

ASSEMBLY, No. 5819

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 2, 2021

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Co-Sponsored by:

Assemblyman Benson

SYNOPSIS

Authorizes NJ Infrastructure Bank to expend certain sums to make loans for transportation infrastructure projects for FY2022.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/9/2021)

1 **AN ACT** authorizing the expenditure of funds by the New Jersey
2 Infrastructure Bank for the purpose of making loans to eligible
3 project sponsors to finance the cost to construct transportation
4 infrastructure projects, and making an appropriation.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. a. The New Jersey Infrastructure Bank, established pursuant
10 to P.L.1985, c.334 (C.58:11B-1 et seq.), is authorized to expend the
11 aggregate sum of \$68,349,007 or such amounts as can be supported
12 through balances in the State Transportation Infrastructure Bank
13 Fund, established pursuant to section 34 of P.L.2016, c.56
14 (C.58:11B-10.4), and via direct appropriation through the State
15 transportation capital program for the purpose of making loans to
16 or, on behalf of, local government units to finance all or a portion of
17 the cost of construction of transportation infrastructure projects
18 listed in sections 3 of this act.

19 b. The bank is authorized to increase the aggregate sums
20 specified in subsection a. of this section for the bank's costs to
21 acquire lending capital, specifically:

22 (1) the amounts of capitalized interest and the bond issuance
23 expenses as provided in subsection b. of section 6 of this act;

24 (2) the amounts of reserve capacity expenses and debt service
25 reserve fund requirements as provided in subsection c. of section 6
26 of this act;

27 (3) the interest earned on amounts deposited for project costs
28 pending their distribution to project sponsors as provided in
29 subsection d. of section 6 of this act;

30 (4) the amounts of the loan origination fee as provided in
31 subsection e. of section 6 of this act.

32 c. For the purposes of this act:

33 “bank” means the New Jersey Infrastructure Bank, established
34 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

35 “capitalized interest” means an amount equal to interest paid on
36 bank transportation bonds which is funded with bank transportation
37 bond proceeds and the earnings thereon;

38 “debt service reserve fund expenses” means the debt service
39 reserve fund costs associated with reserve capacity expenses,

40 “issuance expenses” means any costs related to the issuance of
41 bank transportation bonds and includes, but is not limited to, the
42 costs of financial document printing, bond insurance premiums or
43 other credit enhancement, underwriters' discount, verification of
44 financial calculations, the services of bond rating agencies and
45 trustees, the employment of accountants, attorneys, financial
46 advisors, loan servicing agents, registrars, and paying agents.

47 “loan origination fee” means the fee charged by the bank to pay a
48 portion of the costs incurred by the bank and the Department of

1 Transportation in the implementation of the New Jersey
2 Transportation Infrastructure Financing Program;
3 “project sponsor” means a local government unit receiving a loan
4 from the bank pursuant to this act; and
5 “reserve capacity expenses” means those project costs for reserve
6 capacity which are eligible for loans from the bank in accordance
7 with the requirements of subsection g. of section 9 of P.L.1985,
8 c.334 (C.58:11B-9) and any policy statements relating to the
9 Transportation Bank Infrastructure Financing Program to be set
10 forth in the State fiscal year 2022 Transportation Infrastructure
11 Financing Program Financial Plan.
12
13 2. The New Jersey Infrastructure Bank is authorized to make
14 loans to or on behalf of the project sponsors for the transportation
15 projects listed in subsection a. of section 3 of this act up to the
16 individual amounts indicated and in the priority stated, except that
17 any such amount may be reduced by the bank pursuant to
18 subsection a. of section 6 of this act, or if a project fails to meet the
19 requirements of section 5 of this act. The bank is authorized to
20 increase any such amount pursuant to subsection b. through
21 subsection e. of section 6 or section 7 of this act.
22
23 3. a. The following transportation infrastructure projects shall
24 be known and may be cited as the “State Fiscal Year 2022
25 Transportation Financing Program Project Eligibility List”:

