

HRG

Herbert, Rowland & Grubic, Inc.
Engineering & Related Services

AN EMPLOYEE-OWNED COMPANY

INFRASTRUCTURE BANKS An Innovative Approach to Funding Municipal Infrastructure

Hosted by:



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Presenters



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What we will discuss today:

- Provide infrastructure bank program overview
- Identify program goals, objectives and intent
- Establish an understanding of basic program outline
- Answer questions

Program Overview

- > Loan financing program for municipal entities (borrowers) for infrastructure improvements
- > Loans are intended to:
 - o Accelerate project schedules
 - o Assist local municipalities or authorities
 - o Spur economic development
 - o Leverage additional funding sources



Key Program Elements & Major Benefits

- > Investment of County funds back into County communities
- > Sustainable, renewable source of funding
- > Loans are more:
 - o Flexible, can cover entire project costs
 - o Affordable, provides subsidized reduced interest loans
- > Project delivery options – full project delivery services (turnkey) & funding only options
- > Benefits:
 - o Fix aging Infrastructure
 - o Promote economic development
 - o Promotes regional solutions



Potential Eligible Organizations

- > Municipal Government
- > Municipal Authority
- > Nonprofit organizations
- > Private entities
- > School districts

Eligibility of organizations is dependent on funding source.



Potential Eligible Uses of Program

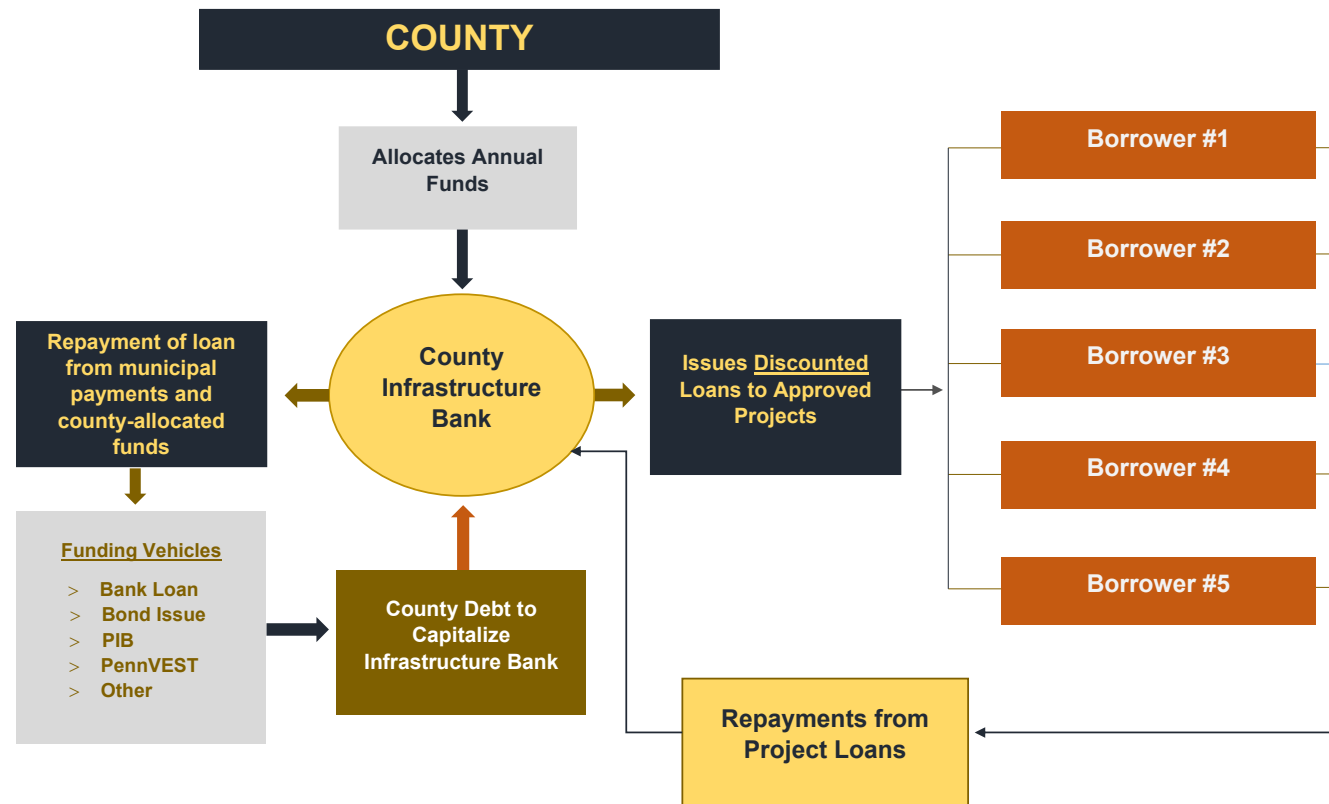
Project Type	Act 13	Liquid Fuels	Fee for Local Use
Roadways	Yes	Yes	Yes
Bridges	Yes	Yes	Yes
Traffic Signals	Yes	Yes	Yes
Traffic Calming	Yes	Yes	Yes
Public Water Systems	Yes	No	No
Stormwater	Yes	Yes*	Yes*
Sanitary Sewer Systems	Yes	No	No
Local 911 Radio	Yes	No	No

