



NEW JERSEY TRANSPORTATION INFRASTRUCTURE FINANCING PROGRAM

STATE FISCAL YEAR 2027 FINANCIAL PLAN

Submitted to the State Legislature by:

**The New Jersey Infrastructure Bank
The New Jersey Department of Transportation**

MAY 2026



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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

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I. INTRODUCTION / PROGRAM OVERVIEW

The New Jersey Infrastructure Bank¹ (the “I-Bank” or “NJIB”) presents the New Jersey Transportation Infrastructure Financial Plan (the “Financial Plan” or “Report”) for State Fiscal Year (“SFY”) 2027 to the New Jersey State Legislature. The I-Bank is required to submit this Report by May 15th of each year pursuant to 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” or “Program”). Note that any federal funds referenced in this Report will only be utilized to the extent funds are available and compliance with federal funding conditions is satisfied.

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

In January of 2026, the DOT published the **Project Priority Report** for SFY2027 (the “January Report”) that included:

- A discussion of project eligibility requirements;
- The methodology utilized to prioritize and establish project rankings (“Priority System”); and
- The initial Transportation Infrastructure Project Priority List (“PPL”) SFY2027.²

This **Financial Plan** discusses the following Transportation Bank financing initiatives for SFY2027:

- The loan application process, parameters, and standards of approval for loans; and
- Available loans, loan terms, and the loan closing processes to be utilized in SFY2027 for Projects identified in the PPL as updated and amended each quarter in SFY2027.

ELIGIBLE PROJECTS / ELIGIBLE BORROWERS

In accordance with the Act, the Transportation Bank is authorized to finance, under separate funding programs, (i) surface transportation, (ii) marine and (iii) aviation projects (individually “Project;” collectively, “Projects”).

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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 SFY2027 January Report is available at: <https://www.njib.gov/nj/tib-program>.

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, and grade crossings (“Transportation Project”). Eligible borrowers (each a “Borrower”) are local government units (“LGUs”), including counties, municipalities, municipal/county/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 SFY2027 January Report.

Transportation Bank financing is limited to eligible costs incurred for a Transportation Project, which include costs or fees related to construction, engineering, legal counsel, financial advisor, permitting, project management, financing, and any 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. Grant funds for the specific Project being financed that are received prior to loan closing must be utilized, by the LGU that is seeking a Transportation Bank loan (“Project Sponsor”) to cover a portion of the project costs. Grant funds for the specific Project being financed that are received after loan closing for costs requisitioned under a Transportation Bank loan shall be used towards the repayment of the Transportation Bank loan.

Marine Projects

The Transportation Bank is authorized 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. At present, no funds have been appropriated for the marine financing program.

Aviation Projects

The Transportation Bank is authorized 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. At present, no funds have been appropriated for the aviation financing program.

PROJECT FUNDING METHODOLOGY / PROJECT LIST

The Priority System establishes project rankings and prioritizes the distribution of the limited Transportation Bank funds to projects. The Priority System incorporates the requirements of N.J.A.C. 16:20A and 16:20B for the applicable standards and specifications and eligible costs of Transportation Projects. Full details of the Priority System are set forth in the SFY2027 January Report (see footnote 2 on page 1).

PROJECT PRIORITY LIST

Transportation Project Priority List (“PPL”)

Identification of a Project on the PPL is a prerequisite to receiving Transportation Bank financing. Once a project sponsor submits an application to the Transportation Bank for financing (each, a “Project Sponsor”), the Project is placed on the ensuing PPL according to the Priority System. This process is discussed further in Section II, Part B, “Financing Program/Application Process.” The Projects on the initial SFY2027 PPL consist of a pool of **thirty-four (34)** Projects with a total estimated cost of **\$239.0 million**.

The I-Bank may amend the PPL up to four times during each Program year. The SFY2027 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 application submission and the Transportation Bank staff’s completion of initial due diligence. Initial due diligence consists of: (i) gathering information relevant to assessing project eligibility, (ii) determining Project Sponsor eligibility pursuant to the Act, (iii) assessing credit worthiness pursuant to the I-Bank’s Board approved credit policy, and (iv) evaluating the reasonableness of proposed project costs.

Marine and Aviation Project Funding

Funds available to finance Marine or Aviation Projects may be used to finance planning and design and construction activities through a short-term loan and/or leveraged through the Transportation Bank Indenture for long-term financing. Terms and conditions including fees and creditworthiness requirements will be consistent with the Surface Transportation program. Pursuant to the Act, each of the appropriations to the individual Marine, Aviation and Surface Transportation subaccounts of the State Transportation Infrastructure Bank Fund are to be kept separate and apart from each other.

PROJECT FINANCING

The Transportation Bank makes available low interest loans designed to significantly reduce the financing cost for a Borrower relative to the cost of independent financing. Loans will be offered by the I-Bank to the highest Priority System ranked, construction ready projects on a rolling basis.

Because the Transportation Bank is modeled after the longstanding New Jersey Environmental Infrastructure Financing Program (the “Water Bank”), Project Sponsors that have participated in the Water Bank over the past 39 years 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 engineering work, certain soft costs, and construction that, thereafter, is refinanced, generally at construction completion, through long-term financing (“Long-Term Loan”). This structure offers: (i) low-cost capital from Project design through construction completion; (ii) generally no debt service repayment until after construction completion; (iii) a Long-Term Loan maturity that is the lesser of the Project’s useful life (as certified by the Project Sponsor’s engineer) or 31 years; and (iv) significantly lower interest rates on Long-Term Loans compared to independent financing by the Project Sponsor.

Project Sponsors may close on a Short-Term Loan for the entire eligible cost of the project after the Transportation Bank has certified at least one of the Project’s service contracts (e.g., Engineering Design, Construction Management, or Construction). Funds become available to the Project Sponsor for eligible Project costs upon (i) Short-Term Loan closing and (ii) each individual contract certification. Funds are disbursed upon the Transportation Bank’s receipt and approval of requisitions and contractor invoices as discussed in Section II, Part D, “Short-Term Construction Financing Program; Loan Closing.” 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.”

Short-Term Loan interest rates will be set as directed by the I-Bank’s Board of Directors (“Board”). Short-term Loan Financing may be provided from a combination of funding sources.

For projects in disadvantaged communities that have received a commitment of competitive grant funds from the United States Department of Transportation through the Infrastructure Investment and Jobs Act (“IIJA”), signed into law on November 15, 2021, the Transportation Bank will continue to offer interest-free Short-Term and Long-Term Loans in SFY2027. The Transportation Bank recognizes the challenges disadvantaged communities face in meeting the match requirement for these grants. The Transportation Bank’s IIJA Match program (as described below) provides disadvantaged communities with quick access to funds at zero percent interest to cover their federal grant match requirement.

The Transportation Bank is also offering conduit loans for qualifying redevelopment projects (*see Section II.F regarding the “CURE” Program for additional details*).

The aggregate principal amount of any loan made by the I-Bank to a project sponsor shall be no less than \$150,000.

