

# SC Transportation Infrastructure Bank

- South Carolina Transportation Infrastructure Bank Act was signed on June 26, 1997
- **Purpose of Act:** To focus greater attention on larger transportation projects, and thereby allow SCDOT to devote resources to other important transportation projects
- **Purpose of Bank:** To select and assist in financing major qualified projects (exceeding \$100 M) by providing loans and other financial assistance ... for constructing and improving highway and transportation facilities necessary for public purposes including economic development

- The Bank has been a catalyst for \$5.2 billion in highway and bridge construction in South Carolina. This \$5.2 billion in transportation infrastructure includes over 100 projects in 29 counties and 5 cities.
- Completing infrastructure 15-20 years ahead of the pay-as-you-go (cash only) system
- Over 30 state infrastructure banks – Federal highway publications and governors in other states have written that our South Carolina bank is the largest and most efficient and is a good model for other states.
- The citizens of our state tell the bank which projects are important. Legislation requires that the bank give preference to projects that have local financial contributions.

# Board of Directors

- 2 members appointed by the Governor, one of whom serves as Chairman

**Don Leonard – Chairman**

**Ernest Duncan**

- Chairman of the SCDOT Commission

**W. B. Cook**

- 2 members appointed by the Speaker of the House of Representatives

**Representative Chip Limehouse**

**Max Metcalf**

- 2 members appointed by the President Pro Tempore of the Senate

**Senator Hugh Leatherman**

**Joe E. Taylor, Jr.**

# SCTIB Selection of Projects

- Selection Process Includes Application Eligibility Requirements and Grading by Evaluation Committee

## **Eligibility**

- Must be a major project (\$100 million or more) that provides public benefit in one or more of the following areas:
  - Promote economic development
  - Enhance mobility
  - Enhance public safety
  - Improve quality of life
  - Improve general welfare of the public

# Application Process

- The SCTIB can only provide assistance to counties and cities that submit applications.
- Applications may be received by the SCTIB at any time (no specific solicitation by SCTIB Board).
- Applications are to describe the project in detail including the scope, benefits, financing components and eligibility for financial assistance.
- Applications are to contain maps with traffic volumes, engineering data, supporting letters from all local governments, state agencies, etc.
- Upon receipt, the SCTIB Board determines if the project is eligible under the SCTIB Act, Act 114 and Board policies, and if so refers the application to the Evaluation Committee

# Application Evaluation Process

- Three member Evaluation Committee (members of SCTIB Board)
- Committee visits with local officials, engineers and consults with SCDOT. Committee also personally inspects each project and grades every application (39 separate criteria using Act 114 as our guide)
- Major evaluation criteria
  - Public Benefit – 30 points  
(includes 10 specific items of consideration)
  - Financial Plan – 50 points  
(includes 25 specific items of consideration)
  - Project Approach – 20 points  
(includes 4 specific items of consideration)
  - Other Factors

# Application Evaluation Process

## “Local Match”

- The SCTIB Act requires the Bank to give preference to eligible projects which have local financial support
- % of local match generally at least 1/3 of project cost
- Higher % of local match results in higher ranking
- Local match in the form of revenues directed to the SCTIB results in higher ranking
- Source of local match also affects ranking

# Application Evaluation Process

- Each application evaluation is very deliberative process with clarifications and additional information requested as needed from the applicants and SCDOT.
- Evaluation Committee assigns ranking points and makes recommendation to SCTIB Board.
- SCTIB Board considers the recommendation and analyzes funding capacity.
- Every project and every bond issue is reviewed and approved by the House and Senate Joint Bond Review Committee.



# SCTIB Approved Projects

**SCTIB has provided financial assistance to highway projects with total estimated costs of \$5.2 billion, with SCTIB direct funding of \$3 billion.**

## Funding by Application

Aiken County  
Anderson County  
Beaufort County  
Berkeley County  
Charleston County  
Cherokee County  
City of Aiken  
City of Charleston  
City of Greenville  
City of Hardeeville  
Colleton County  
Dorchester County

Florence County  
Georgetown County  
Horry County  
Jasper County  
Lexington County  
Richland County  
Town of Mt. Pleasant  
Upstate GRID (Anderson, Greenville, Spartanburg Counties)  
York County

# SCTIB Approved Projects

## Bridge Replacement

Charleston County  
Chester County  
Chesterfield County  
Colleton County  
Fairfield County  
Horry County

Jasper County  
Lancaster County  
Marion County  
Union County  
York County

## Median Barrier Program

Anderson County  
Calhoun County  
Charleston County  
Cherokee County  
Greenville County  
Kershaw County  
Laurens County

Lexington County  
Newberry County  
Oconee County  
Orangeburg County  
Richland County  
Spartanburg County

