



INFRASTRUCTURE FINANCE

LEARNING SERIES



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Reviewing the Guidance



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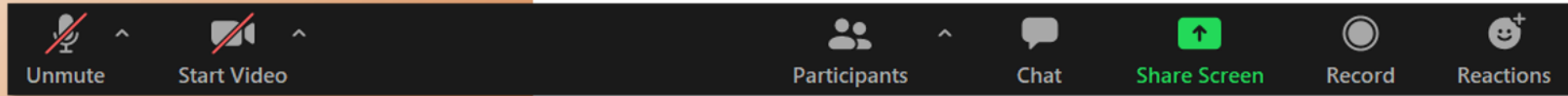
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Reviewing the Guidance



Jason McGaugh

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SUSTAINABILITY
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Infrastructure Finance Learning Series

October 2022



❖ INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

❖ INFLATION REDUCTION ACT (IRA)

❖ THE ROLE OF PRIVATE CAPITAL

❖ INFRASTRUCTURE AS A SERVICE - SUSTAINABILITY PARTNERS



SUSTAINABILITY
PARTNERS

Infrastructure Investment and Jobs Act (IIJA)



❖ INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)



One of the best ways to keep up to date on the availability of funds is to periodically check for any Notice of Funding Opportunity (NOFO) across multiple federal agencies.



- Key Notices of Funding Opportunity: <https://www.transportation.gov/bipartisan-infrastructure-law/key-notices-funding-opportunity>
- DOT – Maritime Administration: <https://www.maritime.dot.gov/grants-finances/marine-highways/2022-infrastructure-investment-and-jobs-act-iija-nofo>
- Bipartisan Infrastructure Law Grant Programs: <https://www.transportation.gov/bipartisan-infrastructure-law/bipartisan-infrastructure-law-grant-programs>

Key Notices of Funding Opportunity

In order to provide stakeholders with more visibility into upcoming funding opportunities, DOT is publishing a list of anticipated dates for Notice of Funding Opportunities (NOFOs) for key programs within the Bipartisan Infrastructure Law as well as adjacent programs that support the Bipartisan Infrastructure Law's objectives. This list is not comprehensive and will be updated periodically with new programs and dates.

Opening Date	NOFO	Operating Administration/Office	Closing Date
5/16/2022	Safe Streets and Roads for All Grant Program	Office of the Secretary	9/15/2022
5/24/2022	Natural Gas Distribution Infrastructure Safety and Modernization Program	Pipeline and Hazardous Materials Safety Administration	8/8/2022
5/25/2022	University Transportation Centers Program	Office of the Secretary	8/25/2022 (Letter of Intent requested by 7/1/2021)
5/26/2022	Transit-Oriented Development Pilot Program	Federal Transit Administration	7/25/2022
6/10/2022	Bridge Investment Program	Federal Highway Administration	7/25/2022 (Planning Applications)

Bipartisan Infrastructure Law Grant Programs

The following list is five-year totals for all grant programs authorized under the Bipartisan Infrastructure Law for the Department of Transportation. This does not include programs that were authorized but are subject to appropriation.

To view additional information and quickly sort programs funded under the law by fields like amount, eligible recipient, or program name, visit [Build.gov](#). Applicants for funding should consult program-specific guidance. For additional information and to apply, visit [Grants.gov](#).

Program Name	Category	Five-year Funding Amount
Accelerated Implementation and Deployment of Advanced Digital Construction Management Systems (Set-aside)	Roads, Bridges and Major Projects	\$100,000,000
Accelerated Implementation and Deployment of Pavement Technologies (Set-aside)	Roads, Bridges and Major Projects	\$60,000,000
Advanced Transportation Technologies & Innovative Mobility	Roads, Bridges and Major Projects	\$300,000,000

❖ INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)



One of the best ways to keep up to date on the availability of funds is to periodically check for any Notice of Funding Opportunity (NOFO) across multiple federal agencies.

 U.S. DEPARTMENT OF **ENERGY**

- <https://www.energy.gov/>
- <https://www.energy.gov/bil/bipartisan-infrastructure-law-homepage>
- <https://www.energy.gov/bil/bipartisan-infrastructure-law-programs>

DOE Bipartisan Infrastructure Law Program & Funding Opportunity Announcements

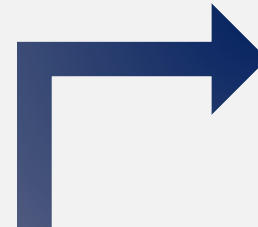
BIL PROVISION NAME	TYPE OF ANNOUNCEMENT	STATUS	ANNOUNCEMENT DATE	RESPONSE DUE DATE
Grid Innovation and Resilience Partnership Programs: Preventing Outages and Enhancing the Resilience of the Electric Grid Grants; Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency; Smart Grid Investment Matching Grant Program	Request for Information [†]	Open	8/30/2022	10/14/2022
Battery and Critical Mineral Recycling - Battery Recycling RD&D, Retailers as Collection Points, and State and Local Programs	Request for Information	Open	8/29/2022	10/14/2022
State Energy Program	Administrative and Legal Requirements	Open	8/26/2022	11/4/2022
Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative; Hydropower Research, Development, and Demonstration	Notice of Intent	N/A	8/19/2022	N/A
Advanced Clean Energy Manufacturing and Recycling Grant Program	Request for information	Open	8/4/2022	Full Application Submission Deadline: 9/16/2022
Solar and Wind Grid Services and Reliability Demonstration	Funding Opportunity Announcement	Open	8/2/2022	Concept Paper Deadline: 9/1/2022, Full Application Submission Deadline: 11/10/2022

Bipartisan Infrastructure Law



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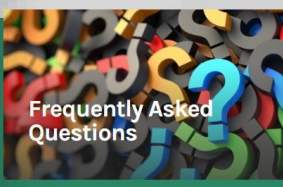




DOE Bipartisan Infrastructure Law Funding Opportunities



Fact Sheet



Frequently Asked Questions

❖ INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)



One of the best ways to keep up to date on the availability of funds is to periodically check for any Notice of Funding Opportunity (NOFO) across multiple federal agencies.



Federal Aviation Administration

Federal Aviation Administration

- https://www.faa.gov/about/office_org/headquarters_offices/ang/grants
- https://www.faa.gov/sites/faa.gov/files/2022-05/BIL_FAQs_5-13-2022.pdf
- <https://www.faa.gov/bil/airport-terminals>



- As of mid September, \$1 billion has been awarded
 - Expanding capacity at our nation's airport terminals
 - Increasing energy efficiency
 - Promoting competition
 - Providing greater accessibility for individuals with disabilities
 - Building two new air traffic control towers
- Fiscal Year 2022 application window is now closed
- 2023 application window opened September 22, 2022



❖ INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

One of the best ways to keep up to date on the availability of funds is to periodically check for any Notice of Funding Opportunity (NOFO) across multiple federal agencies.



Department of Commerce - National Telecommunications and Information Administration (NTIA)

- <https://www.ntia.doc.gov/category/grants>
- Multiple Programs Created by IIJA:
 - Broadband Equity, Access, and Deployment (BEAD) Program: \$42.5 billion
 - Enabling Middle Mile Broadband Infrastructure Program: \$1.0 billion
 - Tribal Broadband Connectivity Program \$2.0 billion
 - Digital Equity Act Programs \$2.75 billion

Grants

NTIA administers grant programs that further the deployment and use of broadband and other technologies in America, laying the groundwork for sustainable economic growth; improved education, public safety, and health care; and the advancement of other national priorities.

Infrastructure Investment and Jobs Act Overview

On November 15, 2021, President Biden signed the **Infrastructure Investment and Jobs Act** into law. This Act includes a significant investment of \$65 billion to help close the digital divide and ensure that all Americans have access to reliable, high speed, and affordable broadband. This investment builds upon the funding for broadband deployment provided in the American Rescue Plan, the Consolidated Appropriations Act, 2021, the FCC's Universal Service program, and USDA's Rural Utilities Service broadband programs. This historic investment will lay critical groundwork for widespread access and affordability of broadband, creating new jobs and economic opportunities, providing increased access to healthcare services, enriching educational experiences of students, and improving overall quality of life for all Americans.

NTIA will implement the following programs:

Broadband Equity, Access, and Deployment (BEAD) Program: Appropriates \$42.45 billion for states, territories, the District of Columbia (D.C.), and Puerto Rico (P.R.) to utilize for broadband deployment, mapping, and adoption projects. Each state, D.C., and P.R. will receive an initial allocation of \$100 million -- and \$100 million will be divided equally among the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands -- to support planning efforts including building capacity in state broadband offices and outreach and coordination with local communities. States, territories, D.C., and P.R., leveraging initial planning funds that will be made available through the program, will submit a 5-year action plan, which shall be informed by collaboration with local and regional entities. The remaining funding will be distributed based on a formula that considers the number of unserved and high-cost locations in the state, based on the maps to be published by the FCC in 2022. The first priority for funding is for providing broadband to unserved areas (those below 25/3 Mbps).

❖ INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)



Federal funding opportunities published on Grants.gov are for organizations and entities supporting the development and management of government-funded programs and projects.

Grant Lifecycle

Pre-Award Phase	Funding Opportunity Announcement & Application Review
Award Phase	Award Decisions & Notifications
Post Award Phase	Implementation, Reporting & Closeout

SEARCH GRANTS

BASIC SEARCH CRITERIA:
 Keyword(s):
 Opportunity Number:
 CFDA:

OPPORTUNITY STATUS:
 Forecasted (489)
 Posted (1,988)
 Closed (5,352)
 Archived (62,034)

FUNDING INSTRUMENT TYPE:
 All Funding Instruments
 Cooperative Agreement (885)
 Grant (1,672)
 Other (152)
 Procurement Contract (44)

ELIGIBILITY:
 All Eligibilities
 City or township governments (1,131)
 County governments (1,187)
 For profit organizations other than small businesses (1,075)
 Independent school districts (4,000)

CATEGORY:
 All Categories
 Agriculture (44)
 Arts (see 'Cultural Affairs' in CFDA) (16)
 Business and Commerce (28)
 Community Development (42)

AGENCY:
 All Agencies
 All Agency for International Development [USAID] (224)
 All AmeriCorps [AC] (5)
 All Department of Agriculture [USDA] (39)
 All Department of Commerce [DOC] (43)
 All Department of Defense [DOD] (118)
 All Department of Education [ED] (10)
 All Department of Energy [DOE] (49)
 All Department of Energy - Office of Science [PAMS] (3)

▼ CATEGORY:

- All Categories
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❖ INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)