ADVANTAGES OF TRANSPORTATION FINANCING

Program participants realize significant cost-savings and benefits through the following Program features:

- Available Financing During Construction – Short-Term Loan funds are made available as early as the time of certification of the Project’s engineering contract up through construction completion . Funds are disbursed through an expedited requisition review process (usually 2-14 business days), enabling payments to contractors on a timely basis and relieving Borrowers from utilizing cash-on-hand or costly bank lines of credit;
- Generous Allowable Costs – Associated project costs that may be financed through the Transportation Bank include engineering design, project management, and other loan-related fees

(i.e., legal, financial, and other advisory services) necessary to finance or construct the Project. Advanced payment by the Borrower for services rendered is not a prerequisite to the Borrower's submission of requisitions or receipt of funds from the I-Bank. Such funds are disbursed upon the I-Bank's receipt and approval of eligible contractor invoices;

- Interest Cost Savings During Construction – In SFY2027, the Short-Term Loan interest rate will be



determined by the Board. Borrowers accrue interest charges only on funds that have been drawn. This feature produces an advantage over the New Jersey public Bond Anticipation Notes (“BANS”) market and highlights the practical and cost-effective nature of the Transportation Bank Short-Term Loan program. It is expected that the SFY2027 program will continue to offer a lower interest rate for Borrowers who meet a benchmark pace of requisition submissions as set forth in a future

Robbinsville Township - Improvements to Newton Village
Board resolution;

- Debt Service Cash Payments are Deferred During Construction – During Project construction, payment of principal, interest, and fees, including the Transportation Bank's 2% loan origination fee (“Loan Origination Fee”, hereinafter defined), are generally deferred until construction completion. The accrued interest and up to one half of the Loan Origination Fee may be capitalized as part of the Long-Term Loan refinancing and restructuring;
- Interest Cost Savings During Long-Term Financing – Long-Term Loans issued in SFY2027 will bear an interest rate of up to 50% of the I-Bank's all-in market rate. They will be financed with funds appropriated to the Transportation Bank through the DOT from the Transportation Trust Fund (“State Funds”) and may also be financed in part from the proceeds of the sale of I-Bank Transportation Bank bonds (defined hereinafter). This lower cost of funds is accomplished by either blending proceeds of the sale of I-Bank bonds at the market rate with the State Funds at a zero percent interest rate or, for loans financed 100% with State Funds, setting the interest rate at approximately half of the I-Bank market rate. In the current interest rate environment, this financing structure results in interest savings of approximately 42% of the total Long-Term Loan amount for a Project having a useful life of 30 years when compared to the cost of an average “A” rated Borrower financing their Project independent of the Transportation Bank. In the event interest rates rise, interest savings would increase proportionately;

- Principal Forgiveness Set-Aside – The Transportation Bank is continuing to offer principal forgiveness (PF) for planning and design costs in SFY2027. Specifically, Borrowers are offered PF for up to \$100,000 of a project’s planning and design costs. PF is provided at the time of Short-Term Loan closing and is forgiven at the time of conversion of a construction-complete Short-Term Loan to long-term financing. For SFY2027, \$2 million plus any unutilized PF funds from SFY2026 are being set-aside for this initiative. PF will be allotted to projects on a priority and readiness basis. To qualify for PF, the planning and design work must result in construction contract certification during the term of the Short-Term Loan that is related to a Transportation Project funded by the Program with an aggregate principal loan amount of not less than \$250,000. For Projects containing multiple independent design contracts, each design contract may be separately eligible for PF, provided that the scope of each design contract is independent and results in a corresponding certified construction contract for the Transportation Bank financed Project. The determination of PF for each design contract is based on the terms of the Financial Plan applicable at the time each design contract is certified. The total PF awarded to any Borrower shall not exceed \$100,000 in any one State fiscal year. In the event a project is not converted to long-term financing, PF will not apply and all funding including any accrued interest and fees owed shall be repaid by the Borrower no later than the stated maturity of the Short-Term Loan.
- Level Debt Service / No Front-Loading Requirement – When issuing their own general obligation debt, LGUs are required to “front load” their debt service schedule. This results in debt service payments that 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;
- Down Payment Waiver - Transportation Bank Borrowers receive the upfront cash flow benefit of no five percent (5%) down payment requirement of Local Bond Law without having to obtain Local Finance Board approval of a waiver provided their local bond ordinance exclusively funds a Transportation Bank Project;
- Flexible Long-Term Loan Maturity – Shorter amortization schedules are available for Borrowers who wish to minimize the repayment period of their loan.

II. FINANCING PROGRAM

A. SOURCES / USES OF FUNDS

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 an avenue of financing to surface Transportation Projects. After the I-Bank Enabling Act was amended to authorize the I-Bank to finance Marine Projects and Aviation Projects in the Transportation Bank, the annual appropriations to the Transportation Infrastructure Bank Fund have been available to all its subaccounts. State LAIF appropriations from SFY2018 through SFY2026 totaled \$199.2

million, of which \$1.6 million was appropriated in one of the years and \$2.6 million in each of the other eight years and made available to the I-Bank to cover Transportation Bank administration and operating expenses in the event program fees and interest earnings are insufficient to pay for such expenses. Any funds not used for such expenses are made available for lending purposes. In SFY2027, it is anticipated that an additional \$20.5 million appropriation of LAIF funds will be received, of which it is anticipated \$2.6 million will be made available again for Transportation Bank administration and operating expenses.

The Transportation Bank may opt to supplement its funds for Short-Term Loans by utilizing private sources of funding including, but not limited to, proceeds from short-term banking facilities.

If additional funds are appropriated by the State Legislature to the I-Bank 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 made available to eligible projects and financed in accordance with the terms and conditions of the ranking methodology set forth in the DOT's January Report as well as the Act.

In addition to utilizing State funds and private capital, the I-Bank has the ability to seek funding from certain federal financing programs to finance Transportation Projects through its designation by the Federal Highway Administration as a State Infrastructure Bank ("SIB"). The I-Bank is exploring the use of these federal funding sources to support the full or partial financing of eligible Transportation Projects.

In SFY2027, Transportation Bank administration and operations will be funded first by interest earnings on undisbursed funds, administrative fees earned on closed loans, and then, only if needed, by the aforementioned funds appropriated for administration and operations expenses. Appropriated funds available for SFY2027 will be utilized for loans based on priority ranking and readiness to proceed to loan closing. Any additional funding received by the I-Bank for Transportation Project loans from either private or federal sources shall be applied over the remainder of the State fiscal year unless otherwise required by law.

Post-Emergency Projects

The I-Bank is authorized to utilize federal emergency or relief funds subsequent to a federal or State declaration of emergency to make loans or grants to qualifying Transportation Projects as set forth in N.J.S.A.58:11B-19.1. Eligibility for these projects shall be determined in accordance with the terms of any such appropriation. Pursuant to this authorization, the I-Bank may 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 LGUs in accordance with the criteria determined by the appropriation.

B. APPLICATION PROCESS

Overview

Loan applications are accepted through the I-Bank's online application and review portal ("***NJ-Moves.com***") at any time throughout the year for all projects under the Transportation Bank. Funding is prioritized based on rank and readiness. Applications are not accepted after a Project Sponsor advertises

for construction bids unless the advertisement is withdrawn, and the receipt of bids is cancelled. A separate application is required for each new Project scope.

Loan applications will only be accepted from an individual specifically authorized by a Project Sponsor to submit the loan application on behalf of the Project Sponsor (the “Authorized Representative”). Applications shall conform to the I-Bank regulations for the Transportation Bank, N.J.A.C. 19:50-5.1-N.J.A.C. 19:50-5.59.

The loan application process is as follows:

Initial 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

Upon receipt of the initial 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 may include guidance on submission requirements, costs, project scope, environmental compliance, project schedule, small business set aside requirements, and application review process along with contacts, and roles and responsibilities. If a Project Sponsor decides not to finance the Project through the Transportation Bank, the Authorized Representative of the Project Sponsor must withdraw the Project through the online application portal (found at NJ-Moves.com).

