

## **South Carolina Transportation Infrastructure Bank Accountability Report FY1999-2000**

### **Executive Summary**

The South Carolina Transportation Infrastructure Bank (SIB) was created by Act Number 148 of 1997 for the purpose of providing loans and other financial assistance for major transportation projects. Since its creation, the SIB Board has approved financial assistance of \$2.4 billion for six major transportation projects. As of June 30, 2000, financing agreements were in place for four of the projects.

### **Mission Statement**

The mission of the SIB is to select and assist in financing major qualified transportation projects.

### **Description of Program**

The singular program of the SIB is the review of project applications to determine eligibility for SIB financial assistance including the amount and type of financial assistance.

The SIB Board defined “major” projects as those which exceed \$100 million in cost. Evaluation criteria were determined to evaluate applications for project funding. Criteria include:

**Public Benefits:** The proposed project must provide public benefit in one or more of the following areas: enhancement of mobility and safety; promotion of economic development; or increase in the quality of life and general welfare of the public.

**Financial Plan:** The project must have a financial plan that clearly describes the funding for development, implementation and operation of the project. The Bank Act requires the Board to give preference to eligible projects which have local support which may include local taxes or fees, grants, tolls, private contributions, donated rights of way, etc.

**Project Approach:** The application must describe the proposed schedule for implementing the projects, including the time for completion.

**Other:** The Board may give additional consideration for factors not included in the above, such as but not limited to, innovative solutions in financing, multimodal enhancements, applicant’s proposal to assume maintenance, innovative public/private partnerships and other creative or unique approaches.

State funding sources for the SIB include:

\$66 million – State surplus from FY1996-97

\$22 million – An amount not to exceed revenues generated from one cent a gallon of gasoline tax.

\$25 million – Truck registration fees in FY1998-99 (50% of annual collections)

\$59 million – 100% of truck registration fees beginning FY1999-2000

Other funding sources include local contributions.

The Bank has leveraged the Truck Registration Fees and local contributions with 1998A Revenue Bonds in the amount of \$275 million and 1999A Revenue Bonds in the amount of \$308.9 million. These SIB bonds received an A1 rating by Moody's Investors Service, Inc. and an A rating by Fitch IBCA, Inc.

Currently, four of the approved projects are under agreement with the SIB for financing. These are the Horry County RIDE Program, the Upstate GRID Program, York County Project and Beaufort County Project. During FY 1999-2000, expenditures in the amount of \$270 million were paid on the projects under agreement. In July 1999, SIB issued \$308.9 million of revenue bonds to provide funding for the projects under agreement. In order to meet the SIB financial commitments, \$1 billion in a mixture of general obligation and revenue bonds are expected to be issued over the next several years.