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Opportunity Number	Opportunity Title	Agency	Opportunity Status	Posted Date ↓	Close Date
DHS-22-GPD-137-00-01	Fiscal Year (FY) 2022 State and Local Cybersecurity Grant Program	DHS-DHS	Posted	09/16/2022	11/15/2022
RFA-NR-23-001	REAL Initiative: Prevention and management of Chronic Pain in Rural Populations (UG3/UH3, Clinical Trials Required)	HHS-NIH11	Posted	09/16/2022	11/21/2022
NNH22ZDA001N-ANGSA	ROSES 2022: Apollo Next Generation Sample Analysis Program	NASA-HQ	Posted	09/16/2022	10/17/2022
PAR-22-254	Limited Competition: IDeA Regional Entrepreneurship Development (I-RED) Program (STTR) (UT2 Clinical Trial Not Allowed)	HHS-NIH11	Posted	09/16/2022	01/06/2023
F23AS00187	F23AS00187 Yukon River Salmon Research and Management Assistance FY 2023	DOI-FWS	Posted	09/16/2022	01/06/2023
22-631	Computer and Information Science and Engineering (CISE): Core Programs	NSF	Posted	09/16/2022	12/22/2022
NNH22ZDA001N-PSIE	ROSES 2022: Precursor Science Investigations for Europa	NASA-HQ	Posted	09/16/2022	11/01/2022
72066322RFA00008	USAID/Ethiopia - Quality Healthcare Activity	USAID-ETH	Posted	09/16/2022	10/31/2022
EPA-G2022-STAR-J1	Enhance Aquifer Recharge Performance and Potential Risk in Different Regional and Hydrogeologic Settings	EPA	Posted	09/16/2022	11/09/2022
FR-6600-N-21-A	Fair Housing Initiative Program - Education and Outreach Initiative	HUD	Posted	09/16/2022	11/15/2022
RFA-HG-22-021	The NHGRI Genomic Data Science Analysis, Visualization, and Informatics Lab-space Clinical Resource (ACR) (U24 Clinical Trial Not Allowed)	HHS-NIH11	Posted	09/16/2022	12/02/2022
SFOP0009199	FY 2023 BridgeUSA STEM Scholarship Fund	DOS-ECA	Posted	09/16/2022	11/14/2022
DE-FOA-0002733	Fiscal Year 2023 Scientific Infrastructure Support for Consolidated Innovative Nuclear Research	DOE-ID	Posted	09/16/2022	11/29/2022
DE-FOA-0002732	Fiscal Year 2023 Consolidated Innovative Nuclear Research	DOE-ID	Posted	09/16/2022	02/08/2023
72016522RFA00010	Private Sector Led Growth, Resilience and Response Activity	USAID-MAC	Posted	09/15/2022	10/31/2022
HR001122S0052	Environment-driven Conceptual Learning (ECOLE)	DOD-DARPA-I20	Posted	09/15/2022	02/28/2023
DEA-CA-22-026	NCI Pathway to Independence Award for Outstanding Early	HHS-NIH11	Posted	09/15/2022	02/28/2023

VIEW GRANT OPPORTUNITY



DHS-22-GPD-137-00-01
 Fiscal Year (FY) 2022 State and Local Cybersecurity Grant Program
 Department of Homeland Security
 Department of Homeland Security - FEMA

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General Information

Document Type: Grants Notice Version: Synopsis 2
 Funding Opportunity Number: DHS-22-GPD-137-00-01 Posted Date: Sep 16, 2022
 Funding Opportunity Title: Fiscal Year (FY) 2022 State and Local Cybersecurity Grant Program Last Updated Date: Sep 16, 2022
 Opportunity Category: Discretionary Original Closing Date for Applications: Nov 15, 2022
 Opportunity Category Explanation: Current Closing Date for Applications: Nov 15, 2022
 Funding Instrument Type: Grant Archive Date: Dec 15, 2022
 Category of Funding Activity: Infrastructure Investment and Jobs Act (IIJA) Estimated Total Program Funding: \$185,024,069
 Category Explanation: Infrastructure Investment and Jobs Act Award Ceiling: \$185,024,069
 Expected Number of Awards: 56 Award Floor: \$500,000
 CFDA Number(s): 97.137 -- State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program
 Cost Sharing or Matching Requirement: Yes

Eligibility

Eligible Applicants: State governments
 City or township governments
 Native American tribal governments (Federally recognized)
 County governments

Additional Information on Eligibility:

Information items include:

- Funding Type (grant, loan, etc.)
- Closing date for application submission
- Maximum individual funding amount (ceiling)
- Matching requirement (Y/N)
- Minimum individual funding amount (floor)
- Eligible Applicants

❖ INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)



Additionally, there are individual state-by-state fact sheets which provide more detailed information about announced funding and projects in each state, along with anticipated funding by category over the next 5 years.

- Bipartisan Infrastructure Law State Fact Sheets: <https://www.whitehouse.gov/build/state-fact-sheets/>
 - Type of infrastructure and funding announced to date
 - Spotlight projects within the State

PRESIDENT JOE BIDEN

BUILDING A BETTER AMERICA

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President Biden's Bipartisan Infrastructure Law is Delivering in Arizona

As of July 2022

The Biden-Harris Administration has hit the ground running to implement the Bipartisan Infrastructure Law, and it is already delivering results for the people of Arizona. To date, \$1.9 billion in Bipartisan Infrastructure Law funding has been announced and is headed to Arizona with over 80 specific projects identified for funding. This year alone, Arizona will receive more than \$1.3 billion for transportation to invest in roads, bridges, public transit, ports and airports and over \$109 million for clean water. And, as of today, more than 284,000 households across the state are receiving affordable internet due to the Bipartisan Infrastructure Law. Many more projects will be added in the coming months, as funding opportunities become grant awards and as formula funds become specific projects. By reaching communities all across Arizona – including rural communities and historically underserved populations – the law makes critical investments that will improve lives for Arizonans and position the state for success.

Roads and Bridges: In Arizona there are 132 bridges and over 3,193 miles of highway in poor condition. The Bipartisan Infrastructure Law will rebuild our roads and includes the single largest dedicated bridge investment since the construction of the interstate highway system. Based on formula funding alone, Arizona is expected to receive approximately \$5.3 billion over five years in federal funding for highways and bridges.

- **Announced funding to date:** To date, Arizona has been allocated \$969 million in highway formula funding and \$45 million in dedicated funding for bridges in 2022.

Internet: High-speed internet is necessary for Americans to do their jobs, participate in school, access health care, and stay connected. Yet nearly 22% of Arizonans do not have an internet subscription. The Bipartisan Infrastructure Law invests \$65 billion to provide affordable, high-speed internet to every American. Arizona will receive a minimum allocation of at least \$100 million to help ensure high-speed internet coverage across the state. Additionally, experts estimate that as many as 1,075,000 households

PRESIDENT JOE BIDEN

BUILDING A BETTER AMERICA

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President Biden's Bipartisan Infrastructure Law is Delivering in Hawaii

As of July 2022

The Biden-Harris Administration has hit the ground running to implement the Bipartisan Infrastructure Law, and it is already delivering results for the people of Hawaii. To date, \$511 million in Bipartisan Infrastructure Law funding has been announced and is headed to Hawaii with approximately 20 specific projects identified for funding. This year alone, Hawaii will receive more than \$432 million for transportation to invest in roads, bridges, public transit, ports and airports and over \$68 million for clean water. And, as of today, more than 28,000 households across the state are receiving affordable internet due to the Bipartisan Infrastructure Law. Many more projects will be added in the coming months, as funding opportunities become grant awards and as formula funds become specific projects. By reaching communities all across Hawaii – including rural communities and historically underserved populations – the law makes critical investments that will improve lives for Hawaiians and position the state for success.

Roads and Bridges: In Hawaii, there are 84 bridges and over 664 miles of highway in poor condition. The Bipartisan Infrastructure Law will rebuild our roads and includes the single largest dedicated bridge investment since the construction of the interstate highway system. Based on formula funding alone, Hawaii is expected to receive approximately \$1.5 billion over five years in federal funding for highways and bridges.

- **Announced funding to date:** To date, Hawaii has been allocated \$224 million in highway formula funding and \$73 million in dedicated funding for bridges in 2022.

Internet: High-speed internet is necessary for Americans to do their jobs, participate in school, access health care, and stay connected. Yet nearly 17% of Hawaiians do not have an internet subscription. The Bipartisan Infrastructure Law invests \$65 billion to provide affordable, high-speed internet to every American. Hawaii will receive a minimum allocation of at least \$100 million to help ensure high-speed internet coverage across the state. Additionally, experts estimate that as many as 163,000 households in

PRESIDENT JOE BIDEN

BUILDING A BETTER AMERICA

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President Biden's Bipartisan Infrastructure Law is Delivering in Louisiana

As of July 2022

The Biden-Harris Administration has hit the ground running to implement the Bipartisan Infrastructure Law, and it is already delivering results for the people of Louisiana. To date, \$2.3 billion in Bipartisan Infrastructure Law funding has been announced and is headed to Louisiana with over 85 specific projects identified for funding. This year alone, Louisiana will receive more than \$1.8 billion for transportation to invest in roads, bridges, public transit, ports and airports and over \$100 million for clean water. And, as of today, more than 296,300 households across the state are receiving affordable internet due to the Bipartisan Infrastructure Law. Many more projects will be added in the coming months, as funding opportunities become grant awards and as formula funds become specific projects. By reaching communities all across Louisiana – including rural communities and historically underserved populations – the law makes critical investments that will improve lives for Louisianans and position the state for success.

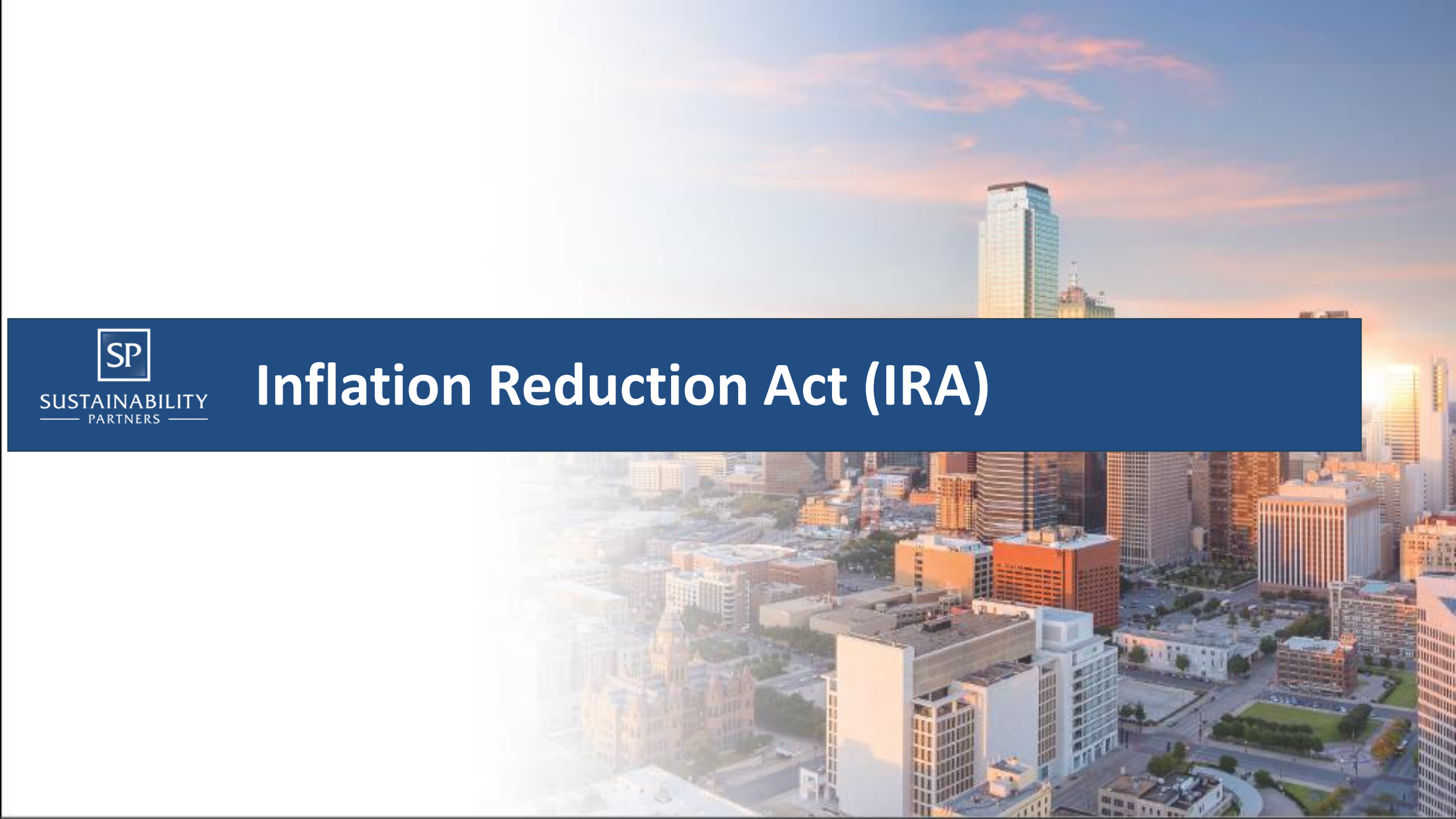
Roads and Bridges: In Louisiana, there are 1,634 bridges and over 3,411 miles of highway in poor condition. The Bipartisan Infrastructure Law will rebuild our roads and includes the single largest dedicated bridge investment since the construction of the interstate highway system. Based on formula funding alone, Louisiana is expected to receive approximately \$5.9 billion over five years in federal funding for highways and bridges.