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Applicant	Project No.	Total Allowable State Loan Amount	Estimated Total Allowable Loan Amount
Burlington County	TB0300-001	\$ 1,662,500	\$ 3,325,000
Bayonne City	TB0901-001	\$ 1,460,615	\$ 2,921,230
Cape May County	TB0500-007	\$ 5,050,000	\$ 10,100,000
Essex County	TB0700-003	\$ 1,125,000	\$ 2,250,000
Camden County	TB0400-001	\$ 1,250,000	\$ 2,500,000
Orange City	TB0717-001	\$ 4,955,000	\$ 9,910,000
Little Silver Borough	TB1325-002	\$ 1,195,500	\$ 2,391,000
Hackensack City	TB0223-001	\$ 1,960,890	\$ 3,921,780
Little Silver Borough	TB1325-001	\$ 229,500	\$ 459,000
Somerdale Borough	TB0431-002	\$ 526,775	\$ 1,053,550
Somerdale Borough	TB0431-001	\$ 500,000	\$ 1,000,000
Essex County	TB0700-004	\$ 2,586,269	\$ 5,172,537
Orange City	TB0717-002	\$ 4,606,000	\$ 9,212,000
Flemington Borough	TB1009-001	\$ 835,775	\$ 1,671,550
Raritan Township	TB1021-001	\$ 1,411,475	\$ 2,822,950
Bloomfield Township	TB0702-001	\$ 3,490,352	\$ 6,980,703
Orange City	TB0717-003	\$ 934,250	\$ 1,868,500
Raritan Township	TB1021-004	\$ 394,604	\$ 789,207
Total Projects: 18		\$34,174,505	\$68,349,007

1

2 b. The bank is authorized to adjust the allowable State loan
3 amount and estimated total allowable loan amount for each project
4 authorized in this section as appropriate, provided that the total
5 amount of loan issuance remains within available funds and that
6 each loan is issued pursuant to the terms and conditions of the
7 financing program from the year in which each construction
8 contract for a project was certified, if subject to an interim
9 financing program loan or, in the absence of an interim financing
10 program loan, the terms and conditions of the State Fiscal Year
11 2022 Financing Program.

12 c. The bank is authorized to increase the loan amount of
13 projects authorized pursuant to this section in the future to
14 compensate for a refunding of the issue, provided adequate savings
15 are achieved, for the loans issued pursuant to this act.

1 4. In accordance with and subject to the provisions of sections
2 5, 6, and 23 of P.L.1985, c.334 (C.58:11B-5, 58:11B-6, and
3 58:11B-23), and as set forth in the financial plan required pursuant
4 to section 37 of P.L.2016, c.56 (C.58:11B-22.3), any proceeds from
5 bonds issued by the bank to make loans for priority transportation
6 infrastructure projects listed in section 3 of this act which are not
7 expended for that purpose may be applied for the payment of all or
8 any part of the principal of, or interest and premium on, the bank
9 transportation bonds whether due at stated maturity, the interest
10 payment dates, or earlier upon redemption. A portion of the
11 proceeds from bonds issued by the bank to make loans for priority
12 transportation infrastructure projects pursuant to this act may be
13 applied for the payment of capitalized interest and for the payment
14 of any issuance expenses; for the payment of reserve capacity
15 expenses; for the payment of debt service reserve fund expenses;
16 for the payment of the loan origination fees; and for the payment of
17 increased costs, as defined and determined in accordance with the
18 rules and regulations adopted by the bank pursuant to section 27 of
19 P.L.1985, c.334 (C.58:11B-27) and satisfies the requirements of
20 subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9) and any
21 policy statements relating to the Transportation Bank Infrastructure
22 Financing Program to be set forth in the State Fiscal Year 2022
23 Transportation Infrastructure Financing Program Financial Plan.

24
25 5. Any loan made by the New Jersey Infrastructure Bank
26 pursuant to this act shall be subject to the following requirements:

27 a. The chairperson, vice-chairperson or secretary of the bank
28 has certified that the project is in compliance with the provisions of
29 P.L.1984, c.73, P.L.1985, c.334, P.L.2016, c.56, and any
30 amendatory and supplementary acts thereto, and any rules and
31 regulations adopted pursuant thereto, as applicable, and satisfies the
32 requirements of subsection g. of section 9 of P.L.1985, c.334
33 (C.58:11B-9) and any policy statements relating to the
34 Transportation Bank Infrastructure Financing Program to be set
35 forth in the State Fiscal Year 2022 Transportation Infrastructure
36 Financing Program Financial Plan. In making this certification, the
37 chairperson, vice-chairperson or secretary may conclusively rely on
38 the project review conducted by the Department of Transportation
39 without any independent review thereof by the bank;

40 b. The loan shall be conditioned upon inclusion of the project
41 on a project eligibility list approved pursuant to section 36 of
42 P.L.2016, c.56 (C.58:11B-20.2);