* within road right-of-way

Eligibility of project types is dependent on funding source.



How does the program work?



Program Funding Scenarios

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GREENHE
 Building Value
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		Description
Annual Impact Fee Commitment:	\$300,000	← Annual amount of Impact Fee money County will dedicate towards Infrastructure Bank
Scenario:	100% Loan Scenario	← The County is only offering a subsidized loan to the Applicant
Financing Method:	10 Year Bank Loan	← Financing vehicle
Borrowing Interest Rate:	3.00% 3.00% 3.00%	← Interest rate paid by County
County Interest Rate Subsidy:	1.50% 2.00% 2.50%	← Interest rate discount to Municipality
Net Interest Rate:	1.50% 1.00% 0.50%	← Interest rate paid by Applicant
Total County Cash Subsidy:	\$2,876,476 \$2,917,147 \$2,958,266	← Total interest County will subsidize over the life of the issue
Total Funding Capacity:	\$34,105,000 \$25,755,000 \$20,747,000	← Total borrowing amount based on the amount dedicated
Average Annual Capacity:	\$3,411,000 \$2,576,000 \$2,075,000	← Total borrowing amount divided by financing term

Process Overview

- > Open application
- > Pre-application conference/ Formal application submittal
- > Applicant presentation to Infrastructure Bank advisory board
- > Infrastructure Bank advisory board application recommendation / county approval
- > County solicits financing
- > LGUDA (Local Government Unit Debt Act) proceedings
- > Settlement with financing entity/ Loan agreement executed
- > Funding available
- > Design and construct project

The timeline is driven by factors such as:
LAGUDA/Debt Resolution & the financing RFP.