- **Announced funding to date:** To date, Louisiana has been allocated \$930 million in highway formula funding and \$219 million in dedicated funding for bridges in 2022.

Internet: High-speed internet is necessary for Americans to do their jobs, participate in school, access health care, and stay connected. Yet nearly 30% of Louisianans do not have an internet subscription. The Bipartisan Infrastructure Law invests \$65 billion to provide affordable, high-speed internet to every American. Louisiana will receive a



Inflation Reduction Act (IRA)



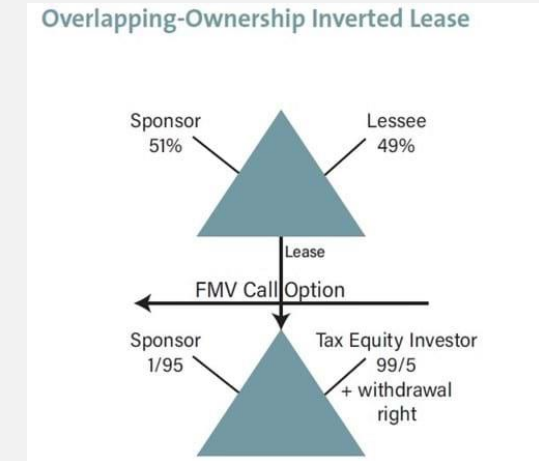
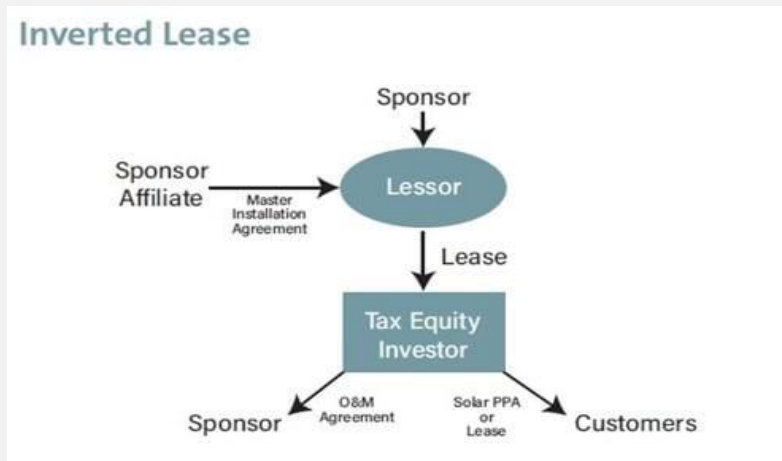
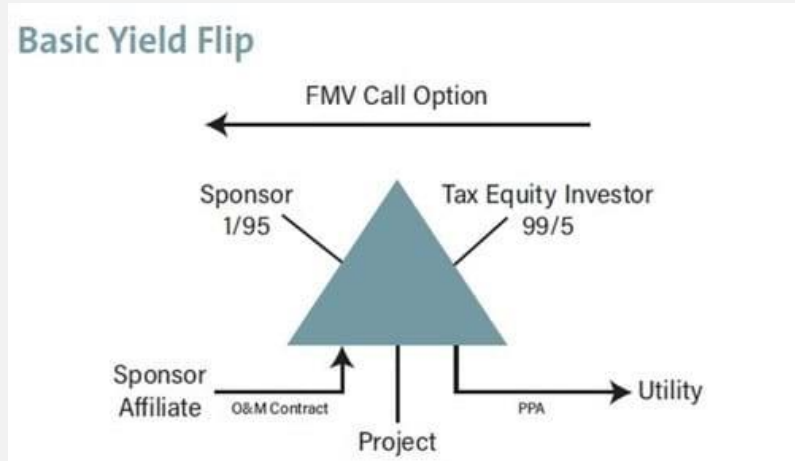
❖ INFLATION REDUCTION ACT (IRA)



Signed into law on August 16, 2022, the Inflation Reduction Act (IRA) contained significant changes to the existing Investment Tax Credit (ITC) and Production Tax Credit (PTC) structures that enable municipalities to take advantage of these tax credits.

Previously, entities could only use ITC as a direct credit offset against existing federal tax liabilities. This made monetizing the ITC ineffective for municipalities. Because of these complexities, investment opportunities in solar generation catered mostly to commercial and private finance entities and required complex structures requiring

Pre Inflation Reduction Act required investment structure – highly complex



The IRA contained significant changes to the existing Investment Tax Credit (ITC) and Production Tax Credit (PTC) structures that enable municipalities to take advantage of these tax credits. Some of the key changes are as follows

- Extension of the PTC and ITC for projects (e.g., wind, solar, geothermal, biomass, hydropower, etc.) beginning construction before January 1, 2025.
- Base credit is set at 20%
- Bonus credits generally available for satisfaction of “domestic content” requirements or location of facilities in “energy communities” or “low-income communities”.
- Maximum achievable credit is 50% of project cost
- Expanded definition of ITC eligible energy property to include storage
- Introduces and expands certain credits including:
 - Clean Hydrogen Credit
 - Nuclear Power Production Credit
 - Advanced Manufacturing Production Credit
 - Clean Fuel Production Credit
 - Renewable Fuels Credits
 - EV and Charging Infrastructure Credits
- ***The IRA provides a direct-pay election in lieu of a nonrefundable credit for tax-exempt organizations, state governments or political subdivisions, Indian tribal governments, Alaska Native Corporations, the Tennessee Valley Authority, and any corporation operating on a cooperative basis that is engaged in furnishing electricity to rural areas.

What does this mean? Municipalities can now directly receive a check from the Federal Government in the amount of the applicable credit - there is no longer a requirement to capture the value of the credit on a federal tax return to enjoy the financial benefits of the ITC or PTC

The IRA also contained additional funding programs and incentives for electric vehicles (EVs).

- **Clean Heavy-Duty Vehicles:** \$1 billion rebate program for state, municipalities, Indian tribes, and school associations to convert fleets to zero-emissions heavy-duty vehicles and other funding for disadvantaged communities that could be used to electrify local depots.

- **Qualified Commercial Clean Vehicle Tax Credit**
 - Providing up to a \$40,000 tax credit
 - Eligible participants: Commercial, Industrial, Local Government, Nonprofit, Cooperative Utilities, State Government, Tribal Government
 - Incentive amount: 30%
 - Vehicles less than 14,000 pounds: \$7,500
 - Mobil Machinery: \$40,000

***The IRA tax credit makes owning an electric truck cheaper than owning a diesel one in most use cases, with urban and regional electric trucks becoming cost-superior to diesel ones as soon as 2023.



❖ INFLATION REDUCTION ACT (IRA)



Combined with existing U.S. Department of Transportation (DOT) Federal Highway Administration (FHWA) grant programs and incentives for municipalities to migrate to electric vehicle fleets, considerable funding is available to assist in transitioning away from ICE vehicles:

- **National Alternative Fuels Corridors (AFC):** FHWA designates a national network of plug-in electric vehicle (EV) charging and hydrogen, propane, and natural gas fueling infrastructure along national highway system corridors. FHWA must establish an AFC grant program to award grants to eligible entities by November 15, 2022. FHWA will issue a report identifying charging and fueling infrastructure, best practices and guidance for predictable infrastructure deployment, analyzing standardization needs for fuel providers and purchasers, and reestablishing the goal of achieving strategic deployment of fueling infrastructure in the designated corridors
- **National Electric Vehicle Infrastructure (NEVI) Formula Program:** NEVI Formula Program will provide funding to states to strategically deploy electric vehicle (EV) charging stations and to establish an interconnected network to facilitate data collection, access, and reliability. Funding is available for up to **80%** of eligible project costs, including:
 - The acquisition, installation, and network connection of EV charging stations to facilitate data collection, access, and reliability;
 - Proper operation and maintenance of EV charging stations; and,
 - Long-term EV charging station data sharing.



*****Federal funding related to the NEVI program can cover up to 80% of project costs, leaving the remaining 20% funding to be sourced by state and/or local municipalities – so how does a municipality go about obtaining these “matching” amounts?***