43 c. The loan shall be repaid within a period not to exceed 31
44 years of the making of the loan or, for loans funded pursuant to the
45 "Transportation Infrastructure Finance and Innovation Act"
46 (TIFIA), 23 U.S.C. s.601 et seq., as amended and superseded, not
47 later than the maximum time period allowed by the TIFIA;

1 d. The loan shall not exceed the allowable project cost of the
2 transportation infrastructure project, exclusive of capitalized
3 interest, administrative expenses associated with federal funding
4 programs, if applicable, and issuance expenses as provided in
5 subsection b. of section 6 of this act, reserve capacity expenses and
6 the debt service reserve fund expenses as provided in subsection c.
7 of section 6 of this act, interest earned on project costs as provided
8 in subsection d. of section 6 of this act, the amounts of the loan
9 origination fee as provided in subsection e. of section 6 of this act,
10 refunding increases as provided in section 7 of this act, and
11 increased costs as defined and determined in accordance with the
12 rules and regulations adopted by the bank pursuant to section 27 of
13 P.L.1985, c.334 (C.58:11B-27) and satisfies the requirements of
14 subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9) and any
15 policy statements relating to the Transportation Bank Infrastructure
16 Financing Program to be set forth in the State Fiscal Year 2022
17 Transportation Infrastructure Financing Program Financial Plan;

18 e. The loan shall bear interest, exclusive of any, cost of
19 issuance charges, late charges or administrative fees payable to the
20 bank pursuant to subsection o. of section 5 of P.L.1985, c.334
21 (C.58:11B-5) by the project sponsors receiving bank transportation
22 loans, at or below the interest rate paid by the bank on the bonds
23 issued to make or refund the loans authorized by this act, adjusted
24 for underwriting discount and original issue discount or premium,
25 in accordance with the terms and conditions set forth in the
26 financial plan required pursuant to section 37 of P.L.2016, c.56
27 (C.58:11B-22.3); and

28 f. The loan shall be subject to all other terms and conditions as
29 the bank shall determine to be consistent with the provisions of
30 P.L.1985, c.334 (C.58:11B-1 et seq.) and any rules and regulations
31 adopted pursuant thereto, the requirements of subsection g. of
32 section 9 of P.L.1985, c.334 (C.58:11B-9), any policy statements
33 relating to the Transportation Bank Infrastructure Financing
34 Program and with the financial plan required by section 37 of
35 P.L.2016, c.56 (C.58:11B-22.3). The eligibility lists and
36 authorization for the making of loans pursuant to this act shall
37 expire on July 1, 2022, and any project sponsor which has not
38 executed and delivered a loan agreement with the bank for a loan
39 authorized in this act shall no longer be entitled to that loan.

40
41 6. a. The New Jersey Infrastructure Bank is authorized to
42 reduce the individual amount of loan funds made available to or on
43 behalf of project sponsors pursuant to section 3 of this act based
44 upon final building costs defined in and determined in accordance
45 with rules and regulations adopted by the bank pursuant to section
46 27 of P.L.1985, c.334 (C.58:11B-27) and the requirements of
47 subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9) and any
48 policy statements relating to the Transportation Bank Infrastructure

1 Financing Program to be set forth in the State Fiscal Year 2022
2 Transportation Infrastructure Financing Program Financial Plan.
3 The bank is authorized to use any such reduction in the loan amount
4 made available to a project sponsor to cover that project sponsor's
5 increased costs due to differing site conditions or other allowable
6 expenses as defined and determined in accordance with the rules
7 and regulations adopted by the bank pursuant to section 27 of
8 P.L.1985, c.334 (C.58:11B-27) and the requirements of subsection
9 g. of section 9 of P.L.1985, c.334 (C.58:11B-9) and any policy
10 statements relating to the Transportation Bank Infrastructure
11 Financing Program to be set forth in the State Fiscal Year 2022
12 Transportation Infrastructure Financing Program Financial Plan.

13 b. The bank is authorized to increase each loan amount
14 authorized in section 3 of this act by the amount of capitalized
15 interest, issuance expenses and administrative expenses associated
16 with federal funding programs allocable to each loan made by the
17 bank pursuant to this act,

18 c. The bank is authorized to increase each loan amount
19 authorized in section 3 of this act by the amount of reserve capacity
20 expenses, and by the debt service reserve fund expenses associated
21 with the costs identified in subsection b. of section 1 of this act.