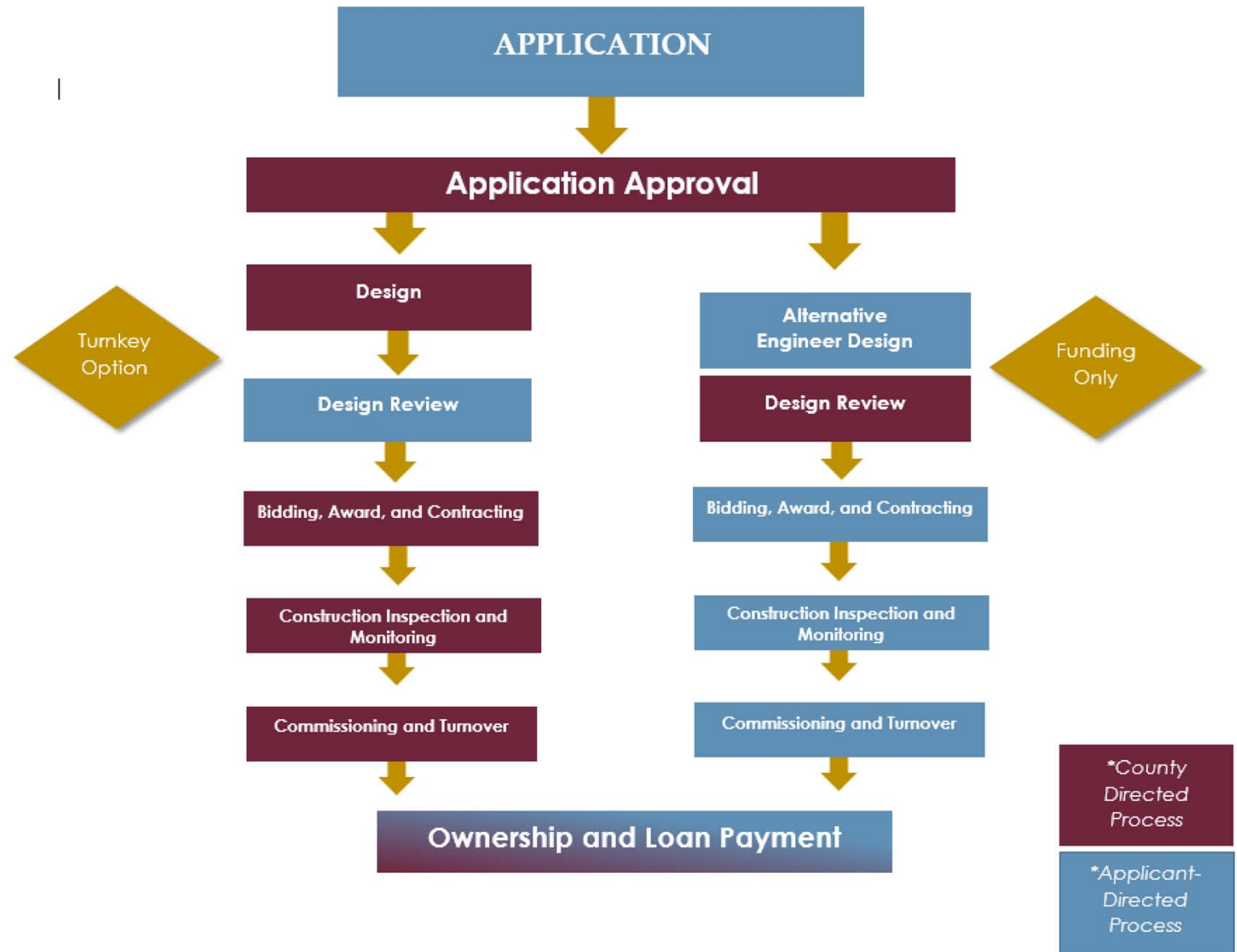


Turnkey Project Delivery

- > Some applicants lack of administrative/project management experience
- > Full project delivery by the County is a (optional) turnkey approach to project delivery
- > Advantages of turnkey approach
 - Program can provide early project planning support
 - Support applicants that have limited project delivery capacity



