

Banking on Infrastructure

The case for creating a Connecticut Infrastructure Bank (CIB)

Need

- ▶ 57% of public roads in CT are in poor condition
- ▶ 338 bridges rated as structurally deficient
- ▶ US News and World Report ranks Connecticut #41 of all states in infrastructure quality, making it difficult to attract companies and create jobs
- ▶ A 21st century infrastructure is essential for economic growth

Solution

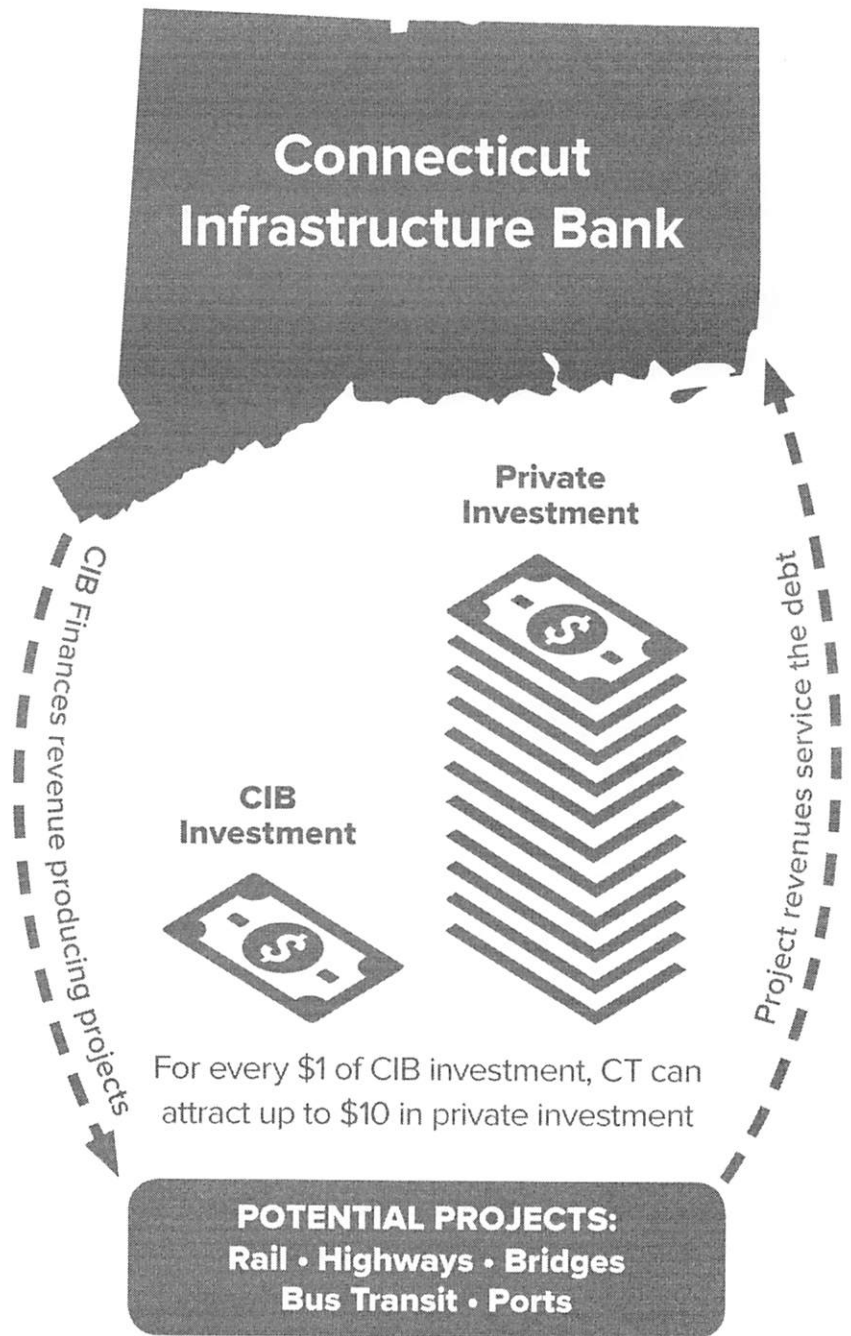
- ▶ A Connecticut Infrastructure Bank (CIB), owned and operated by the state, building on the success of the CT Green Bank (CGB)
- ▶ Equity funded from annual budget or other sources (eg. TCI)
- ▶ State equity leveraged up to 10 times with private debt raised from institutional investors
- ▶ Proceeds used to finance revenue producing projects, like railroads, bus transit, ports highways, and bridges,

Benefits

- ▶ Create a multiplier effect on state funds
- ▶ Economically self sustaining, relying on project cash flows for debt service
- ▶ Unlock access to institutional investors/capital
- ▶ Consolidate expertise for negotiating complex projects with the private sector
- ▶ Allow projects to be funded on a portfolio basis, rather than piecemeal
- ▶ Create jobs and fuel economic growth

Structure

- ▶ Establish CIB as a parallel entity to the CT Green Bank
 - CIB focused on mobility infrastructure
 - Expansion of CGB to include other environmental infrastructure sectors
- ▶ Shared services model between CIB and CGB with common support functions to deliver greater efficiency



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Regional Plan Association