The Role of Private Capital

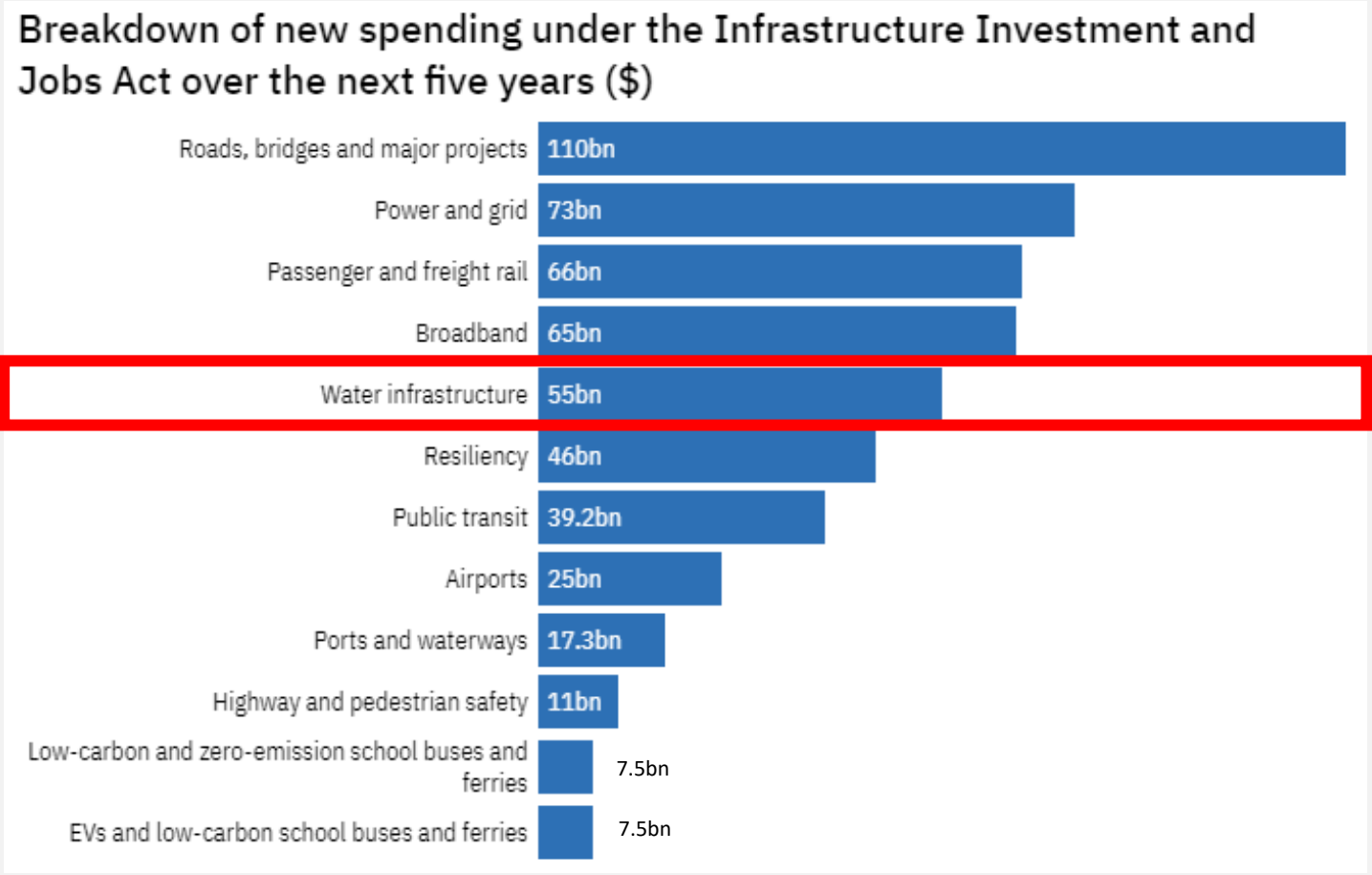


THE ROLE OF PRIVATE CAPITAL



While the IIJA provides historical levels of Federal spending assistance to invest in the nation’s infrastructure, much more is needed

- Aggregate size of needs
 - Deferred Maintenance - currently at \$5 trillion
 - By 2035, the need will be closer to \$15 trillion
- IIJA size
 - Water \$55bn
 - According to the 2021 ASCE, the water and wastewater infrastructure shortfall is approximately \$434 billion
 - 2022 Funding through State Programs:
 - State Revolving Funds (SRF): \$6.9 billion



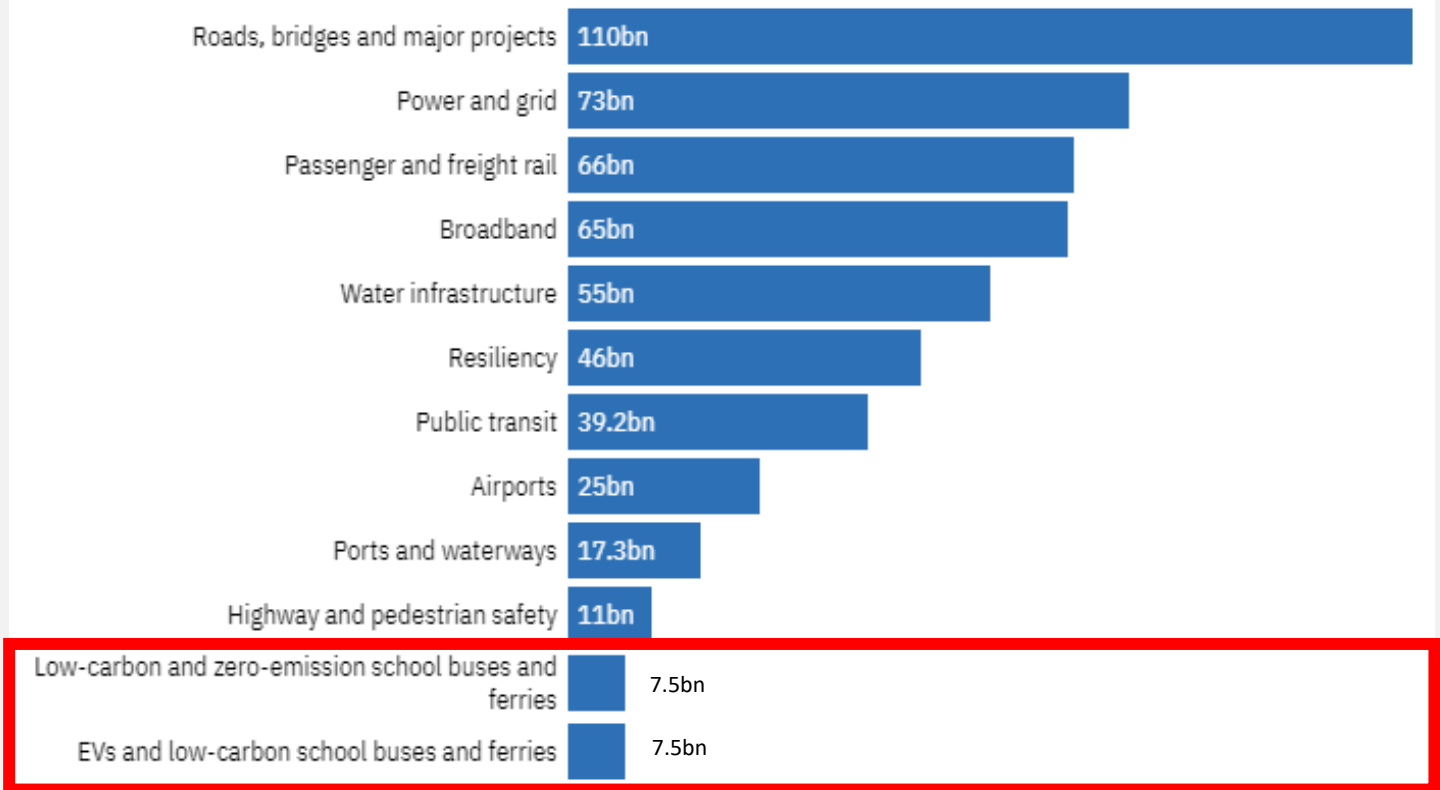
EPA
Bipartisan Infrastructure Law:
Environmental Protection Agency
2022 State Revolving Fund (SRF) Grants to States and Territories by Program

	DWSRF General	DWSRF Lead Service Line Replacement	DWSRF Emergency Containment
Washington	\$40,196,000	\$63,336,000	\$16,878,000
West Virginia	\$17,992,000	\$28,350,000	\$30,951,000
Wisconsin	\$30,666,000	\$48,319,000	\$7,555,000
Wyoming	\$17,992,000	\$28,350,000	\$12,877,000
States Total	1,772,254,000	2,792,475,000	\$744,167,000
American Samoa	\$6,778,000	\$10,680,000	\$2,846,000
Guam	\$6,301,000	\$9,928,000	\$2,646,000
Northern Marianas	\$5,305,000	\$8,359,000	\$2,228,000
Virgin Islands	\$8,605,000	\$13,558,000	\$3,613,000
Territories Total	\$26,989,000	\$42,525,000	\$11,333,000
Tribes	\$38,040,000	\$60,000,000	\$16,000,000
CWA 604(b) Total	\$57,060,000	\$90,000,000	\$24,000,000
EPA Admin	\$6,657,000	\$15,000,000	\$4,000,000
OIG Oversight	\$1,000,000	\$0	\$0
AIS M & O	\$1,000,000	\$0	\$0
Grand Total	\$1,902,000,000	\$3,000,000,000	\$800,000,000

While the IIJA provides historical levels of Federal spending assistance to invest in the nation’s infrastructure, much more is needed

- Aggregate size of needs
 - Deferred Maintenance - currently at \$5 trillion
 - By 2035, the need will be closer to \$15 trillion
- IIJA size
 - EVs and low carbon school buses and ferries \$15bn
 - Mostly geared toward charging infrastructure and EV buses
- Federal, State and local governments have nearly 3 million fleet vehicles – most of which are internal combustion engine (ICE) vehicles
 - Transitioning just 10% of that fleet to EVs (300,000) each year would require funding in the neighborhood of \$20 billion annually – just for the vehicles.
 - Conservatively, another \$25-30 billion annually would be needed to buildout the charging infrastructure for those vehicles
 - Combining IIJA program with IRA tax credits and private capital can maximize EV deployments
- National Electric Vehicle Infrastructure (NEVI) Formula Program: NEVI program requires 20% match

Breakdown of new spending under the Infrastructure Investment and Jobs Act over the next five years (\$)



Private Capital Is Needed to Solve the Infrastructure Deficit



- **Greater access to funding:** Private investment can provide hundreds of billions of dollars of new infrastructure funding while supplementing funds provided by state and federal governments. In many cases, federal and even state dollars may not be necessary for project delivery, depending on the nature of the project.
- **Greater value for money:** Through global best practices, experience and innovation in design, finance, construction, operation and maintenance, private investors can bring greater efficiencies at a lower cost to the procurement of infrastructure assets and services creating disciplines and benchmarks around spending and development
- **Greater accountability:** If the private entity partner fails to meet minimum requirements under the concession agreement, then the public entity partner may terminate the agreement at significant financial loss to the private sector partner. This provides a significant incentive for the private sector partner to perform materially above minimum contractual obligations and exceed government-required service levels.
- **Greater long-term efficiencies (life cycle planning):** The private sector has incentives to maintain high quality infrastructure assets and thereby provide the end user with a safer and improved quality of service over the useful life of the asset or contract. Under traditional government procurement, the party that builds the facility does not always take into full account the future cost of maintaining what gets built
- **Less public debt:** The use of private capital allows state and local governments to avoid taking on more debt to fund projects, which either reduces interest payments or allows states and municipalities to use their bonding capacity to finance other needed government services.
- **Less taxes for taxpayers:** Taxpayers benefit because the state does not have to rely solely on tax revenues to support infrastructure investment or debt servicing.
- **Matching:** Many grant programs require some level of local or state matching funds in order to secure grant funding. There are two impediments that can hinder successfully securing grant awards and the associated matching requirements:
 - Many municipalities either do not have resources themselves (cash on their balance sheet)
 - State matching programs can be cumbersome

Private Capital Is Needed to Solve the Infrastructure Deficit



According to the Bipartisan Policy Center, a Washington D.C. based think tank, despite their benefits, Public-Private-Partnerships (P3s) remain relatively rare in the United States compared to the rest of the world. Although there is no single data source for tracking P3s, studies have generally found that P3s represent only about 1-2% of infrastructure spending in the U.S., whereas they make up 5-20% of infrastructure spending in other developed countries.

A public private partnership, broadly defined, is a contractual arrangement between a public agency and a private-sector entity to deliver a public service. These partnerships, which have been successful around the world, provide an infusion of private-sector capital as well as best practices in maintenance and operations, and improvement and expansion of roads, bridges and other infrastructure. The drafters of the IIJA may not have explicitly set out to grow the U.S. market for P3s, but there are five reasons to expect that the bill could do just that.