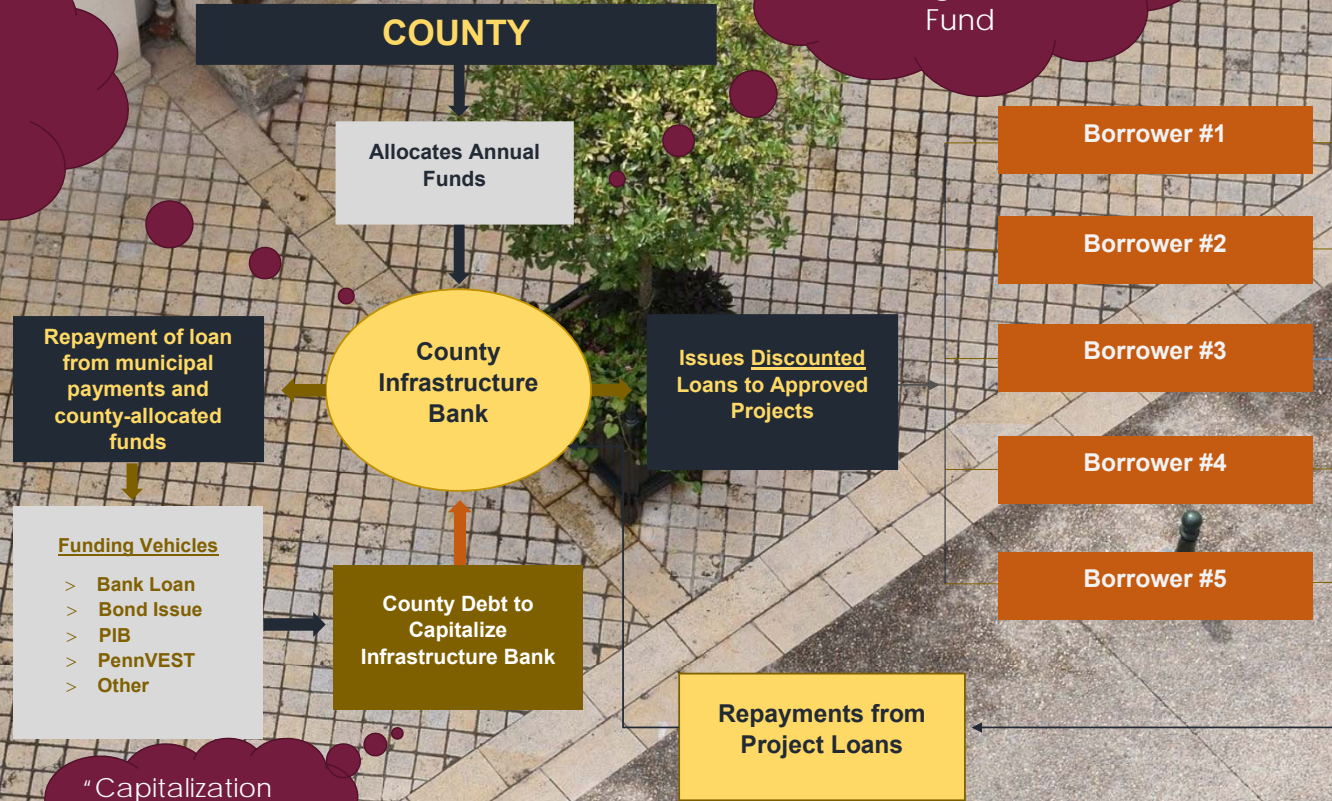
Turnkey Project Process



Program Variables

"Annual Funds" *
can be any source:
L.F., \$5 Reg. Fee,
Gaming, General
Fund

*Fund Use
Restrictions
"Least Common
Denominator"
guides program



"Capitalization Funds" *
can be other sources
than PIB

Dauphin County Program Accomplishments: 2014-2019

Applicant	Project Type	Cost
Derry Township	SR 743/Homestead Road Traffic Signal	\$.257 M
Middletown Borough	Streetscape	\$1.5 M
Londonderry Township	3 Bridge Replacements	\$1 M
West Hanover Township	SR 39/Devonshire Intersection Safety Improvement	\$.825 M
Swatara Township	63rd St. Bridge Rehabilitation	\$1.5 M
Lower Swatara Township	Richardson Road Bridge Replacement	\$.500 M
Susquehanna Township	Uptown Stormwater Project	\$4.8 M
Middle Paxton Township	Potato Valley Road Bridge Replacement	\$1.2 M
Derry Township	Downtown Hershey Streetscape; US 322 Short Term Improvements; Stauffers Church Rd Culvert	\$3.1M
Londonderry Township	Swatara Creek Road (T-496) Culvert Replacement	\$120K
Lower Swatara Township	Highland Street and Summit Ridge Culvert Replacements	\$1.1 M
Dauphin Borough	Safety & Accessibility Improvements & Rehabilitation of Pedestrian & Transportation Infrastructure	\$0.70 M
Royalton Borough	Royalton Borough Roadway and Drainage Improvements Project	\$1.8 M
Hawthorne SPE, LLC	Susquehanna Union Green	\$5.3 M
Susquehanna Township	Paxton Church Road Safety and Stabilization Project	\$1.6 M
Totals	15 Projects	\$ 25.6 M



Union Street Streetscape

Applicant: Middletown Borough Cost: \$1.5 M



Beagle Road; Braeburn Road; Hollendale Street Culverts

Applicant: Londonderry Twp. Cost: \$1.5 M



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Dauphin County Program Recognitions & Awards

NACo National
Association of
Counties
2014 Achievement
Award Winner

PA DCED
2017 Governor's
Awards for Local
Government
Excellence Winner



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Butler County Program Accomplishments 2018-2020

Applicant	Project Type	Cost
City of Butler	Sullivan Run Flood Control Project & Main Street Streetscape Lighting	\$1.85 M
Cranberry Township	MSA Thruway & Wisconsin Ave. Sanitary Sewer Rehabilitation/ Franklin Acres Pump Station	\$7.6 M
Cherry Township	Harrisville Road Reconstruction & Stormwater Improvements	\$1.15 M
Jackson Township	SR 19 and Northgate Plaza Intersection	\$2.8 M
Winfield Township	Gerner Road, Hembold Avenue & Spiker Road Reconstruction and Stormwater Improvements	\$175K
Zelienople Borough	Main Street Streetscape Phases 2 & 3 and Stormwater Improvements	\$3.5 M
Totals	8 Projects	\$17.075 M

Main Street Streetscape & Stormwater Improvements

Applicant: Borough of Zellenople Cost: \$3.5 M



MSA Thruway

Applicant: Cranberry Township



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Thank You

The Southwestern Pennsylvania Commission (SPC) Water Resource Center (WRC) will promote regional collaboration on water topics; be a leader in facilitating coordination and education; and provide technical assistance to its member governments.

More information can be found at: www.spcwater.org



Southwestern Pennsylvania Commission