22 d. The bank is authorized to increase each loan amount
23 authorized in section 3 of this act by the interest earned on amounts
24 deposited for project costs pending their distribution to project
25 sponsors.

26 e. The bank is authorized to increase each loan amount
27 authorized in section 3 of this act by the loan origination fee.

28

29 7. The New Jersey Infrastructure Bank is authorized to utilize
30 the proceeds from the refunding of bank transportation bonds to
31 increase the individual amount of loan funds made available to
32 project sponsors by the bank pursuant to this act provided that the
33 amount of the increase is limited to the amount of savings achieved
34 by the refunding of bank transportation bonds issued to make loans
35 authorized by this act.

36

37 8. The expenditure of funds authorized pursuant to this act is
38 subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) as
39 amended and supplemented by P.L.2016, c.56, and the requirements
40 of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9) and
41 any policy statements relating to the Transportation Bank
42 Infrastructure Financing Program to be set forth in the State Fiscal
43 Year 2022 Transportation Infrastructure Financing Program
44 Financial Plan, as appropriate.

45

46 9. a. There is appropriated to the New Jersey Infrastructure
47 Bank for deposit in the transportation subaccount of the special
48 fund created and established by the bank for the short-term or

1 temporary loan financing or refinancing under the “Disaster Relief
2 Emergency Financing Program,” program authorized pursuant to
3 subsection a. of section 1 of P.L.2013, c.93 (C.58:11B-9.5), such
4 sums as needed consisting of:

5 (1) sums from the “Interim Transportation Financing Program
6 Fund” as needed by the bank to make short-term or temporary loans
7 pursuant to the “Disaster Relief Emergency Financing Program” to
8 any one or more of the project sponsors, for the respective projects
9 thereof; and

10 (2) such other amounts to be deposited in the “Disaster Relief
11 Emergency Financing Program Fund,” established pursuant to
12 subsection a. of section 1 of P.L.2013, c.93 (C.58:11B-9.5),
13 provided that the amount so appropriated to the bank for deposit in
14 the “Disaster Relief Emergency Financing Program Fund” shall be
15 utilized by the bank to make short-term or temporary loans pursuant
16 to the “Disaster Relief Emergency Financing Program” to any one
17 or more of the project sponsors, for the respective projects thereof.
18 Any transportation projects funded by the “Disaster Relief
19 Emergency Financing Program” shall be subject to the approval of
20 the Commissioner of Transportation.

21 b. The Transportation Disaster Relief Emergency Financing
22 Program Project Priority List shall be submitted to the Legislature
23 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) at least
24 once in each fiscal year. Any transportation infrastructure project or
25 the project sponsor thereof not identified in the Transportation
26 Disaster Relief Emergency Financing Program Project Priority List
27 shall not be eligible for a short-term or temporary loan from the
28 Transportation Disaster Relief Emergency Financing Program Fund.
29

30 10. Notwithstanding the provisions of the "Administrative
31 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
32 contrary, the bank shall not be required to adopt rules and
33 regulations governing the issuance of loans under the “Disaster
34 Relief Emergency Financing Program.”
35

36 11. This act shall take effect immediately.
37
38

39 STATEMENT 40

41 This bill authorizes the New Jersey Infrastructure Bank (NJIB)
42 (formerly the New Jersey Environmental Infrastructure Trust) to
43 expend up to \$68,349,007 to provide loans with an interest rate at or
44 below the prevailing market rate to local government units for up to
45 the total costs of 18 eligible transportation infrastructure projects.

46 This bill also permits the NJIB to use any loan repayments
47 received to date, and the amounts for capitalized interest, bond
48 issuance expenses and related amounts, to fund the State Fiscal

1 Year 2022 New Jersey Transportation Infrastructure Financing
2 Program (NJTIB).

3 Since its creation in 2018, the NJIB, in partnership with the
4 Department of Transportation, has provided low-cost NJTIB loans
5 for the construction of critical transportation infrastructure projects
6 with the mission of reducing the cost of financing for New Jersey
7 counties and municipalities and making possible responsible and
8 sustainable economic development. Since 2018, NJTIB loans to
9 local government units have totaled more than \$52 million to
10 finance capital projects for public highways, approach roadways,
11 ramps, signal systems, roadbeds, transit lanes or rights of way,
12 pedestrian walkways and bridges connecting to passenger stations
13 and servicing facilities, bridges, and grade crossings generating
14 more than 13 construction projects throughout the State.