

Financing Tools That Make Cents

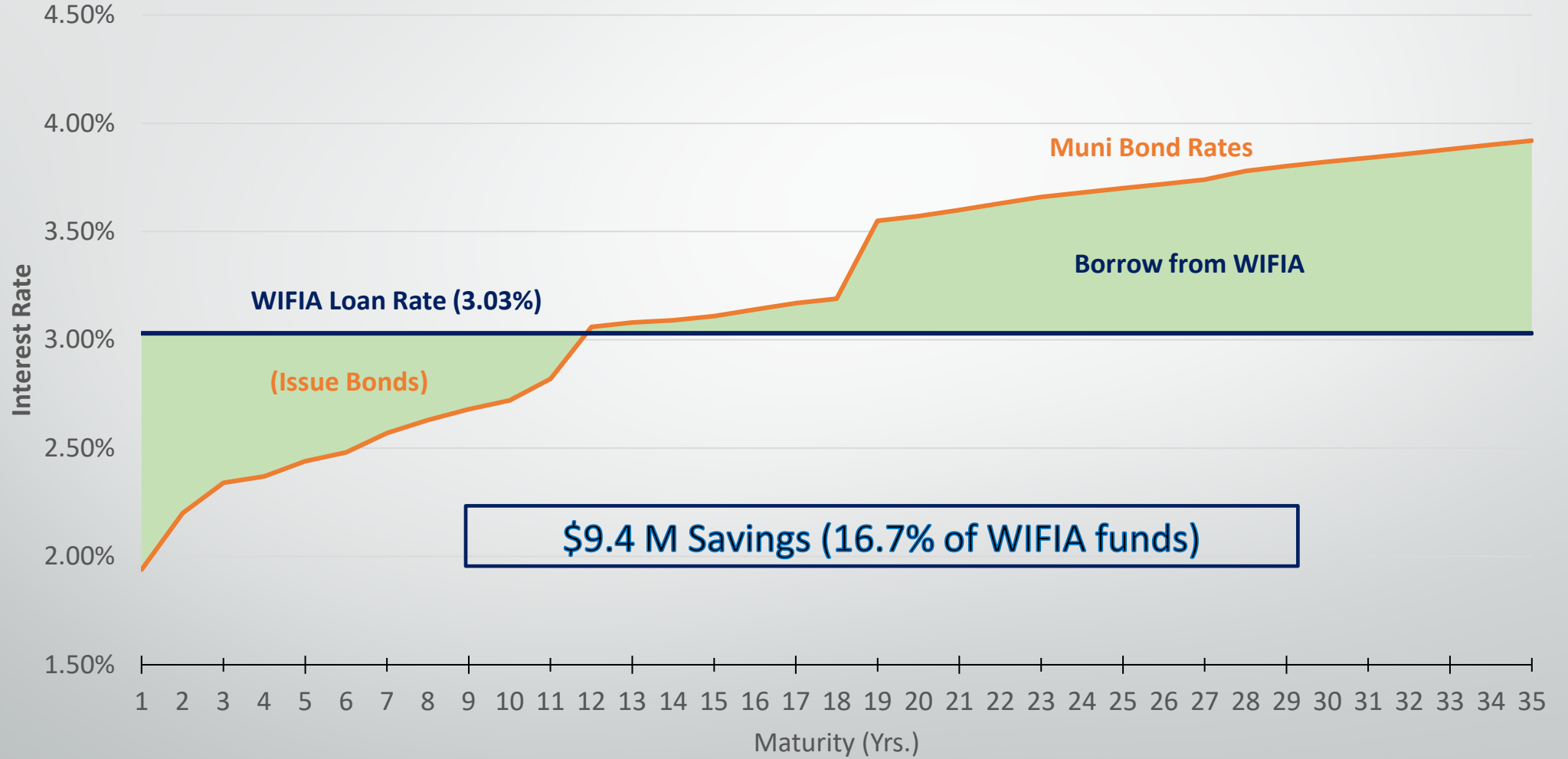
New Jersey Infrastructure Bank USEPA WIFIA Loan Program