Short-Term Financial Addendum Form (“STFAF”) Submission

Once a Project Sponsor is ready to proceed with project financing, financial information 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 set forth in the I-Bank’s credit policy (“Credit Policy”). The Credit Policy and related guidelines are available for download from the Legal Structure/Policies section on the I-Bank website at: <https://www.njib.gov/nj/Legal+Structure+Policies.44>.



Mendham Township - Road Improvements

While the specific 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, handled by I-Bank staff as designated to do so by and on behalf of the Project Sponsor; and (iii) any other information needed by the Transportation Bank to evaluate the creditworthiness of the application.

C. CONTRACT REVIEW

All Projects must undergo a review of the applicable contracts to receive concurrence of award on their construction contract from the DOT, a prerequisite to qualify for long-term financing from the Transportation Bank.

Engineering Information Submission

a. Engineering Design Contract:

For Project Sponsors that seek financing for engineering design costs, a copy of the executed engineering contract (“Engineering Design Contract”) must be submitted for review and I-Bank certification. 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 also submit the resolution authorizing the Engineering Design Contract.

b. Construction Management Contract:

Project Sponsors who choose to finance their construction management and inspection costs through the Transportation Bank must submit the engineering services contract which will be utilized for project construction management (“Construction Management Contract”) for I-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) Alignment of the scope of work to the Project and its necessity for the successful completion of the Project being financed;
- 2) Appropriateness of the proposed cost of the scope of work and whether the proposed cost is comparable to other similarly situated Projects; and
- 3) Whether the Project Sponsor has a valid resolution in place authorizing the design and/or construction management work for the Project.

Construction Contract Submission

a. Authorization to Advertise:

I-Bank approval, in the form of a document entitled “Authorization to Advertise,” is required prior to a Project Sponsor’s advertisement for construction bids. The Project Sponsor provides the relevant information to secure an Authorization to Advertise by submitting the following documents: (i) construction plans; (ii) contract specifications; (iii) engineer’s design certification; and (iv) right-of-way certification (if applicable).

Requirements:

1. Transportation Bank Contract Documents (Plans & Specifications)

Borrowers are required to comply with all applicable Federal, State, and municipal laws, rules, and regulations in the execution of contracts, as outlined in the Transportation Bank Regulations (N.J.A.C 19:50-5.31) and the current DOT standard specifications. Project Sponsors are required to submit plans and specifications produced by a licensed professional engineer.

The Transportation Bank retains the right to elicit additional information from the Project Sponsor in conducting its review of either a Project’s potential environmental impacts or engineering compliance with governing regulations. Project Sponsors are advised of the requirements through ***NJ-Move.com*** and provided with links to the required forms.

2. Environmental Compliance

Transportation Bank funding recipients must meet the Transportation Bank's environmental compliance requirements. Transportation Bank Projects are required to comply with State environmental regulations detailed in Executive Order 215 ("EO 215") and 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"). It is anticipated that the DOT will continue to provide environmental reviews for I-Bank Transportation Bank applicants in SFY2027 and approve exemptions as applicable. Application meetings provide a forum to discuss a Project's EO 215 determination. In the event an 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.

3. Small Business Set Aside Compliance

Transportation Bank loan recipients must comply with the applicable set aside regulations applicable to the New Jersey Small Business Set-Aside Act. For Transportation Projects funded with State appropriated funds, contracts for construction materials or services must comply with the small business set aside regulations promulgated pursuant to section 15 of P.L. 1983, c.483 (C52:32-31). For Transportation Projects funded with any federal funds, contracts must comply with the applicable federal set aside requirements. After the Transportation Bank receives the engineer's estimate, the Project Sponsor is provided with the set aside goal.

4. 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 (N.J.S.A. 34:11-56.25 et seq.). Applicants are furnished with relevant provisions to be inserted in contract specifications during the application process.

In summary, upon the Project Sponsor's satisfaction of, and the Transportation Bank's review and approval of contract submissions, environmental compliance, applicable set aside requirements, and prevailing wage rates, Authorization to Advertise for construction will be issued. Project Sponsors are required to comply with applicable laws in their solicitation and their award of construction contract(s).

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 which may include but not be limited to the Disadvantaged Business Enterprise Program (DBE), the National Environmental Policy Act (NEPA), Davis-Bacon Act, and the Build America, Buy America Act (BABA), or their successors, as conditions of funding.

b. Construction Contract Award:

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

- A 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
- Small business set asides documentation (i.e., form CR-266 and applicable CR-272, CR-273 and CR-274 forms, or their successors), copy of the signed goal memorandum specifying percentage, copy of the page from the specifications showing the applicable set aside 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
- Other related documents, as may be required by the Transportation Bank or the DOT

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.

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.

Post Concurrence of Award:

After the concurrence of award is received from the Department and certification is provided by the I-Bank, the Borrower shall arrange a pre-construction meeting. This meeting should be attended by representatives of the engineer’s office, the contractor, police, utility companies (when applicable), and others involved in the project, and may involve Transportation 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
- Construction Methods
- Utility Relocation and Maintenance
- Traffic Protection

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

D. SHORT-TERM CONSTRUCTION FINANCING PROGRAM; LOAN CLOSING

INTRODUCTION

Funding Commitment

Each Project financed through the Transportation Bank may first receive a Short-Term Loan to finance planning, design and construction costs, which will be converted into a Long-Term Loan that refinances the Short-Term Loan upon construction completion. A commitment from the I-Bank 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 certification of one or more contracts (i.e. the Engineering Design Contract, Construction Management Contract or Construction Contract); (ii) approval for financing from the Director of the Division of Local Government Services ("DLGS"); and (iii) the Project Sponsor's satisfaction of all other conditions precedent to loan closing including satisfaction of the I-Bank's creditworthiness standards as set forth in the Credit Policy.

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) 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") and demonstrate its ability to satisfy its repayment obligation(s) to the Transportation Bank. Such conditions are central to the Transportation Bank's ability to meet its fiduciary obligations in the management of public funds as well as to ensure loan repayments are available for other Project Sponsors' future Transportation Projects.

SHORT-TERM LOANS

Short-Term Loans may close as early as the Project design phase. These loans serve to finance eligible costs associated with engineering design, construction management, and construction. The maturity of a Short-Term Loan is limited to the periods set forth in N.J.S.A. 58:11B-9(g) (i.e., currently the last day of the fifth succeeding fiscal year following the closing date of the Short-Term Loan). If the Act is amended to provide such authorization, extended maturities for Short-Term Loans of up to ten years will be available for projects which qualify for Century Bonds, as defined below.

Any Short-Term Loan made by the I-Bank may mature or be converted to long-term financing in a shorter period of time as necessary to align with construction completion or to address the funding needs of the Transportation Bank.

One supplemental Short-Term Loan is available to 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 for all outstanding amounts incurred

and requisitioned up to and including the date of long-term conversion. A Residual Loan is issued to finance the remaining Project amount with an available maturity term of the lesser of three additional full State fiscal years, or construction completion. The interest rate of the Residual Loan will be set in accordance with the terms of the then-applicable Financial Plan in the SFY in which the Residual Loan closes. Upon conversion of the Residual Loan to long-term financing, the Long-Term Loan will have a maturity term equal to the Project's original Long-Term Loan. The financing terms shall be established based on the SFY in which each construction contract was certified. The interest rate on this Long-Term Loan will be set based on the market rate at the time of such loan's closing.