1. There's a lot more money. Under the IIJA, traditional infrastructure programs are set to receive significantly more funding.
2. There will be more opportunities to compete for federal funds.
3. More projects will go through value-for-money analysis.
4. Permitting reforms will reduce project costs and risks.
5. More help will be available for communities that want to explore P3s.

Private Capital Is Needed to Solve the Infrastructure Deficit



1. There's a lot more money. Under the IIJA, traditional infrastructure programs are set to receive significantly more funding.

- Most surface transportation programs will see an increase of at least 34%, with some growing even more.
- This robust federal funding will enable infrastructure agencies to develop a pipeline of projects with a reasonable expectation of funding to support them.
- The lack of a project pipeline has been a disincentive for private partners to engage with public agencies. The time and cost involved in identifying opportunities, navigating local requirements, and preparing bids has been seen as prohibitive when there is little likelihood of more opportunities in the future.
- Moreover, as infrastructure programs grow, the capacity of state and local agency staff to deliver projects will be stretched, making P3s more attractive as a way to share more project risks and responsibilities with private partners.

Private Capital Is Needed to Solve the Infrastructure Deficit



2. There will be more opportunities to compete for federal funds.

- The IIJA includes several new competitive grant programs. The transportation section alone includes \$5 billion for mega-projects, \$7.5 billion for regional and local projects, and billions for electric vehicle infrastructure and improvements to passenger and freight rail networks.
- Because of their highly competitive nature, these programs will force infrastructure agencies to think outside the box when developing project applications.
- A project that proposes to leverage private sector expertise to expedite delivery may have a competitive edge. In fact, “innovative project delivery techniques,” “innovative financing,” and “collaboration with other public or private entities” are specifically called out in the regional and local grant program as elements that will earn project sponsors extra points in the evaluation process.

Private Capital Is Needed to Solve the Infrastructure Deficit



3. More projects will go through value-for-money analysis.

- The IIJA includes a new requirement for projects that are seeking financing from the Transportation Infrastructure Finance and Innovation Act (TIFIA) or Railroad Rehabilitation and Improvement Financing (RRIF) programs: any project with a total cost over \$750 million must complete a value-for-money analysis.
- Value-for-money analysis looks at the life-cycle costs of a project under various delivery approaches to determine which approach would deliver the best value over the full life of the asset.
- It is advisable that all major projects undergo value-for-money analysis to ensure that infrastructure agencies are considering P3s as an option where they would make sense and making the most cost-effective investment decisions. This new requirement for TIFIA and RRIF is a good start.

Private Capital Is Needed to Solve the Infrastructure Deficit



4. Permitting reforms will reduce project costs and risks.

- The average time it takes to complete a federal environmental impact statement—as measured from the notice of intent to start a project’s review to the record of decision—is 4.5 years.
- Moreover, critical projects can require many other permits and authorizations, at all levels of government, before advancing to construction.
- The potential for costly and time-consuming delays in permits and other project approvals has been a significant barrier to P3s in the United States, as private companies have been reluctant to assume that risk.
- The IJA includes permitting reforms intended to speed up federal reviews by, among other things, establishing a federal goal of reviewing and permitting projects within two years, making the Federal Permitting Improvement Steering Council permanent, and increasing funding for federal agencies responsible for permitting decisions.
- Greater certainty about the timeframe for reviews will help to reduce the permitting risk that is keeping private partners away.

Private Capital Is Needed to Solve the Infrastructure Deficit



5. More help will be available for communities that want to explore P3s.

- Recognizing that lack of capacity to develop P3s is one of the main reasons why state and local agencies rarely pursue them, the IJA includes new technical assistance programs to help evaluate and develop P3 projects.
- The IJA provides \$20 million annually in grants to states, localities, and tribal governments to build organizational capacity or retain expert services to identify, analyze, and plan potential P3 projects.
- Rural and tribal communities will also benefit from IJA's direction to DOT's Build America Bureau to provide additional support to those communities for project planning and development, which could include assistance with value-for-money studies or identifying opportunities for private financing and project bundling.



Infrastructure as a Service[®]

Sustainability Partners



Sustainability Partners (SP) is a public benefit company which forms reliable and enduring partnerships with public institutions for the advancement of their critical infrastructure.

SP provides a unique alternative to the traditional purchase of capital assets. We offer a month-to-month use-based utility service:

Infrastructure as a Service®

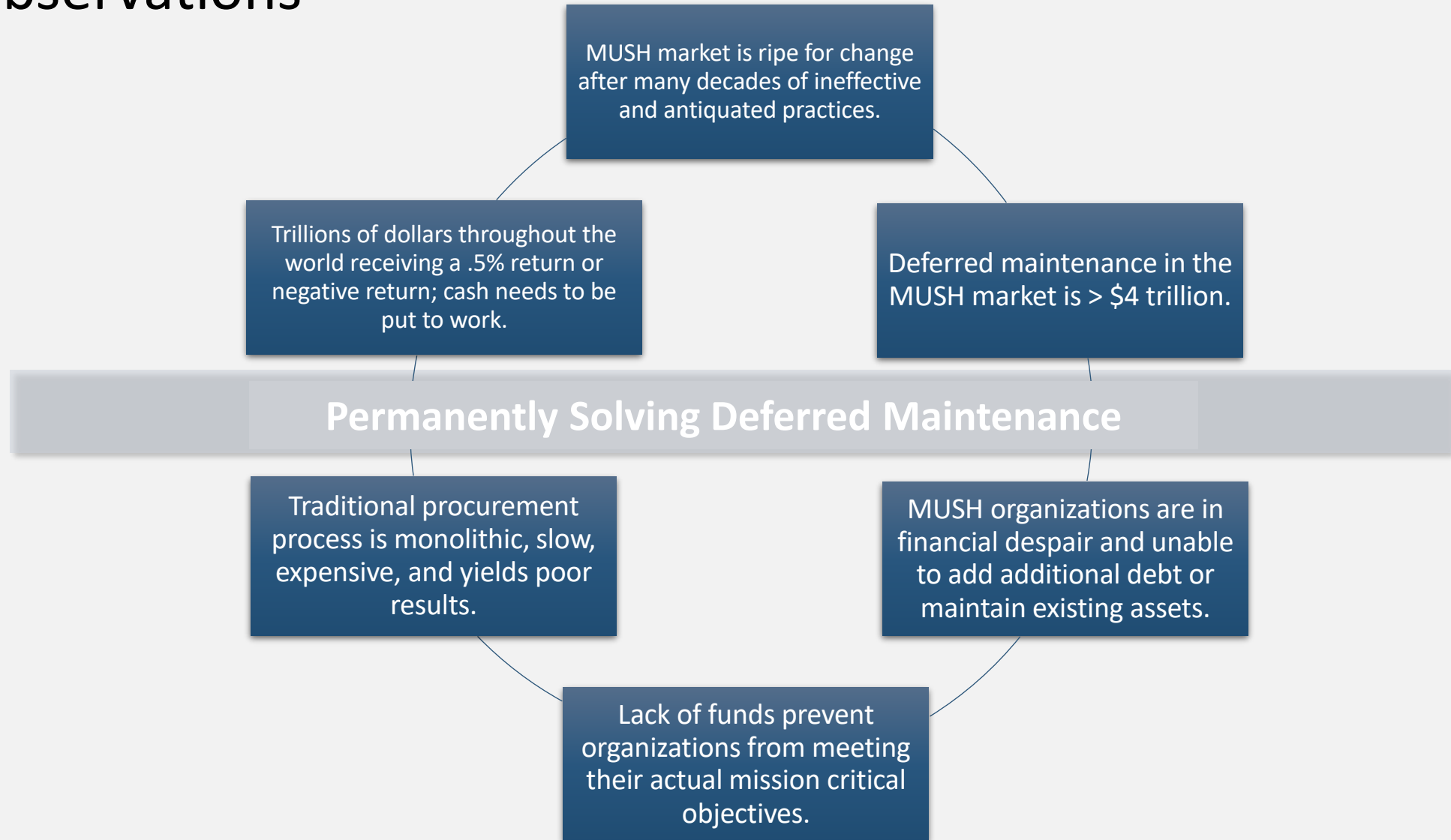
- Utilities – like gas, electric, and water – are essential, easy to engage and to terminate.
- SP’s utilities deliver continuously and reliably 24 hours a day x 365 days, year after year, safely and efficiently.
- We protect Municipal, University, School and Hospital (“MUSH”) customers from unexpected repairs and inadequate maintenance.

SP converts essential infrastructure to a transparent utility service model which decreases costs and risk, provides ecofriendly and energy-efficient infrastructure solutions, and fosters long-term economic growth in the communities we serve.

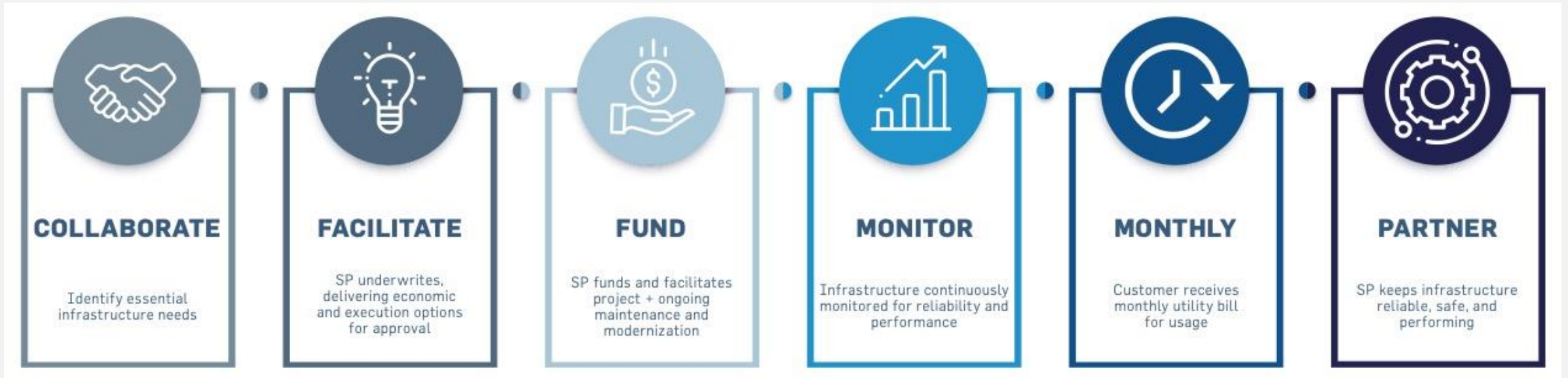
SP is the bridge connecting trillions of dollars of underutilized cash to trillions of dollars of deferred maintenance infrastructure projects.



Key Observations



Applying SP's Model to the Growing Infrastructure Crisis



- Master Utility Service Agreement (M-USA) establishes the relationship and provides a platform with scalability for future projects
- A short addendum is executed for each project, identifying the exact asset(s) and usage charges
- Upon customer's Notice to Proceed, SP works with market leading manufacturers to procure, design, engineer, and install state-of-the-art, smart facility infrastructure
- Assets are continually monitored for usage and performance and maintained in a state of good repair

We solve your capital needs for infrastructure and partner with you to keep it reliable, safe, and efficient.

