0300-001	\$ 1,662,500	\$ 3,325,000	Bridge C4.4, Centerton Road Bridge Demolition
2	Bayonne City	TB0901-001	\$ 1,460,615	\$ 2,921,230	E. 25th Street Pedestrian Bridge Replacement
3	Cape May County	TB0500-007	\$ 5,050,000	\$ 10,100,000	Avalon Boulevard (C.R. 601) over Ingrams Thoroughfare Deck Rehab.
4	Essex County	TB0700-003	\$ 1,125,000	\$ 2,250,000	Replacement of New Dutch Lane Bridge over Deepavaal Brook
6	Camden County	TB0400-001	\$ 1,250,000	\$ 2,500,000	Westfield Avenue, Cr 610
7	Orange City	TB0717-001	\$ 4,955,000	\$ 9,910,000	City of Orange Various Street Paving Project
8	Little Silver Borough	TB1325-002	\$ 1,195,500	\$ 2,391,000	Sidewalk Project Phase II
9	Hackensack City	TB0223-001	\$ 1,960,890	\$ 3,921,780	Streetscape and Two Way Conversion of Main Street
10	Little Silver Borough	TB1325-001	\$ 229,500	\$ 459,000	Branch Avenue Sidewalks
11	Somerdale Borough	TB0431-002	\$ 526,775	\$ 1,053,550	Reconstruction of Gloucester and Ava Avenue
12	Somerdale Borough	TB0431-001	\$ 500,000	\$ 1,000,000	Reconstruction of Evergreen Avenue-Phases 2&3
13	Essex County	TB0700-004	\$ 2,586,269	\$ 5,172,537	Priority Repairs to County Bridges - Harrison, East Newark and Newark
15	Orange City	TB0717-002	\$ 4,606,000	\$ 9,212,000	Main Street Streetscape and Traffic Control
16	Flemington Borough	TB1009-001	\$ 835,775	\$ 1,671,550	Corcoran South Main Dewey Road Improvements
19	Raritan Township	TB1021-001	\$ 1,411,475	\$ 2,822,950	Road Resurfacing Project 2020-2021
22	Bloomfield Township	TB0702-001	\$ 3,490,352	\$ 6,980,703	2021 Roadway Reconstruction Program
23	Orange City	TB0717-003	\$ 934,250	\$ 1,868,500	Traffic Lights 2021
24	Raritan Township	TB1021-004	\$ 394,604	\$ 789,207	Case Blvd Reconstruction
18	Total Projects: 18		\$34,174,505	\$68,349,007	

¹Source of funds for long-term financing is anticipated to be 50% funds from TTF appropriation and 50% from I-Bank bond funds.

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APPENDIX B

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**APPENDIX B
NEW JERSEY INFRASTRUCTURE BANK
OPERATING BUDGET
SFY2022**

REVENUES		Water		Trans		Combined	
		2021	DRAFT 2022	2021	DRAFT 2022	2021	DRAFT 2022
Total Annual Admin Fee		5,553,800	5,670,333	0	0	5,553,800	5,670,333
Annual Admin Fee Direct Loans		22,066	23,869	-	-	22,066	23,869
Transportation Admin Fee				585,016	1,079,896	585,016	1,079,896
Admin Fee Total =		5,575,866	5,694,201	585,016	1,079,896	6,160,882	6,774,097
Loan Surcharge (COI at closing)(Fall Deal - Nov & Sep WIFIA)		73,000	145,000	-	16,494	73,000	161,494
Loan Surcharge (COI at closing)(Spring Deal - May '22)		75,000	75,000	-	-	75,000	75,000
Loan Surcharge Total =		148,000	220,000	0	16,494	148,000	236,494
Interest Income (S-T CLP Loans)		885,177	375,368	680,051	274,986	1,565,228	650,354
Direct Loans		-	125,857	-	0	-	125,857
Earnings Credits		-	115,255	-	0	-	115,255
Interest Income (Operating Accts):*		120,000	35,540	394,091	983	514,091	36,523
Other Income Total =		1,005,177	652,019	1,074,142	275,970	2,079,319	927,989
TOTAL REVENUES =		6,729,043	6,566,220	1,659,158	1,372,360	8,388,201	7,938,581