Funds for Project expenses will be disbursed pursuant to requisitions for eligible costs that are submitted by Borrowers for certified contracts. Interest charges relating to a Short-Term Loan are assessed on outstanding requisitioned amounts for the period of time during which such amounts are drawn and remain outstanding, in accordance with the methodology established by the I-Bank Board. Short term interest rates are adjusted at the beginning of each month and posted on the I-Bank website.

The Borrower is generally not obligated to repay principal or interest during the term of the Short-Term Loan. Interest charges accrue and may be rolled into the Long-Term Loan or paid in full prior to Long-Term Loan closing at the Borrower's option. Short-Term Loans are termed out at the earlier of construction completion or maturity of the loan. Payments of principal, interest, and fees commence after Long-Term Loan closing or Short-Term Loan payoff.

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

i. I-Bank Contract Certification

For a Project to receive Transportation Bank short-term financing, the I-Bank Executive Director must certify that each of the Project's component contracts satisfies Transportation Bank eligibility requirements.

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

Approval by DLGS is a prerequisite to financing. However, Transportation Bank loan applicants for surface Transportation Projects are not required to directly secure Local Finance Board ("LFB") approval of the applicants' short-term debt instruments issued to the I-Bank to secure the applicants' pledge of the repayment obligation pursuant to the Act (N.J.S.A. 58:11B-7). Instead, these Project Sponsors may authorize the I-Bank to secure such approval upon the Project Sponsor's authorization in the Short-Term Financial Addendum Form. The five percent (5%) down payment mandated by the State's Local Bond Law is not required of I-Bank loan applicants provided the local bond ordinance exclusively funds a Transportation Bank surface Transportation Project. In addition, surface Transportation Projects financed through the Transportation Bank do not need approval from the Local Finance Board to deviate from the established principal payment requirements as set forth in the Local Bond Law.

iii. Creditworthiness Standards

All Borrowers are required to satisfy the I-Bank's Credit Policy by providing a G.O. pledge to satisfy the loan repayment obligations and meet 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 single investment grade 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). The updated Credit Policy may be obtained on the I-Bank's website at: <https://www.njib.gov/nj/public-documents>.

Upon satisfaction of (i) through (iii) 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; 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.

Upon Short-Term Loan closing, funds are committed for the entire estimated project cost, but the Borrower may only draw funds relating to 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 SFY of certification of each individual construction contract. 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. For Short-Term Loans issued after construction contract certification, long-term financing terms are established based on the terms available in the year that the Short-Term Loan is closed. In the event that there is a subsequent construction contract certification after Short-Term Loan closing, the terms of the financing program year in which a subsequent construction contract was certified would apply to that portion of the Short-Term Loan. For applicants that choose to finance engineering and construction costs on their own prior to long-term financing from the Transportation Bank (i.e., self-funders), long-term financing terms are set at the time of Long-Term Loan closing based on the terms available in that SFY.

ADDITIONAL SHORT-TERM FUNDING

Projects for which the original 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). If there are insufficient funds

available in the Transportation Bank to finance a request for additional costs of an outstanding Project, up to 50% of the funds appropriated to the Transportation Bank in the next succeeding SFY may be prioritized, at the discretion of the Executive Director, to fund eligible cost increases to a Project for which a loan has already closed. Such additional funding is available to Projects for up to 20% of the total Project cost. Cost increases in excess of this threshold require I-Bank Board 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 and that covenant requirements of the Short-Term Loan have been satisfied. Borrowers must incur but are not required to demonstrate that they have paid such costs prior to disbursement.

IJA MATCH PROGRAM

IJA offers competitive funding opportunities to municipalities to receive grant money for local Transportation Projects. This federal program is structured to provide up to 80% of the funding for these projects, while the local government covers the remaining project costs as a match. To help disadvantaged communities meet the match requirement, the Transportation Bank has set aside \$10 million in zero percent financing and exempted such Project Sponsors from creditworthiness requirements in the Credit Policy for the match amount. Funds are available to eligible IJA Match projects upon placement on the PPL. Fees will be charged only on the amount lent by the Transportation Bank. To the extent such funds are not utilized for the IJA Match Program, they are available to finance priority ranked Transportation Projects.

E. SFY2027 EMERGENCY AND RESILIENCY FINANCING PROGRAMS

DISASTER RELIEF (SAIL) PROGRAM OVERVIEW

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, legislative amendments were added, P.L.2021, c.74, that expanded the purview of the SAIL Program to include the funding and financing of surface 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 LGUs 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 on a project priority list which can be submitted to the legislature any time during the year prior to the receipt of SAIL Program financing pursuant to N.J.S.A. 58:11B-9.5(c). SAIL Program loans are

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 State 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 State fiscal years of the project being identified on the Project Priority List;
3. Is related to a transportation, marine or aviation facility located in a County included in the Governor's state of emergency declaration;
4. 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, and/or USDOT); and
5. Has an applicant that has secured all SAIL Program application and financial approvals*.

** Funds are not yet appropriated for Aviation or Marine Projects.*

available to LGUs seeking short-term financing assistance to address immediate cash flow needs for their disaster-related transportation infrastructure projects where 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 Federal Highway Administration ("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 any funds disbursed as part of the SAIL Program, which are reimbursed by a federal program, be immediately paid back by the recipient to the Transportation Bank.

Partnership with NJOEM and FEMA

The I-Bank works closely with the NJ Office of Emergency Management ("NJOEM"), FEMA, FHWA and the 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 of funds. 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, the terms of which 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% Loan Origination Fee, half of which may be incorporated into the Borrower's long-term loan.

SAIL Program financing will be available in SFY2027 for short-term financing for projects to repair or improve the resiliency of transportation infrastructure systems adversely impacted by any newly declared disaster pursuant to terms set forth in the Act. SAIL Program Short-Term Loans may be issued for the same maturity terms as are available to Transportation Bank Short-Term Loans. SFY2027 SAIL Program loan interest rates are structured identically to that of Short-Term Loans as discussed above.

Based on the success of the SAIL Program, the I-Bank is taking steps to enhance its ability to serve the disaster needs of the State by further leveraging federal emergency funding. Specifically, in coordination with NJOEM, the I-Bank has received 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 FEMA pre-disaster hazard mitigation program that shifts the focus from financing post-disaster clean up and rebuilding to investing in infrastructure that mitigates the damage which could result from a future disaster.

In partnership with the NJOEM Recovery Bureau, the I-Bank is creating a screening 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 build capacity by developing a steady queue of application-ready mitigation projects for the submission of BRIC grants. The first iteration of this BRIC screening process is anticipated to be implemented by December 2026.

The I-Bank offers short-term financing for those BRIC grant recipients with an eligible and certified Water Bank or Transportation Bank project to cover expenses in advance of the receipt of approved BRIC funds. As with the I-Bank's successful SAIL Program, the I-Bank, in coordination with the DEP or DOT as appropriate, will function 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 eligible expense not reimbursed by the BRIC grant program (e.g., local non-federal cost share responsibility) may be long-term financed by the I-Bank through its respective Water Bank or Transportation Bank programs, thus satisfying the non-federal cost share requirements (typically 25%) of the BRIC program.