- SP can pay for 100% of design, materials, and installation of robustly engineered infrastructure
- Asset use is entirely in your control
- Month-to-month 10-page contract with no termination penalties, just provide 30 days notice
- Anytime assignment option prorated to remaining useful life
- Usage-fees aligned with your revenue sources
- Open book accounting, contracts, warranties, designs and documentation
- 24/7 monitoring on IoT equipment and real-time alerts to deliver reliability and performance
- M-USA is similar to paying an electricity or gas bill and is not recognized as a debt on the institution's balance sheet

INFRASTRUCTURE AS A SERVICE® (IaaS)



SUSTAINABILITY
PARTNERS

What Are Your Infrastructure Needs?



SUSTAINABILITY
PARTNERS

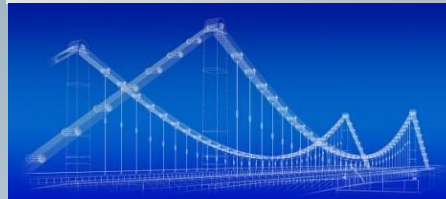
WATER



WASTEWATER



**BRIDGES &
LEVEES**



**ROOFS &
EXTERIORS**



**LED LIGHTING &
FIXTURES**



HVAC



**BROADBAND &
COMMUNICATIONS**



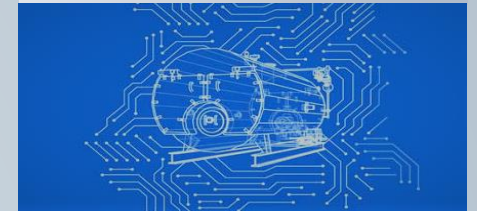
**EV FLEET &
CHARGING**



**ELEVATORS &
ESCALATORS**



**CHILLERS &
BOILERS**



**TRANSPORTATION &
PUBLIC TRANSIT**



**ELECTRICAL
DISTRIBUTION & MICRO GRID**



**PORTS & INLAND
WATERWAYS**



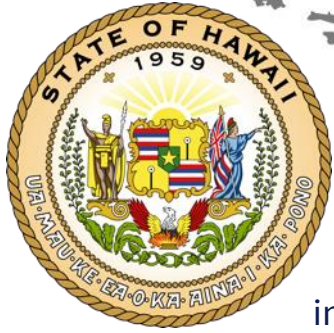
**PARKS &
RECREATION**



**SPORTS FIELD TURF
& TURF LIGHTING**



CASE STUDIES



- Entire state EVs & Charging Infrastructure
- **SP contract includes ALL government owned autos, trucks, buses, airports, water ports, bridges, roadways, K-12 and university infrastructure**



The State of Hawaii established aggressive clean energy goals including a zero-emissions clean economy by 2045 and increased energy security and self-sufficiency through elimination of Hawaii's dependence on imported fuels for both electrical generation and ground transportation. Following a service Request for Proposal, Hawaii awarded Sustainability Partners (SP) the comprehensive contract to transform its entire fleet from petroleum to electric vehicles.

By engaging SP's Monthly Utility Service Agreement, Hawaii can now add new vehicles and infrastructure whenever necessary — and as often as needed — with a simple addendum to the core contract. As additional needs arise and new electric transportation technologies become available, Hawaii is now pre-positioned to adopt the best solutions immediately, benefitting the state both financially and environmentally.

BENEFITS

- ❖ **Zero emission, environmentally friendly vehicles reduce CO₂ and decrease total carbon footprint**
- ❖ **SP infrastructure investment allows State to de-leverage balance sheet, increasing cash revenues**
- ❖ **Highly efficient electric motor compared to petrol engine**
- ❖ **Low cost of operation; minimal maintenance**
- ❖ **Energy security with less dependence on foreign oil**
- ❖ **Reduced greenhouse gas emissions slow climate change**
- ❖ **Quiet vehicles reduce noise pollution**



ELECTRIC VEHICLE FLEET & CHARGING STATIONS

Infrastructure as a Utility Service™



- Jackson, MS
- Population: 166,383
- Smart Water Meter System
- New Billing System

CUSTOMER BACKGROUND

The City of Jackson was saddled with a non-functioning water meter system. The city was successful in its lawsuit but subsequently needed a solution to its crisis. The city government is receptive to new and innovative business ideas and sought help for infrastructure and financial assistance.

PROJECT SCOPE

Install 61,225 AMI water meter system and new Oracle billing system to enable accurate tracking of water usage throughout the city

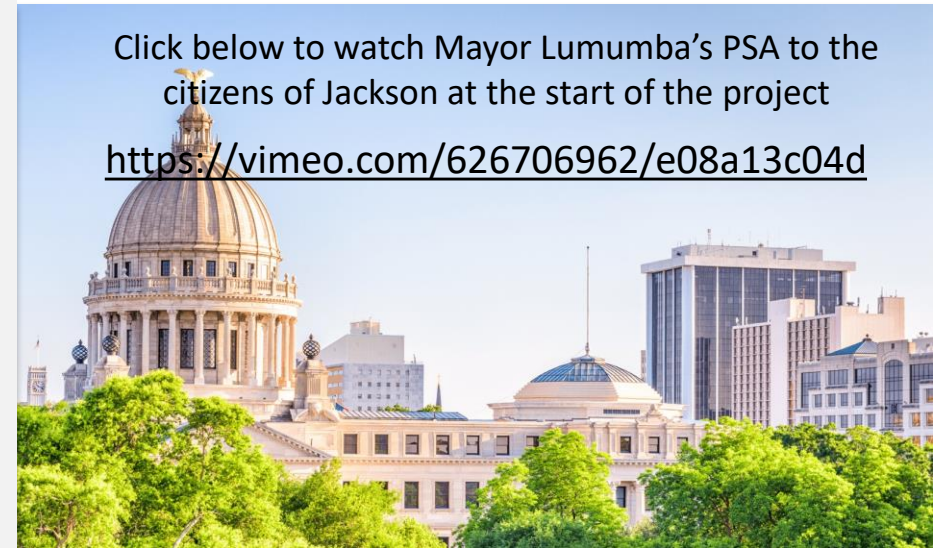


BENEFITS

- Successful replacement of dysfunctional water meter system
- New AMI Water Meter System with 61,225 residential and commercial smart meters, New Billing System, Ongoing Field and Technical Support, Training to Implement a new efficient and effective way of doing business
- Distribution side and customer side Acoustic Leak Detection
- De-risked transaction as the city has no capital expenditure and remains a month-to-month contract
- Full scale, end-to-end deployment including community outreach campaign

Click below to watch Mayor Lumumba's PSA to the citizens of Jackson at the start of the project

<https://vimeo.com/626706962/e08a13c04d>





Lake Charles Louisiana

- Lake Charles, LA
- Population: 78,000
- Ultrasonic Smart Water Meter System
- Software & Billing System



CUSTOMER BACKGROUND

The City of Lake Charles was in need of clean water infrastructure including commercial and residential water meters of varying sizes and types. Combining federal funding with SP's investment, Lake Charles has significantly decreased operational expenses and increased monthly water revenue with this sustainable turnkey solution.

PROJECT SCOPE

Install 35,545 smart water meter system with acoustic leak detection for residential and commercial customers



BENEFITS

- Debt free, zero upfront capital required
- Month-to-month contract with long-term maintenance plan and reserve
- Full use of state-of-the-art smart water metering solution
- Immediate increase to City revenue with accurate metering reading
- Acoustic leak detection to identify potential leaks before costly bursts
- Real-time updates of water usage available 24/7
- Predictive maintenance with smart alarms and data
- End-to-end deployment of entire system with community outreach





JACKSONVILLE UNIVERSITY

- Jacksonville, FL
- Private University
- 4,222 students



SUSTAINABILITY
PARTNERS

Project

- Purchase, installation, and ongoing maintenance of modern and robustly engineered water infrastructure including a new well, steel water tank, potable water assets, replaced chlorine feed system, water distribution pumps, generator, electrical distribution system equipment and associated infrastructure

Purpose

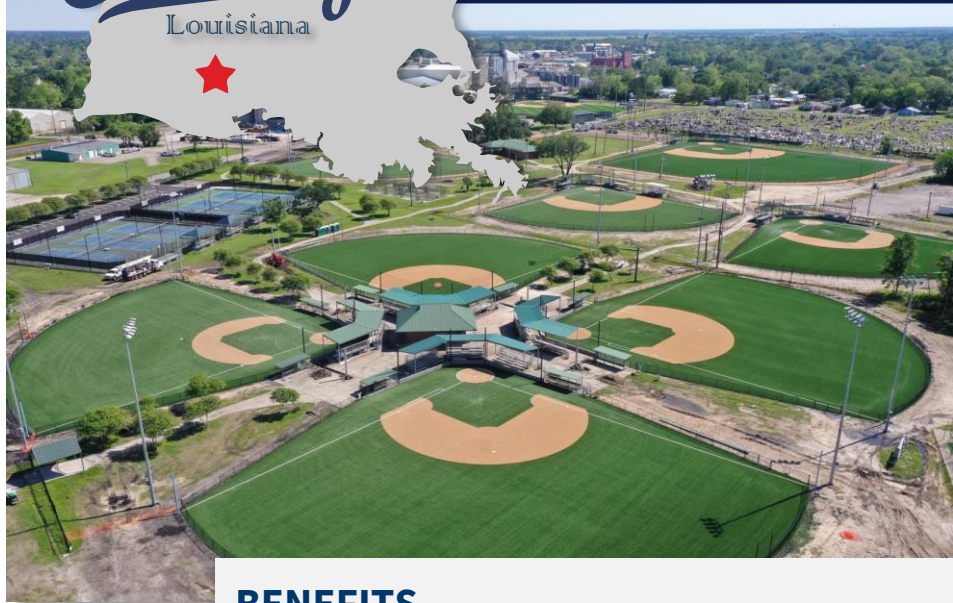
- Sustainable and robustly engineered water infrastructure for clean drinking water benefiting students, staff, and teachers on campus

BENEFITS

- Accelerated campus improvements with SP's expedited purchasing power and proven expertise with infrastructure projects in school settings
- Zero out-of-pocket costs; no capital expense means operating cash positive and no balance sheet impact
- Decreased risk and total cost of usage as SP maintains assets in continual state of good repair
- Mission critical capital returned with SP purchase of JU's recently installed water infrastructure enabling university to use those funds on other important campus initiatives
- School can display its prioritization of energy-saving, eco-friendly sustainable initiatives

**Next projects: wastewater and water distribution
Infrastructure as a Service®**

Crowley
Louisiana



- Artificial Turf
- LED Lighting
- Block Walls, Fencing
- Electrical, Remotes / IoT
- Champion Walls
- Field Components



CUSTOMER BACKGROUND

The City of Crowley, population 12,839, is the parish seat of Acadia Parish, LA. Crowley has a rich and deep history with baseball. Historic Mill Stadium is in the National Register of Historic Places. Author Gaylon White is released his book entitled, “The Best Little Baseball Town in the World; The Amazing Story of Crowley, Louisiana in the Fifties” in April 2021.

PROJECT SCOPE

Capital constrained city in need of new artificial turf and LED lighting for nine high school/youth league baseball/softball/multi-purpose fields at the Crowley Recreation Department Complex.