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Executive Director



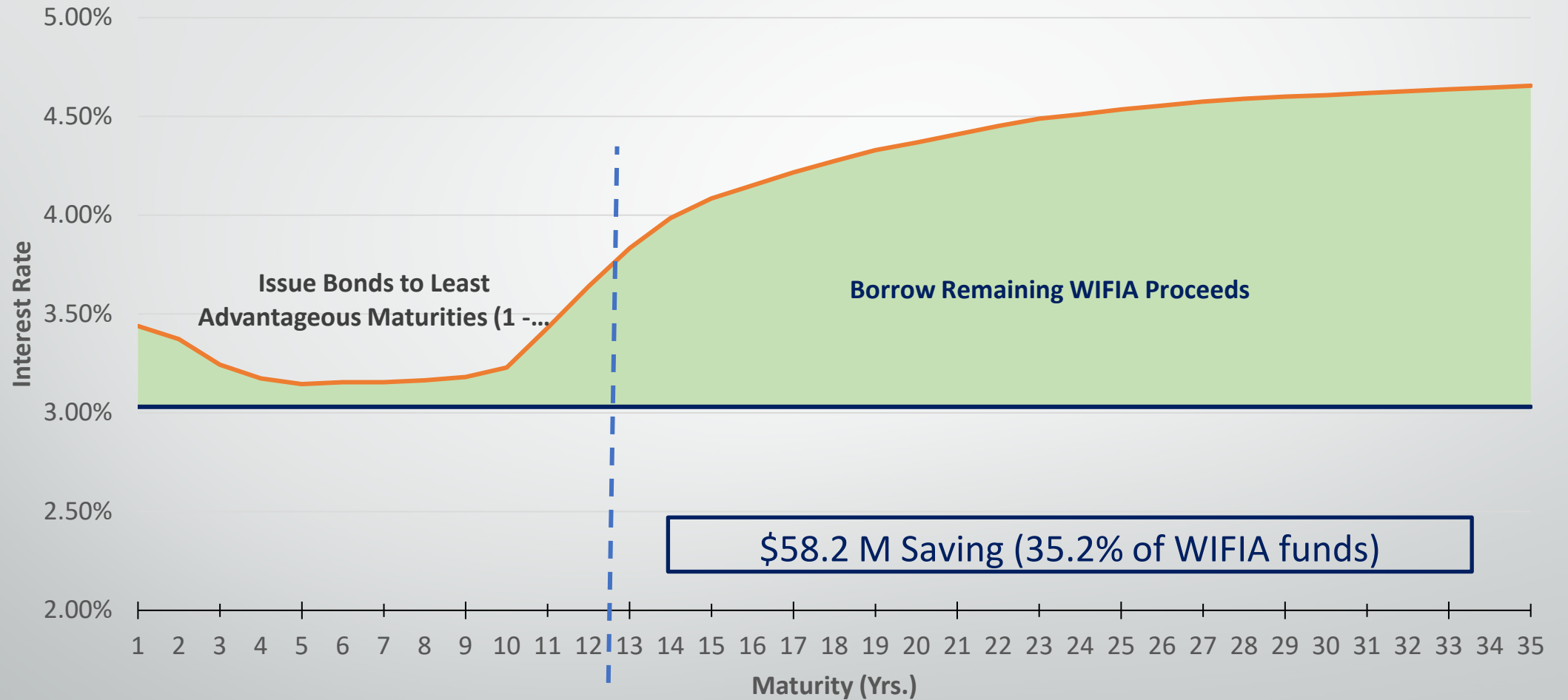
Why Use WIFIA Loan Proceeds (v. Bonds)