LOAN FUNDING SOURCES

The sources of funding for the SAIL Program are the same as those 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. COLLATERALIZED UNDERWRITING AND REDEVELOPMENT ENHANCEMENT (“CURE”) PROGRAM (CONDUIT LOANS)

Redevelopment/Conduit Loans:

An LGU may serve as the applicant on behalf of, or in conjunction with a private entity (a “Conduit Borrower”), for eligible transportation component costs of a redevelopment project (a “Conduit Redevelopment Loan”). For Conduit Redevelopment Loans, such government unit must secure its repayment obligations pursuant to the provisions of the Redevelopment Area Bond Financing Law, and/or the borrowed funds must be provided by the Conduit Borrower to a redeveloper or its agent to fund all or a portion of the project’s eligible transportation expenses. The loans to the Conduit Borrower will be structured at a blended interest rate of 50% of the I-Bank all-in market rate regardless of the maturity of the loan.

Conduit Redevelopment Loans are not eligible for PF and must satisfy the redevelopment creditworthiness requirements as set forth in the Credit Policy. In addition to satisfying all requirements and application procedures set forth in N.J.A.C. 19:50-5, Conduit Redevelopment Loans must submit the following information for Transportation Bank review as a prerequisite to Transportation Bank financing:

1. **Site Control** - documentation demonstrating legal control of the project site, such as a deed, executed purchase agreement, redevelopment agreement, or long-term lease;
2. **Local Redevelopment Authorization** - evidence that the project is consistent with the applicable municipal redevelopment plan and that the municipality has authorized the project through an executed redevelopment agreement, designation resolution, or equivalent action;
3. **Planning Documentation** - a completed planning document that clearly defines the scope, schedule, and cost of the proposed transportation infrastructure improvements;
4. **Permitting Status** - documentation demonstrating that all required environmental and regulatory permit applications have been submitted to the appropriate agencies, or that permits have been issued where applicable;
5. **Project Schedule and Development Milestones** - a development schedule demonstrating that the project can meet Transportation Bank program deadlines, including anticipated permit approvals, construction start, and completion milestones;
6. **Financial Commitment to the Overall Development** - evidence that financing for the entire redevelopment project has been identified or committed, including equity, construction financing, or other sources necessary for project implementation, as well as a breakdown / financial model demonstrating the anticipated sources of revenue dedicated to repay / compensate each source of financing;
7. **Municipal Support** - written confirmation from the host municipality acknowledging the project and supporting the applicant’s participation in the Transportation Bank program.

Applications for Conduit Redevelopment Loans will not be considered complete until all readiness documentation has been submitted and accepted by the Transportation Bank. The Transportation Bank reserves the right to defer or decline review of Conduit Redevelopment Loan applications that do not demonstrate adequate project readiness as evidenced by their failure to submit the documentation listed

above. Such applications may be returned without technical review until such time as the applicant can demonstrate that the project has advanced sufficiently to meet program requirements.

Six million dollars has been appropriated to the I-Bank for economic development. The I-Bank will use these funds to support transportation and water infrastructure components of redevelopment projects in disadvantaged and overburdened communities that would otherwise not qualify for Conduit Redevelopment Loans on their own credit. All or a portion of these funds, and any additional funds that may become available for such purpose, will be used as a debt reserve, or guarantee to support Transportation Bank financing of components of redevelopment projects in communities meeting the Program's affordability criteria (see Appendix C). Such loans shall be structured as Conduit Redevelopment Loans as described above. Redevelopment projects in disadvantaged and overburdened communities may also qualify for financing through the I-Bank's participation in the Social Infrastructure Investment Fund (SIIF), created by P.L. 2023, c. 67 (N.J.S.A. 52:18A-265 et seq.) which provides below-market rate capital for qualifying infrastructure projects. As a partner agency with the SIIF, the I-Bank can structure credit enhancements in the form of a guaranty, for communities that would otherwise not qualify under the I-Bank's Credit Policy to finance the transportation components of a redevelopment project in the Transportation Bank program.

Projects shall be prioritized by the DOT in accordance with the ranking methodology. Loans will be closed on a readiness basis to the extent funds are available and a project satisfies the Program's creditworthiness standards pursuant to the I-Bank Credit Policy and meets all other Transportation Bank Program requirements.

G. OTHER FINANCING PROGRAMS (WATER BANK AND NJ CHAMP)

Transportation Bank project sponsors should be aware that certain Projects may also qualify for co-funding from one of the I-Bank's other financing programs (Water Bank or NJ CHAMP). The I-Bank will work with project sponsors to coordinate any available co-funding opportunities and program compliance requirements.

H. 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 program to LGUs included on the PPL.

I. LONG-TERM FINANCING

In anticipation of construction completion, a Project listed on the PPL will be designated eligible for long-term financing and placed on the Project Eligibility List ("PEL") (set forth in Appendix A). To be eligible for Long-Term Loan closing, Projects must be identified in an appropriations law passed by the Legislature and signed by the Governor and receive certification from the State Treasurer and the I-Bank Board for 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 be closed to refinance a Project's Short-Term Loan. In some instances, the I-Bank may directly finance a project with a Long-Term Loan and in other instances Long-Term Loans may be funded in conjunction with the issuance of bonds. Long-Term Loans have a maximum term equal to the lesser of the Project's certified useful life (based on a certification 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 addition, Transportation Projects included on a federal financing program list may have a maximum maturity term equal to the term eligible under the federal financing program. The Transportation Bank reserves the right to set a shorter maturity term based upon State or national projections of the impact of climate change on any project, such as rising sea level.

Long-term financing for the first \$100 million of project costs is offered at a blended interest rate of approximately 50 percent of the I-Bank's all-in market rate for Projects with maturities of greater than 10 years up to 31 years and 25 percent of the I-Bank's all-in market rate for Projects with maturities of 10-years or less as capacity allows. Project costs over \$100 million will be 100% financed at the I-Bank's all-in market rate, as capacity allows and subject to constraints dictated by additional sources of funds utilized to finance portions of such loans. If the Act is amended to provide such authorization, extended maturities will be available for Long-Term Loans of up to 100 years for projects which have total project costs financed by the I-Bank in excess of \$500 million and a certified useful life of no less than 100 years. Such financings would be structured through the issuance of an ultra-long term debt security with a 100-year maturity ("Century Bond").

Long-Term financing of Projects may be provided through either a Long-Term direct I-Bank loan financed 100% with I-Bank cash on hand or through a combination of I-Bank funds and I-Bank Transportation Bank bonds. The I-Bank has adopted a Master Transportation Bank Indenture pursuant to which supplemental indentures may be authorized to issue Long-Term bonds. Direct loans will be included in the Master Transportation Bank Indenture in advance of a bond issuance. Once the Transportation Bank has a critical mass of Borrowers with projects at or near construction completion with sufficient size for a marketable bond offering, the I-Bank will issue Transportation Bank bonds to partially fund Long-Term Loans ("Transportation Bank Bonds"). The I-Bank may issue Transportation Bank Bonds in SFY2027, depending upon the number and diversification of outstanding long-term Transportation Bank loans.

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

- Each series of Transportation Bank Bonds will fund a pool of Long-Term Loans. Bond proceeds will refinance the Short-Term Loans of pool participants or in some cases directly finance a Project. Each participant will be assigned to a loan pool by the I-Bank based on factors such as the Project's 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.