EXPENSES		2021	DRAFT 2022	2021	DRAFT 2022	2021	DRAFT 2022
		FINANCING PROGRAMS					
Bond	- Bond/Loan Issuance Costs (M&E, CSG)	861,200	902,100	157,000	331,000	1,018,200	1,233,100
Counsel	- Program / Development Charges (M&E, CSG)	300,000	384,000	250,000	210,000	550,000	594,000
B.C. Total =		1,161,200	1,286,100	407,000	541,000	1,568,200	1,827,100
Financial	- Bond/Loan Issuance Costs (PFM, Lamont)	158,700	246,850	95,000	105,000	253,700	351,850
Advisor	- Program / Development Charges (PFM, Lamont)	150,000	159,000	25,000	155,000	175,000	314,000
F.A. Total =		308,700	405,850	120,000	260,000	428,700	665,850
Short Term Borrowing Fees and Interest		562,500	62,500	453,115	122,867	1,015,615	185,367
Custodial, Trustee and Loan Servicer Fees (Includes UCC Filings)		160,628	152,328	15,000	18,000	175,628	170,328
Rating Service (ST & Bond Programs)		335,930	516,500	79,000	79,000	414,930	595,500
Master Program Trustee		14,000	22,000	-	8,000	14,000	30,000
Arbitrage Rebate Services		48,050	38,200	-	-	48,050	38,200
3rd Party Bond Issuance Expenses (iPREO, Newspapers, POS/OS)		15,000	15,000	-	-	15,000	15,000
TOTAL FINANCING PROGRAM EXPENSES =		2,606,008	2,498,478	1,074,115	1,028,867	3,680,122	3,527,344

NJIB OPERATIONS							
Total Salaries & Fringe (Original)		3,022,126	3,132,446	1,532,350	1,493,441	4,554,476	4,625,887
a. FTE Salaries (Original)		1,692,164	1,723,261	1,048,478	1,037,562	2,740,642	2,760,823
b. Fringe + DEP Indirect (2022: 53.25% + 22.2%)		1,329,962	1,409,185	483,872	455,878	1,813,834	1,865,063
Human Resources (HRIS+Payroll Svcs, Training, Memberships, Recruiting)		12,243	11,728	7,617	7,061	19,860	18,789
I.T. - Expenses (Hardware, Software, Online Services)		363,030	337,100	222,502	202,966	585,532	540,066
Admin Expenses General (Office supplies, bond buyer, publications, etc.)		17,816	18,400	11,085	11,078	28,900	29,478
Facilities - Rent & Property Insurance, PSEG		105,520	108,063	65,653	65,064	171,174	173,126
Investment Advisor (PFM)		90,300	92,400	37,002	382	127,302	92,782
Auditor	- NJIB Financials (CLA LLP)	16,274	16,853	10,126	10,147	26,400	27,000
	- State CW/DW SRF Financials (CLA LLP)	52,900	55,100	-	-	52,900	55,100
Internal Control Audit (CohnReznick)		70,157	88,322	43,651	53,178	113,808	141,500
Accounting System Maintenance & Support		19,357	18,413	12,043	11,087	31,400	29,500
State Liason Charges (AG/GAU)		52,095	53,912	37,269	41,554	89,364	95,466
Reports, Publications, Conferences & Marketing		43,138	23,787	18,776	14,322	61,915	38,109
Vehicle (Insurance, gasoline, depreciation)		12,927	5,949	8,043	3,582	20,971	9,531
Depreciation (Other: IT, Furniture, etc)		23,975	12,218	13,357	6,733	37,332	18,950
Board Member Expense (Bond + misc)		6,165	5,483	3,835	3,301	10,000	8,785
TOTAL OPERATING EXPENSES =		3,908,023	3,980,174	2,023,310	1,923,895	5,931,333	5,904,069

TOTAL EXPENDITURES =		6,514,030	6,478,651	3,097,425	2,952,762	9,611,455	9,431,413
Anticipated Amount of Appropriations Utilized =				1,600,000	1,600,000	1,600,000	1,600,000
Unencumbered Contingencies (for Direct Loans, etc.) =		\$ 215,013	\$ 87,569	\$ 161,733	\$ 19,598	\$ 376,746	\$ 107,168

* certain funds and interest earned are restricted

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