\$221.4 M WIFIA Loan: Draw 1 = \$56.4 M Proceeds



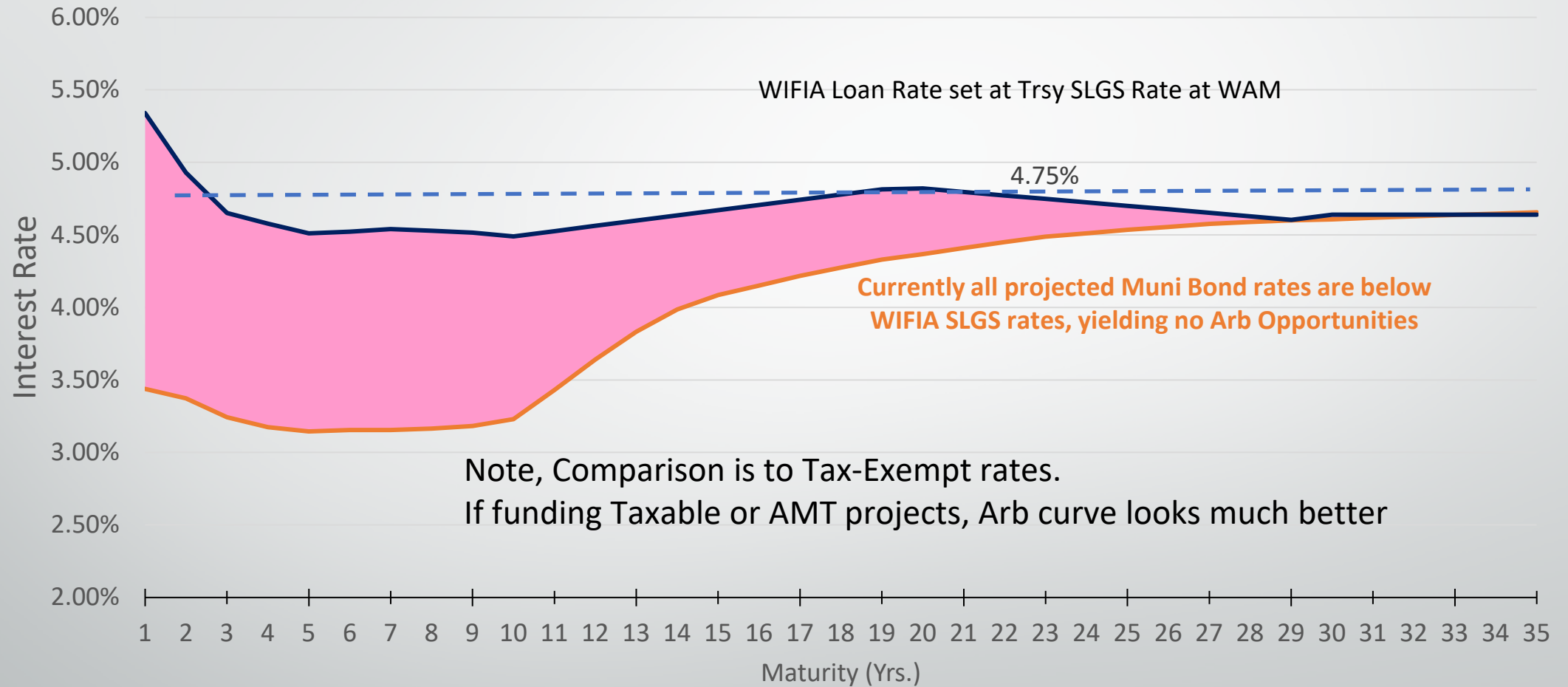
Why Use WIFIA Loan Proceeds (v. Bonds)

\$221.4 M WIFIA Loan: Draw 2 = \$165.0 M Proceeds



Market Conditions Impact Arbitrage

Current Trsy SLGS Rates v. Muni Bond Rates



WIFIA Loan Pros and Cons

PROs

- Potential Savings: \$67.6M on \$221.4M
- Callable at any point
- Taxable – Can fund Private Use w/o AMT
- 1x Reset Option (Whole portfolio resets)
- Fewer Ratings
- No Underwriting Cost (see Expenses)
- Pooled Portfolio substitution
- Helpful / Cooperative staff

CONs

- * Long Negotiation for Indenture
- * 2% Default Penalty
- * Expenses: Legal & Ongoing
 - (1) \$6.82/bond, (2) 0.98/bond
- * No amort pymts until fully drawn
- * Draws on 1st or 15th of month
- * SWIFIA is new – Need patience
- * Market Rate Risk (out-of-the-\$)



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