- Each series of Transportation Bank 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. Pursuant to the Act, each Borrower's loan repayments will be collateralized by a guarantee issued to the I-Bank in the form of a bond to secure such Borrower's obligation to make loan repayments on time and in full. All Borrowers are required to issue bonds to the I-Bank, backed by the Borrowers' General Obligation pledge.
- Pursuant to the Credit Policy, Borrowers with lower credit ratings may provide additional security for the Transportation Bank Bonds through the Municipal Qualified Bond Act or through a debt service reserve fund.
- The Long-Term Loan agreement and the LGU bond, and any other approved collateral provided by the Borrower to the I-Bank to secure the Borrower's repayment obligation, with the exception of certain reserved rights, are assigned by the I-Bank to the Trustee for Transportation Bank 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 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 Transportation Bank Bonds. The I-Bank has no taxing power.
- The I-Bank will structure its Long-Term Bond deals to optimize the cost of financing for Transportation Bank Borrowers relative to the amount of funds the Transportation Bank makes available for such Borrowers' loans.
- The I-Bank will consider various alternative and/or additional structural features and sources of funds with respect to its Transportation Bank Bonds to be issued in SFY2027 and thereafter, to the extent such structural features and sources of funds will serve the best interests of the Transportation Bank, optimize funds for the Program, and/or will provide additional savings for the Borrowers.

CLOSING

The Loans will be closed for each Borrower provided such Borrower has adopted all necessary ordinances and resolutions and procured all required authorizations relating to its participation. Depending upon the timing of the issuance of Transportation Bank Bonds, loan agreements may be closed in escrow and held along with the Borrower bonds and related certifications 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 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 TRANSPORTATION BANK BONDS

The Act allows the I-Bank's bonds to be sold via a competitive or negotiated sale. If the bonds are competitively sold, the I-Bank will publish a summary of the "Notice of Sale" in accordance with the requirements of L. 2025, c. 72 and in a recognized bond publication. In addition, the Transportation Bank Bonds will be awarded on the basis of the lowest true interest cost bid. If bonds are sold on a negotiated basis, an underwriter will be selected pursuant to the I-Bank resolution which adopted the policy and procedures for the selection and appointment of managers and co-managers in connection with a negotiated sale, the I-Bank's procurement policy, and in accordance with Executive Order No. 26.

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

Borrowers' closing Long-Term Loans (regardless of funding sources) are required to provide, through completion of a Long-Term Financial Addendum Form 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 bonds. Full disclosure is required for all participants determined by the I-Bank to be material "obligated persons" pursuant to Securities and Exchange Commission ("SEC") Rule 15c2-12 (17 CFR 240.10b-5). A reduced disclosure is required by the I-Bank from those Borrowers that do not meet the standard for material "obligated persons."

SECONDARY MARKET DISCLOSURE

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 all outstanding series of I-Bank issued Transportation Bank 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.

STATE-AID INTERCEPT

The Act authorizes the State Treasurer to intercept State aid to eligible LGUs that fail to meet their debt obligations to the I-Bank and to utilize those funds to satisfy the LGU's debt obligations to the I-Bank.

The I-Bank will employ its State aid intercept powers to intercept aid 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. Further, the I-Bank may take other actions to cause the LGU to repay in a timely manner any sums in default pursuant to the terms of the LGU's loan agreement.

COVENANTS AFFECTING THE LOCAL UNIT

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

LGU. Borrower bond counsel is required to provide the I-Bank with opinions verifying that such obligations are legally binding and valid.

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 Borrower's ability to make timely loan repayments. In the case of a Borrower borrowing Transportation Bank funds on behalf of a Transportation Authority, the I-Bank may require that the Transportation Authority provide certain certifications as well.

Other covenants include:

- A direct or indirect pledge of full faith and credit to exercise the unlimited *ad valorem* taxing power of the LGU to ensure 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 ("Administrative Fee" as hereinafter defined) payment schedules
- A limitation on the use of loan proceeds to only finance allowable costs of the project funded by the Long-Term Loan
- Compliance with the I-Bank Credit Policy including maintaining a credit rating with a nationally recognized rating agency
- 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)
- 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
- Compliance with the requirements of the DLGS including timely and complete submission of financial reports, budgets and audits to the DLGS

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

TERMS OF REPAYMENT

Interest begins accruing on the I-Bank's Long-Term Loan at the time of the closing of such loan.

Other repayment terms include:

- A level annual repayment schedule for the Long-Term Loan, with interest, principal, and fees payable in semi-annual installments, unless, upon request of the Project Sponsor, and as agreed to by the I-Bank and LFB
- Payment of the remaining balance, trued up to the actual Project cost, of the 2% project Loan Origination Fee (1%) at the time of the first Long-Term Loan repayment or at the time of Short-Term Loan payoff for those projects which do not proceed to long-term financing
- Payment of the I-Bank's annual Administrative Fee of 0.17% of the original principal amount of the Long-Term Loan semi-annually for the term of the loan commencing with the first Long-Term Loan repayment
- A late charge, the greater of 12% per annum, or 0.50% above the prime rate on the outstanding loan balance calculated from the due date for any payment not made on-time and in-full, inclusive of the Administrative Fee
- The application of each I-Bank loan repayment pursuant to the terms set forth in the Transportation Bank Master Indenture of Trust

The loan agreements may also provide Borrowers with an option to prepay loan obligations without penalty. Prepayment of an I-Bank Loan requires a 90-day written notice to the I-Bank and written approval thereof from the I-Bank. Long-Term Loan prepayments, at a minimum, must satisfy the payment in full of accrued interest (if applicable) 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, including legal fees and expenses associated with prepaying or defeasing Transportation Bank Bonds related to the Borrower's repayment. Since the loans may combine funds raised from Transportation Bank Bond proceeds with I-Bank appropriated funds for the financing of a project's eligible costs, the prepayment of any Long-Term 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 define an event of default as any one of the following:

1. the failure by the Borrower to make a loan repayment, including the Administrative Fee, in full on or before the due date;
2. the representation of false and misleading information that has a material effect on the integrity of the loan agreements or related documents;
3. the filing by or against a Borrower of any petition of bankruptcy or insolvency;

4. the general failure of the Borrower to pay its debts (i.e., cross defaults);
5. 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; and
6. such other covenants and requirements that may be included as necessary in connection with the issuance of bonds or the making of the loan.

With respect to the events of default specified in number 5 above, 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 in process and 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.

J. FEES

Loan Origination Fee (Administrative Loan Surcharge)

A Loan Origination Fee in the amount of 2% of the total eligible Project cost is charged to all Borrowers. This non-refundable Loan Origination Fee offsets the cost of engineering, environmental, and requisition review services, 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, Transportation Bank financing of the Project. One-half of the Loan Origination 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. This fee will be drawn on the date of closing of the Short-Term Loan and transferred to the I-Bank in partial satisfaction of the Borrower's Loan Origination Fee payment obligation. This fee may be rolled into the Long-term Loan Financing. The remaining 1% Loan Origination 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 upon Short-Term Loan payoff for those projects who do not proceed to long-term financing. The total Loan Origination Fee is trued-up at Long-Term financing to an amount equivalent to 2% of the Project's cost.

Cost of Issuance Fee

A fee equal to 0.10% on 50% of the total original principal amount of the Long-Term Loan is applied to all Borrowers to cover the cost of long-term financing.

Administrative Fee (Loan Servicing Fee)

A separate loan servicing fee in the amount of up to 0.17% of the total original loan amount is payable semi-annually to the I-Bank throughout the Long-Term Loan repayment period by all Borrowers to offset the I-Bank's ongoing loan servicing efforts. Up to 0.02% of the total original loan amount collected as the

Administrative Fee may be set aside and dedicated to assist disadvantaged communities with technical assistance, which includes, but is not limited to, public engagement services, technical assistance and expertise, and community education, and any other form of aid to develop and support the success of financing capital projects through the Transportation Bank.