# Sources of SCTIB Revenues

- State Sources:
  - General Fund surplus of \$66 M in FY 1997 (one-time)
  - Truck Registration Fees
    - 50% in FY 1999 and 100% thereafter
      - \$65 M in FY 2014
  - Amount from SCDOT not to exceed proceeds from 1¢ per gallon of gasoline tax
    - \$26 M in FY 2014

# Sources of SCTIB Revenues

- Other State Sources:
  - Motor Vehicle Revenues  
\$39 M in FY2014
  - Portion of Electric Power Tax  
\$3.7 M in FY2014

# Sources of SCTIB Revenues

- Horry County Loan I
  - First \$15 million per year from Hospitality Fees for 20 years
- Horry County Loan II
  - Increasing amounts also paid from Hospitality Fees
- SCDOT Conway Bypass Loans II
  - \$7.6 million per year for 20 years beginning in 2000

# Sources of SCTIB Revenues

- Charleston County – Cooper River Bridge Project
  - \$3 million per year for 25 years beginning Jan 2004
  
- SC State Ports Authority – Cooper River Bridge Project
  - \$5 million in FY2002, \$15 million in FY2003
  - \$1 million per year for 25 years beginning in FY2003
  
- SCDOT – Cooper River Bridge Project
  - \$8 million per year for 25 years beginning in FY2003

# Sources of SCTIB Revenues

- SCDOT – US17 Ace Basin Project
  - repayment of \$82 million loan @ \$4.9 M a year until FY2037
- SCDOT – Multi-Project Agreement
  - Repayment of \$94 million loan for various projects @ \$10 M a year until FY2022
- Florence County – Florence County Sales Tax Projects
  - \$125 million over 7 years from county local option sales tax beginning in FY2007 (2014 final year)
- Berkeley County – Jedburg Rd./I-26 Interchange
  - \$6.4 M loan repaid quarterly until FY2029

# SCTIB Bonds Issued

(\$ in millions)

- Total Revenue Bonds Issued - \$2.4 billion
  - Debt Service on Revenue Bonds FY 2014 - \$153.7 M
  - Revenue refunding bonds have been issued over the years resulting in a total of \$177 million in net present value savings
  
- Total General Obligation Bonds Issued - \$60 million
  - Debt Service on GO Bonds FY 2014 - \$5.9 M



# New Source of SCTIB Revenues- ACT 98

- Act 98 approved June 2013 effective July 1, 2013
- \$50 million dollars per year from the SCDOT to the SCTIB
- Fund main-line interstate and bridge widening and improvement projects based on SCDOT prioritization list
- November 2013 – SCTIB approved financial assistance not to exceed \$549,402,000 and the issuance of up to \$500 million for these projects:
  - Greenville County – I-85/385 Interchange
  - Lexington County – I-20 Widening
  - Spartanburg & Cherokee Counties – I-85 Widening
  - Richland County – I-77 Widening
  - Richland & Lexington Counties – I-26/I-20 Interchange Preliminary Engineering
  - Cherokee County – Phase III of I-85 Widening Preliminary Engineering
- December 2013 – Joint Bond Review Committee approved the above list as submitted by the SCTIB
- Coordination between SCTIB and SCDOT is well underway to plan and expend the Act 98 funds in accordance with the law.

# Bank Management

- **Financial Management:** Bank management has saved the citizens of South Carolina over \$177 million in net present value (\$278 million over the life of the bonds) interest expense in the past 12 years.
- **Management Efficiency:** Administrative expenses are less than 1% of the total annual expenditures by limiting the number of staff and by outsourcing. Bank's Board of Directors have given their director fees back to the state for the past 12 years.

# Economic Impact

- Bank's \$5.2 billion in construction has a tremendous effect on the economy of the state
- Important role in economic development
  - Clemson University International Center for Automotive Research (ICAR)
  - Distribution Center in Berkeley County
  - New infrastructure to encourage tourism in Charleston, Beaufort and Horry Counties
  - Truckers now have a 4-lane Highway 17 from I-95 to Charleston
  - Financing for the back-up dam at Lake Murray and 2 additional lanes of traffic – helping to protect Columbia from a disaster

# Partnership with SCDOT

- Installation of cable barriers on interstate medians. The bank provided \$30 million, and the barriers have experienced over 24,000 hits, saving hundreds of lives and preventing many serious injuries.

# Summary

- Catalyst for over 100 projects in 29 counties and 5 cities
- Can only review applications for major projects with local participation
- Evaluation Committee uses 39 criteria and Act 114 to grade applications in consultation with SCDOT
- Every project and bond issue reviewed and approved by Joint Bond Review Committee
- Saved \$177 million in net present value with administrative expenses less than 1% of annual expenditures
- Major contributions to SC economic development



# Questions