



State Infrastructure Bank

Executive Director Guidelines

Executive Director Guidelines for the State Infrastructure Bank

I. Guidelines for Determination of Available SIB Funds

- A. Limit Per Project. The total for any one project should not exceed 10% of the SIB Program (outstanding loans and cash).
- B. Limit Per Borrower. The total to any one Borrower should not exceed 20% of the SIB Program (outstanding loans and cash).
- C. Limit for Project Revenue Loans. The total for all borrowers that is to be repaid by project revenues should not exceed 50% of the SIB Program (outstanding loans and cash).

II. Guidelines for First-Come, First-Served Applications

- A. A cash reserve of \$20 million should be maintained in the SIB for “first-come, first-served” applications of less than \$10 million to be used for local participation in a TxDOT project.
- B. SIB funds should not be reduced below the \$20 million cash reserve for a “program call” application.

III. Guidelines for Program Call Applications

- A. Application Deadlines for Program Call Applications. Application deadlines for “program call” application should be semi-annual or monthly, unless additional application deadlines are needed in the interim.
- B. Available Cash Balance for Program Call Applications. TxDOT may suspend a “program call” if the SIB’s projected available cash balance is below \$40 million.
- C. Limit on Loan Amount for Program Call Applications. Any application that must be considered for prioritization and preliminary approval will be limited to a loan amount that is 35% or less of the estimated total project cost.
- D. If the SIB available cash balance exceeds \$150 million, the limitation in Section III(C) will not be applicable to non-tolled projects.

IV. Guidelines for the Negotiation of Terms of Agreements.

- A. Disbursement Schedule. The amount, type, and timing of disbursements of financial assistance should be in accordance with the schedule below:
 - At least 1/3 disbursed within 1 year
 - At least 2/3 disbursed within 2 years
 - Fully disbursed within 3 years

Disbursements could occur later than the disbursement schedule only if the borrower can demonstrate that the delay is needed because of weather delays, disruptions in the financial markets, or other *force majeure* events impacting construction and the need for the financial assistance.

B. Subordinate Lien on Security. If the proposed collateral securing the financial assistance is a subordinate lien on revenues, then the amount of the SIB loan should not be greater than the amount of any senior lien bonds for the project with the same source of security.

C. Borrower's Certificate. As a requirement for closing a financial assistance transaction and for disbursement of SIB funds, the applicant should provide a certificate warranting that the proposed cash flow or revenues are eligible to be used to repay the loan and that the financial assistance will not violate any of the borrowing or bond commitments the borrower may have in place.

V. Waiver of Executive Director Guidelines

A. The guidelines contained herein are subject to change and may be waived on a case by case basis at the discretion of the Executive Director.