Princeton – Improvement of Witherspoon Street Phases 2 and 3

Event of Default Fees and Expenses

The Borrower is charged reasonable fees, including an interest rate default penalty, attorney fees, 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 Loan Origination Fee discussed previously will be reduced 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.

IV. 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

(“DEP”) 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 the Pinelands Project on its PPL based on the methodology and ranking of the Pinelands Commission. In the event the Pinelands Infrastructure Master Plan is amended in SFY2027 to include one or more transportation infrastructure projects that the Pinelands Commission requests be financed through the Transportation Bank, the PPL will be updated accordingly.

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. Pinelands projects financed through the Transportation Bank will incur the same fees as any other Transportation Bank Project.

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 SFY2027

To the extent that additional funds are appropriated to the I-Bank to finance transportation infrastructure projects in SFY2027, 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.

V. APPENDICES

SFY2027 Project Eligibility List A
SFY2027 Operating Budget B
Transportation Bank Affordability Criteria C

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APPENDIX A

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Appendix A

SFY2027 Project Eligibility List

Residual Transportation Projects

Priority List Rank	Applicant	Project No.	Estimated State Funded Amount	Estimated Total Loan Amount	Project Description
N/A	Bayonne City	TB0901-001R	\$ 450,000	\$ 900,000	E. 25th Street Pedestrian Bridge Replacement
Total Projects: 1			\$ 450,000	\$ 900,000	

Transportation Projects

Priority List Rank	Applicant	Project No.	Estimated State Funded Amount	Estimated Total Loan Amount	Project Description
1	Bayonne City	TB0901-001	\$ 2,000,000	\$ 4,000,000	E. 25th Street Pedestrian Bridge Replacement
4	Essex County	TB0700-004	\$ 2,675,000	\$ 5,350,000	Priority Repairs to County Bridges - Harrison, East Newark and Newark
6	Hoboken City	TB0905-001	\$ 4,225,000	\$ 8,450,000	Sinatra Drive Redesign Project
13	Princeton	TB1110-001	\$ 4,225,000	\$ 8,450,000	Improvement of Witherspoon Street Phases 2 and 3
14	Robbinsville Township	TB1112-002	\$ 1,700,000	\$ 3,400,000	Country Meadows, Brookshire Estate and Meadowbrook Road
15	Bayonne City	TB0901-003	\$ 875,000	\$ 1,750,000	Improvements to Broadway and Avenue E
19	Hoboken City	STB0905-003	\$ 1,875,000	\$ 3,750,000	WIU Phase 2 - Complete Streets Improvements
20	Plumsted Township	TB1523-001	\$ 700,000	\$ 1,400,000	Plumsted Road and Drainage Projects 2021
22	Little Ferry Borough	TB0230-002	\$ 925,000	\$ 1,850,000	2024 Road Improvement Program
27	Willingboro Township	TB0338-001	\$ 1,850,000	\$ 3,700,000	2023 Segment Rating 4 Roadway Project
28	Hawthorne Borough	TB1604-001	\$ 3,275,000	\$ 6,550,000	2024-2026 Road Project
29	Mendham Township	TB1419-002	\$ 1,150,000	\$ 2,300,000	2024 Road Improvements
31	Marlboro Township	TB1328-003	\$ 575,000	\$ 1,150,000	2024 Road Improvement Program (060-4, 060-7)
33	Seaside Park Borough	TB1527-001	\$ 6,275,000	\$ 12,550,000	Seaside Park Boardwalk Reconstruction
Total Projects: 14			\$ 32,325,000	\$ 64,650,000	
Total Number of Projects (Transportation and Residual): 15			\$ 32,775,000	\$ 65,550,000	

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APPENDIX B

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Appendix B

NEW JERSEY INFRASTRUCTURE BANK											
July 1, 2026 to June 30, 2027											
			Water		Trans		CHAMP		Combined		Difference
REVENUES			2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	% Change
Annual Admin Fee Direct Loans			25,328	24,321	82,265	89,339	-	0	96,136	113,660	18.2%
2027 Trans and CHAMP Admin Fees					29,023	24,968	2,900	1,598	31,923	26,566	-16.8%
Annual Admin Fees			6,430,660	6,346,372	111,288	114,307	2,900	1,598	6,544,848	6,462,277	-1.3%
Transportation Origination Fee LT and ST					1,212,000	649,000	-	-	1,212,000	649,000	-46.5%
INTEREST INCOME / ONE-TIME F	Unrestricted Admin Fee Total =		6,430,660	6,346,372	1,323,288	763,307	2,900	1,598	7,756,848	7,111,277	-8.3%
	Loan Surcharge Total		730,084	291,000	11,600	4,050	0	0	741,684	295,050	-60.2%
	Short-Term Loan Interest Income		3,235,313	3,707,400	98,413	129,630	-	-	3,333,726	3,837,030	15.1%
	Direct Long-Term Loans Interest Income		271,791	203,045	1,207,555	1,222,669	-	-	1,479,346	1,425,714	-3.6%
	Net Earnings Credits From Bond Maturities / BRIC		84,530	273,102	-	0	-	-	84,530	273,102	223.1%
	Investment Interest Income:		822,500	770,088	3,880,187	4,098,714	5,113	2,492	4,707,800	4,871,294	3.5%
	State Appropriations & RLF Reimbursements		-	0	2,600,000	2,600,000	239,399	212,281	2,839,399	2,812,281	-1.0%
	Other Income Total =		4,414,133	4,953,635	7,786,155	8,051,014	244,512	214,773	12,444,801	13,219,421	6.2%
	TOTAL REVENUES =		11,574,878	11,591,007	9,121,043	8,818,370	247,412	216,370	20,943,333	20,625,748	-1.5%
				2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	2026	Draft 2027
FINANCING PROGRAMS	Bond	- Bond/Loan Issuance Costs	823,130	946,680	171,600	120,000	-	-	994,730	1,066,680	7.2%
	Counsel	- Program / Development Charges (M&E, CSG)	307,130	195,695	68,112	91,450	60,000	60,000	435,242	347,145	-20.2%
	B.C. Total =		1,130,260	1,142,375	239,712	211,450	60,000	60,000	1,429,972	1,413,825	-1.1%
	Financial	- Bond/Loan Issuance Costs (PFM, Hilltop)	240,000	182,000	77,500	65,000	-	-	317,500	247,000	-22.2%
	Advisor	- Program / Development Charges (PFM, Hilltop)	125,000	125,000	40,000	44,000	-	-	165,000	169,000	2.4%
	F.A. Total =		365,000	307,000	117,500	109,000	0	0	482,500	416,000	-13.8%
	Short Term Borrowing Fees and Interest		832,500	770,000	-	-	-	-	832,500	770,000	-7.5%
	Third Party Program Expenses		327,828	332,419	20,663	22,905	21	11	348,512	355,335	2.0%
	Rating Service (ST & Bond Programs)		496,839	609,645	15,391	14,055	-	-	512,230	623,700	21.8%
	TOTAL FINANCING PROGRAM EXPENSES =		3,152,428	3,161,439	393,266	357,410	60,021	60,011	3,605,715	3,578,860	-0.7%
NJIB OPERATIONS	Total Salaries & Fringe (Original)		3,779,609	4,372,281	1,495,314	1,338,698	139,143	107,746	5,414,065	5,818,725	7.5%
	a. FTE Salaries (Original)		2,631,933	2,727,682	1,041,505	919,150	96,392	79,537	3,769,831	3,726,369	-1.2%
	b. Fringe		1,147,676	1,644,599	453,809	419,548	42,750	28,209	1,644,234	2,092,356	27.3%
	H.R. (HRIS+Payroll Svcs, Train, Memberships, Recruit)		27,927	26,425	11,043	8,917	1,040	758	40,010	36,100	-9.8%
	I.T. Expenses (Hardware, Software, Online Services)		464,296	549,851	183,590	185,537	17,295	15,774	665,180	751,163	12.9%
	Admin - Gen'l & Facilities		189,621	169,178	74,979	57,086	7,064	4,853	271,664	231,117	-14.9%
	Investment Advisor (PFM-AM)		111,086	116,569	77,760	88,224	-	-	188,846	204,793	8.4%
	Auditor - NJIB Financials & CWDW		73,579	77,922	11,206	10,418	1,056	886	85,840	89,227	3.9%
	Internal / SOC Audit		69,800	73,200	27,600	24,700	2,600	2,100	100,000	100,000	0.0%
	State Liason Charges (AG/GAU)		131,688	186,767	55,700	132,756	14,577	19,993	201,966	339,515	68.1%
	Reports, Publications, Conferences & Marketing		56,837	63,629	18,092	21,470	1,406	1,825	76,335	86,925	13.9%
	Depreciation (Other: IT, Furniture, etc) & Vehicle		33,652	27,547	15,283	10,999	1,391	985	50,326	39,531	-21.4%
	Board Member Expense (Bond + misc)		48,860	50,142	19,320	16,920	1,820	1,439	70,000	68,500	-2.1%
	TOTAL OPERATING EXPENSES =		4,986,954	5,713,512	1,989,887	1,895,725	187,391	156,359	7,164,232	7,765,596	8.4%
TOTAL EXPENDITURES =			8,139,382	8,874,951	2,383,152	2,253,135	247,412	216,370	10,769,947	11,344,456	5.3%
Unencumbered Contingencies (for Direct Loans, etc.)			3,435,495	2,716,056	6,737,891	6,565,235	0	0	10,173,386	9,281,292	-8.8%
Non-Cash Charge for Net Pension/ OPEB Liability Change <small>(Estimated)</small>			(496,123)	(506,588)	(99,447)	(90,416)	(4,429)	(2,996)	(600,000)	(600,000)	
Net Unencumbered Contingencies (for Direct Loans, etc.)			2,939,372	2,209,468	6,638,443	6,474,819	(4,429)	(2,995)	9,573,386	8,681,292	
T/A Set-aside + PF			Water		Trans		CHAMP		Combined		Difference
Principal Forgiveness			\$ -	\$ -	\$ (400,000)	\$ (2,400,000)	\$ -	\$ -	\$ (400,000)	\$ (2,400,000)	500%
Revenues			2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	2026	Draft 2027	% Change
From New Issue Loans (estimate)			\$ 133,433	\$ 127,722	\$ 3,870	\$ 3,329	\$ 387	\$ 213	\$ 137,690	\$ 131,264	-4.7%
From Prior Year Loans			\$ 118,131	\$ 184,647	\$ 4,174	\$ 5,443	\$ -	\$ -	\$ 122,306	\$ 190,090	55.4%
Total T/A Set Aside Revenue			\$ 251,565	\$ 312,369	\$ 8,044	\$ 8,772	\$ 387	\$ 213	\$ 259,996	\$ 321,354	23.6%