BENEFITS

- **Upgraded fields immediately attracted “travel ball” tournaments consisting of 65 teams, ALL available dates booked an entire year in advance to construction completion**
- **Immediate cash flow generation significantly impacting the entire city economy due to increased events and tourism**
- **Notably reduced carbon emissions from reduced electricity usage for lighting and elimination of fertilizer, pesticide, and gasoline for artificial turf**
- **State of the art, low maintenance and durable infrastructure**

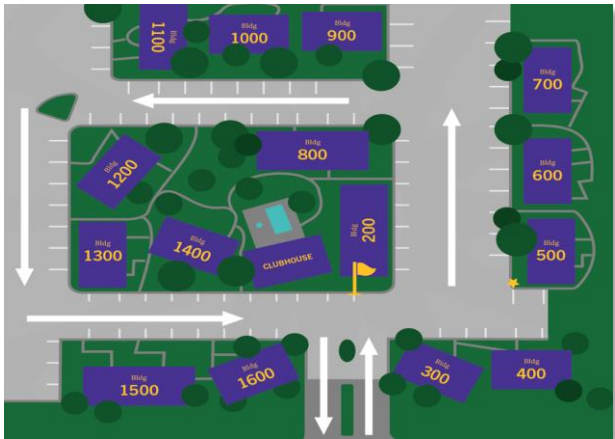


We're getting ready for a new era and we're hoping that it is something for our children to be able to talk about, to be able to utilize. We're just very excited and we hope that it continues for generations to come.

Mayor Tim Monceaux



- Shreveport, LA
- #2 Most Diverse College in LA
- Public University, Student Housing



LSUS has more than 20 undergraduate degree programs, 12 master's degree programs (including the new online MBA), and a Doctor of Education (Ed.D.) in Leadership Studies.

The university's mission is to educate a diverse population of graduate and undergraduate students; engage in regional and global thought leadership through community collaboration and service; and innovate to enhance the application of knowledge and intellectual discovery through faculty and student research and creative endeavors.

PROJECT:

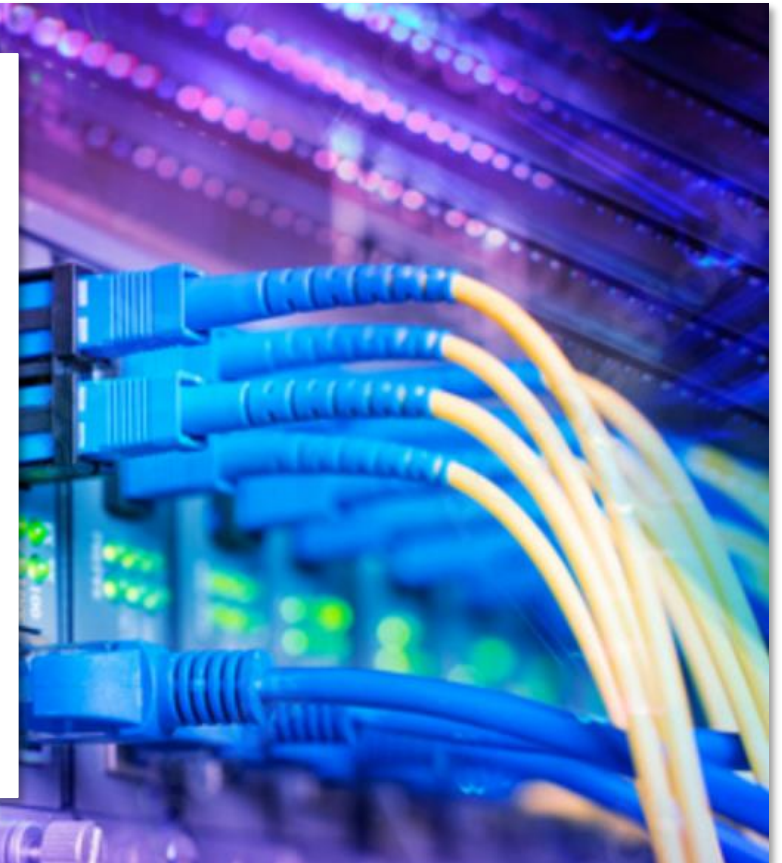
Fiber optic broadband high-speed internet for on campus housing to support school and private use

PURPOSE:

Improve quality of academics and student capabilities

PROJECT:

- Immediate and ongoing cost reduction to university's maintenance budget
- Extremely fast and reliable gigabit throughput and ms response time
- Successfully expedited installation to accommodate university staff and students returning to campus
- University can promote its prioritization of modern, efficient, durable and energy savings technology





- Simmesport, LA
- Population: 2,200
- Smart Water Meters
- Capital Recovery Service



CUSTOMER BACKGROUND

The town of Simmesport lacked the ability to accurately monitor and bill for water usage. Simmesport was also in serious financial jeopardy with over \$612,000 in debt, most incurred by previous administrations. The city government is receptive to new and innovative business ideas and sought help for infrastructure and financial assistance.

PROJECT SCOPE

- Install wireless water meters to enable accurate tracking of water usage throughout the town
- Capital Recovery Service to recover capital expenditure funds spent on essential infrastructure

BENEFITS

- Instant ROI: 46.7% revenue increase
- New wireless ultrasonic water meters with smart sensors for accurate remote meter reading – modern, low maintenance and durable assets
- Labor resources re-directed
- Highest number on record of customers paying for water
- Capital Recovery Service converted essential infrastructure to a service utility injecting liquidity for budget stabilization, balance sheet improvement, and economic stimulus

“**Simmesport** would also like to thank **Sustainability Partners** for their help in building this cooperative endeavor and for their commitment to the financial growth and quality of life for the citizens of Simmesport.”

SIMMESPORTLA.COM



Next project (in progress) is ~ \$1M in wastewater system upgrades to a treatment plant commissioned in 1987.

- ✓ **State-of-the-art infrastructure**
- ✓ **Zero upfront capital required**
- ✓ **Usage-based billing aligned with your revenue sources**
- ✓ **Protects bond/credit ratings**
- ✓ **On or off-balance sheet**
- ✓ **Expedited funding and project roll out**
- ✓ **Installation and maintenance of state-of-the-art IoT environmentally friendly infrastructure assets**
- ✓ **STOPS the “run to fail” cycle as SP keeps essential infrastructure forever young**
- ✓ **Customer operates assets as its own**
- ✓ **Protect the future of you AND your community**

Summary

State-of-the-Art Technology
with Innovative Financing



SUSTAINABILITY
PARTNERS



SUSTAINABILITY
PARTNERS

THANK YOU!



JASON MCGAUGH



(949) 331-7715



JMcGaugh@s.partners



www.sustainability.partners



Reviewing the Guidance

Jarrold Loadholt

Partner
Ice Miller LLP



CDFA.NET / EY.COM



INFRASTRUCTURE FINANCE LEARNING SERIES
Presented together with Ernst & Young LLP



Reviewing the Guidance

Meagan M. Bolton

Of Counsel
Ice Miller LLP



CDFA.NET / EY.COM



INFRASTRUCTURE FINANCE LEARNING SERIES
Presented together with Ernst & Young LLP

CDFA Infrastructure Finance Learning Series



Setting the Stage

- The types of activities supported within each IIJA funding category;
- The federal agencies responsible for deploying funds;
- Preparing communities for IIJA opportunities – particularly how to secure and utilize IIJA funds in coordination with other development finance approaches such as bonds, TIF, and tax credits;
- The City of Birmingham’s IIJA and Stimulus Command Center – a case study in how a community is fully leveraging the IIJA; and,
- Fully leveraging the IIJA’s broadband provisions

What's Funded?

- Seven categories totaling \$550B (over five years)
 - Climate Resiliency, Environment, and Clean Energy (\$73.9);
 - Ports (\$16.6B);
 - Clean Drinking Water and Water Systems (\$63.3B);
 - Electric Grid (\$65B);
 - Airports (\$25B);
 - Surface Transportation and Highways (\$241.2B); and,
 - Broadband (\$65B - addressed later in Meagan Bolton's presentation)

How Is It Funded?

- New v. Old
 - IIJA includes increases in existing programs (e.g. State Revolving Loan Funds) and creates new programs (e.g. Reconnecting Communities) with the majority of funding being “plus ups” of existing infrastructure programs.
- Formula v. Competitive v. Direct
 - A key consideration for entities seeking to take advantage of the IIJA is understanding what form the funding will take – either through states (particularly state DOTs), or similar entities (e.g. MPOs), or directly to local governments through competitive funding opportunities, or directly to entities like the Army Corps of Engineers
- Loans v. Grants v. Credits
 - Funding varies across programs and infrastructure assets and the form it takes can often inform strategies for securing funding
 - Lots of private financing programs, too (TIFIA, WIFIA, CIFIA, RRIF, etc.)
 - Project sponsors encourage to layer funding with private funding and other sources of public funding

How Is It Funded?

- Old NOFOs
 - Previous notices of funding are your best guide – they tell when to expect grants to open, when they'll likely be awarded, what they're looking for, etc. Also, look to previous grantees and projects as guidance for current pursuits.
- Guidance for new programs
 - Most of the new programs now have guidance out. Understand it for yourself – don't rely completely on lawyers, consultants, etc. If it matters, know it for yourself.
- Cultivating relationships with eligible grantees and project sponsors
 - Most of the funding goes to governmental or quasi-governmental entities, so if you're not a sponsor yourself, get to know the ones that are doing the work identifying projects that can be funded by these programs.
 - If you're apolitical, it's time to get political as finite resources require difficult decisions and you want to align your priorities with those of project sponsors.
 - If you're a project sponsor, who's your team? Do you have the right expertise in house? Are you thinking and looking exhaustively for the right partners for your projects?

The Agencies

- Climate Resiliency, Environment, and Clean Energy (\$73.9)
 - EPA
 - DHS
 - DOT
- Ports (\$16.6B)
 - MARAD (DOT)
 - FHWA
- Clean Drinking Water and Water Systems (\$63.3B)
 - EPA

The Agencies

- Electric Grid (\$65B)
 - EPA, DOT, DOE
- Airports (\$25B)
 - FAA
- Surface Transportation and Highways (\$241.2B)
 - DOT (e.g. FHWA, FTA, etc.) → state DOTs, MPOs
- Broadband (\$65B - addressed later in Meagan Bolton's presentation)
 - NTIA, Commerce

Navigating the IIJA + Structuring Projects

- Securing funds
 - Knowing when it's coming
 - Knowing who is making the decision in Washington (or in your state)
 - Knowing what administering agencies are looking for
 - Knowing who the project sponsors – particularly the key financial players (e.g. City and County CFOs, departmental heads)
 - Knowing the right project partners (e.g. expertise in federally-funded projects)
 - Knowing your role in securing funds
- Structuring projects
 - Building the capital stack like you do with other projects, including TADs, bond financing, etc.

The Birmingham Experience

- With ARPA's passage approaching, the City of Birmingham joined with Accelerator for America (AFA) to create a Stimulus Command Center (SCC)
 - SCC model is described by AFA as “executive-level action-focused organizing efforts made up of leaders from the public, private, and civic sectors. They will serve as the local go-to points for planning, prioritizing, and coordinating federal rescue and recovery investments, particularly in areas where we believe we can make substantial impact on racial equity, including Black and Brown small business growth, public procurement, supplier diversity and reinvigorated, reimagined commercial corridors.”
 - With a once-in-a-generation resource environment like the one presented by the last two years of legislative activity, local governments will have to operate differently to fully leverage this environment. Establishing an SCC is how you do it.
 - Do you have an SCC in place? If you don't, why don't you?
 - If you work closely with a local government, the question above is the question to ask.