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APPENDIX C

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Appendix C

Transportation Bank Affordability Criteria

Those Project Sponsors that have a **Project Affordability Score** of 80 or less are considered to have satisfied the I-Bank's **Transportation Bank Affordability Criteria**.

Project Affordability Score = Project Median Household Income (MHI) Factor – Project Unemployment (UE) Factor – Project Population Trend (PT) Factor

Project MHI Factor = $100 \times (\text{Project MHI} / \text{State MHI})$ (Rounded down to the nearest integer)

Project UE Factor = 1 if Project Unemployment Rate > State Unemployment Rate

Project UE Factor = 0 if Project Unemployment Rate < or = State Unemployment Rate

Project PT Factor = 1 if Project Population Trend < State Population Trend

Project PT Factor = 0 if Project Population Trend > or = State Population Trend

Project Unemployment Rate is equal to weighted unemployment rate of the project service area over multiple communities using service area populations and county unemployment data. Calculation is similar to weighted MHI example below.

Project Population Trend is equal to the weighted population trend for the project service area using service area populations and municipal population trend data of each community. Calculation is similar to weighted MHI example below.

Consideration may be given for Transportation Projects with a qualifying service area population within a municipality that does not meet the Affordability Criteria.

Data Sources:

MHI Percent - Municipal median reported household income (MHI) as a percentage of the statewide MHI. The income reported is an estimate from 2019 from the U.S. Census Bureau's ACT 2014-2019 5-year estimates as found in the 2020 Municipal Revitalization Index, <https://www.nj.gov/dca/home/MuniRevitIndex.html> provided by the New Jersey Department of Community Affairs. Values are expressed in 2020 dollars. Values over 100 indicate that the municipality has a MHI greater than the state as a whole. Conversely, values under 100 show that the MHI in the municipality is lower than state. This statewide MHI used was \$85,245.

County Unemployment - Annual average county unemployment rate as provided by the [New Jersey Department of Labor](#). These values are compared to the statewide annual average unemployment rate. The statewide annual average used was 3.4%. In order to correct for labor market distortions caused by the pandemic, 2019 values were used here.

Population Change - The average annual rate of change in total population from 2009 to 2019, also provided by NJDCA in the [Municipal Revitalization Index](#). These values are compared to the statewide population change during that same time period. The statewide rate of change used in this analysis was -0.3%

A weighted MHI is calculated for a Project Sponsor whose Transportation Project crosses more than one municipality, as shown in the example below. The population served is based on the permanent population of the service area.

Example – Weighted MHI for a Transportation Project Serving Multiple Communities:

Municipalities Served	MHI	Populations Served	Fraction of Total Population Served	Weighted Municipal MHI
A Town	30,000	5,000	0.167	5,000
B Town	20,000	10,000	0.333	6,660
C Town	25,000	15,000	0.500	12,500
Total		30,000	1.00	24,160

A weighted unemployment rate for use in the UE Factor is calculated for a Project Sponsor whose Transportation Project crosses more than one municipality/county, as shown in the example below. The population served is based on the permanent population of the service area.

Example – Weighted Unemployment Rate for a Transportation Project Serving Multiple Communities:

Municipalities Served	County Unemployment Rate	Populations Served	Fraction of Total Population Served	Weighted Municipal Unemployment Rate
A Town, County A	4.0%	5,000	0.167	0.668%
B Town, County A	4.0%	10,000	0.333	1.332%
C Town, County B	6.5%	15,000	0.500	3.250%
Total		30,000	1.00	5.25% (Project Unemployment Rate)

A weighted population trend for use in the Population Trend Factor is calculated for a Project Sponsor whose Transportation Project crosses more than one municipality/county, as shown in the example below. The population served is based on the permanent population of the service area.

Example – Weighted Population Trend for a Transportation Project Serving Multiple Communities:

Municipalities Served	Municipal Population Trend	Populations Served	Fraction of Total Population Served	Weighted Municipal Population Trend
A Town	2.0%	5,000	0.167	0.334%
B Town	2.0%	10,000	0.333	0.660%
C Town	-1.0. %	15,000	0.500	-0.500%
Total		30,000	1.00	0.494% (Project Population Trend)

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