The Birmingham Experience

- Ice Miller worked closely with the City to stand up the SCC and to advise the SCC's operations, to identify a Chief Recovery Officer, and to bring the City's ARPA and IIJA partners to the table to establish a weekly cadence to discuss IIJA priorities and projects, compliance with relevant federal law, etc.
 - Mayor Woodfin led various roundtables with every local affected agency – City departments, transit, airport, water authority, etc.
 - Ice Miller lobbied the City to hire a Chief Recovery Officer to sit atop the SCC and organize its work. Birmingham hired Chris Hatcher in March 2022 as its CRO to run the SCC's day-to-day operations
 - Ice Miller and the SCC conducted 1:1s with every affected local agency to talk through relevant IIJA programs, old NOFOs or program guidance and identified projects that have become the City's working list of IIJA projects that are paired with IIJA programs, earmark request, FY22 and FY23 funding opportunities, etc. Gaps in project financing = private financing options and other funding sources (e.g. NCRC-GROWTH partnership for affordable homeownership leverage ARPA Funds)

The Birmingham Experience

- The SCC also integrated key external consultants – namely an external grant writing firm, and the City’s external state and federal lobbyists – into the SCC’s operations to ensure full alignment across the City on implementation of all recovery programs (CARES, ARPA, IJA) and major legislation (IRA, Chips and Science) with the federal and state administering agencies.
 - One of the first actions we undertook was to add an external grant writing firm to expand the capacity of the SCC
 - The external grant writing firm, the City’s intergovernmental team, the City’s Civic Design team, and the external lobbyists (Ice Miller and Forbes Tate Partners as well as the City’s state lobbyists) are all regularly monitoring NOFOs, reviewing old NOFOs and grant applications to prepare for new ones, etc.

The Birmingham Experience

- The City recently secured almost \$11 million in EDA grants from the Good Jobs Challenge in part through the work of the SCC.
- The City is currently pursuing the following through the work of the SCC:
 - Rail Crossing Elimination (Planning) - Due 10/11 - In partnership with Norfolk Southern, aiming at select rail crossings on the East Side. Total budget ~\$10M.
 - Reconnecting Communities (Planning) - Due 10/13 - In partnership with BJCTA, aiming at a Transportation Capital Investment plan to prioritize bus, bike, and pedestrian capital projects over the next 5 years. Total budget ~ \$600K.
 - RAISE and/or Reconnecting Communities (Implementation) - Spring/Fall '23 - Implementation of a north-south connection along 16th St from City Walk to Morris Ave, and east-west connection along 4th to 5th Ave N from Civil Rights District to Smithfield.
 - Innovation Engines – The City is participating in UAB’s National Science Foundation application, with their Phase II app due in January to further bolster the City’s emerging tech ecosystem.
 - Brownfields remediation and redevelopment



Jarrod F. Loadholt

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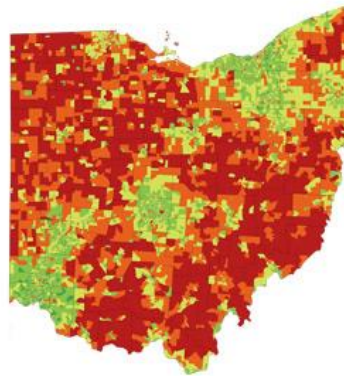
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CDFA Infrastructure Finance Learning Series



5 GHz



Federal Broadband Funding

- Infrastructure Innovation and Jobs Act (IIJA) **\$65 Billion**
 - BEAD **\$42.45 Billion**
 - Middle Mile **\$1 Billion**
 - Affordable Connectivity Program (ACP) **\$14.2 Billion**
 - Qualified Broadband Private Activity Bonds (PABs) **\$600 Million**

IIJA

In 2021, President Biden signed the Infrastructure Innovation and Jobs Act (IIJA) which made a \$65 Billion investment in broadband connectivity. IIJA established the following programs/funding sources:

NTIA

- Broadband Equity, Access, and Deployment (BEAD) Program **\$42.45**
- Enabling Middle Mile Broadband Infrastructure Program **\$1Billion**
- Digital Equity Act Programs **\$2.75 Billion**

Other Programs & Funds

- Qualified Private Activity Bonds **\$600 Million**
- Affordable Connectivity Program (ACP) **\$14.2 Billion**
- USDA RUS Distance Learning, Telemedicine, and Broadband Program **\$2B**

Broadband Deployment

BEAD Program

The BEAD Program is a \$42.45 Billion formula-based grant program administered through NTIA. NTIA is currently undergoing a comment process to receive public views on administering the program.

- **Planning:** Initial funds will be used to support broadband planning and related capacity efforts, from mapping, staffing state/territory broadband offices, to outreach and coordination with local communities.
- **Formula Based Funding:** After a preliminary planning phase and once the FCC releases its maps, funding will be allocated to states based on a formula that considers the number of unserved and high-cost locations in the state.
- **Project Proposals:** States and territories will then propose projects that meet the statutory priorities, prioritized based on level of service available.
 - **Tech Neutral:** The program does not favor particular technologies or providers.
 - **100/20 Mbps Requirement:** Projects will have to meet a minimum speed of 100 Mbps download/ 20 Mbps upload.

Enabling Middle Mile Broadband Infrastructure Program

The purpose of this \$1 Billion grant program is to expand and extend middle mile infrastructure to reduce the cost of connecting unserved and underserved areas to the internet backbone.

- Middle Mile infrastructure is any broadband infrastructure that does not connect directly to an end-user.
- Middle Mile infrastructure supports increased capacity needed to transfer large swaths of data like video streaming.
- NTIA has 6 months to issue a notice of funding opportunity about the new program. Within 9 months after that notice is issued, NTIA will make the grant awards.

Private Activity Bonds (PABs) for Broadband in the Infrastructure Act

- The language in the Infrastructure Act specifically permits qualified broadband projects to be issued as tax-exempt “qualified private activity bonds” (PABs)
 - PABs allow a conduit issuer (national, state, or local; could be a county or municipality depending on applicable state law) to issue bonds on behalf of a private entity, or otherwise allow typically unpermitted private payment or private use applicable to exempt bonds, for qualified broadband projects.
- PABs give access to the tax-exempt capital markets, which is a cheaper alternative to traditional borrowing and provides qualified broadband projects access to a known market for cheaper financing and reduced upfront capital outlay.

PAB Examples:

- 1) As part of a financing of a county-wide qualified broadband infrastructure project, a private entity could work with a conduit issuer to issue tax-exempt PABs on its behalf to pay the costs of the qualified broadband project. The private entity would own the project and either hire an operator/manager or lease the project to broadband provider(s) or a to another third party to operate their network. Though the proposed infrastructure bill language exempts 75% of the qualified broadband project, there would still need to be an available portion of volume cap for the 25% that would could toward the state's volume cap allocation.
- 2) A government-owned qualified broadband project, financed through PABs, and operated and maintained by a private entity through a lease or management contract. Government-owned projects financed by PABs do not require a volume cap allocation.

Affordability

ACP

The Affordable Connectivity Program is a \$14.2 Billion FCC benefit program that extended the Emergency Broadband Benefit Program initiated during the Coronavirus Pandemic.

- The benefit provides a discount of up to \$30 per month toward internet service for eligible households and up to \$75 per month for households on qualifying Tribal lands.
- Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute more than \$10 and less than \$50 toward the purchase price.
- Applicants of the SLFRF program must enroll as providers or provide a similar option.

Digital Equality Act Programs

- **State Digital Equity Planning Grant Program:** \$60 million formula grant program for states and territories to develop digital equity plans.
- **State Digital Equity Capacity Grant Program:** \$1.44 billion formula grant program for states and territories distributed via annual grant programs over 5 years to implement digital equity projects and support the implementation of digital equity plans.
- **Digital Equity Competitive Grant Program:** \$1.25 billion discretionary grant program distributed via annual grant programs over 5 years to implement digital equity projects. Eligible applicants include specific types of political subdivision, agency, or instrumentality of a state; tribal governments; nonprofit entities; community anchor institutions; local educational agencies; and entities that carry out workforce development programs.

BroadbandOhio

The Ohio Broadband Strategy, released in 2019, included a goal of “work[ing] with the Ohio General Assembly to implement a statewide grant program to assist in bringing high-speed internet access to unserved and underserved areas in Ohio,” that focused on the following principles:

- **Serve Unserved & Underserved:** Provide broadband service in areas that are unserved or underserved by broadband at speeds of 25 Mbps download/ 3 Mbps upload;
- **Spur Private Sector Investment:** Incentivize private sector investment in needed broadband infrastructure deployment;
- **Achieve Measurable Results:** Establish sound metrics and eligibility requirements to ensure that grant funds are limited to expanding coverage in eligible areas; and
- **Tailored Technology Solutions:** FOCUS on expanding broadband coverage in the most appropriate manner for the community, as opposed to favoring one type of technology or method over another.

BroadbandOhio

In 2021, Ohio House Bill 2 created the **Ohio Residential Broadband Expansion Grant Program**, focused on the previous principles. This program allows broadband providers to apply for funds to provide last-mile service of at least 25 Mbps download/ 3 Mbps upload to unserved and underserved households.

- Prioritizes unserved households;
- Covers the gap between funds a servicer needs to build the last-mile and what is deemed cost effective;
- Implemented a challenge process to ensure that funding is used to reach homes that lack access; and
- Allows flexibility for broadband technology solutions as long as it provides the requisite speed.

BroadbandOhio

- Applications were due on **November 8, 2021**
- Award announcements were made on **March 18, 2022**
 - more than \$232 million in grant funding awarded;
 - 33 broadband expansion projects receiving funds;
 - 31 counties and more than 43,000 Ohio households impacted.

How Communities Can Use Broadband Funding

- Incentivize construction, acquisition, or leasing of facilities for broadband build out to unserved and/ or underserved areas;
- Bring connectivity to businesses, farms, ranches, and community facilities such as first responders, health care, and schools;
- Middle mile broadband infrastructure;
- Public Wi-Fi projects;
- Partnerships for device and/or wireless hotspot distribution;
- Assistive technologies, and training and support, for individuals with disabilities;
- Low-cost broadband service for low-income consumers;
- Digital equity plans;
- Digital inclusion initiatives (e.g., programming; technical assistance);
- And more.

Attracting Private Partners

Local government policies can encourage and facilitate local broadband expansion through:

- effectively managing local rights-of-way;
- seeking opportunities to reduce buildout costs; and
- alleviating permitting delays.



Meagan M. Bolton

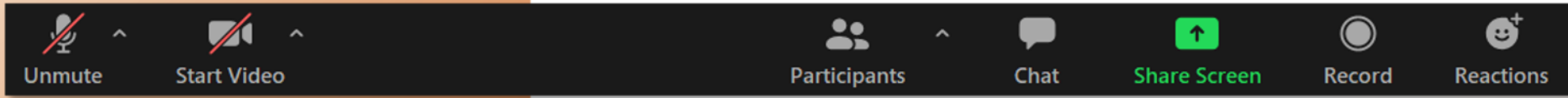
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