What do state public infrastructure financing institutions (SPIFIs) do?

Much of today's regional economic development toolkit was designed to attract investments that were already economically viable. Tax incentives, grants, and subsidy packages can influence location decisions, but they do little to address the underlying risks that prevent strategic industries from scaling. Modernizing states' economic development toolkits for electro-industrial development can serve three important functions:

Risk Absorption	Reducing project-specific risks and improving project bankability.
Capital Mobilization	Crowding in private capital by providing financing, credit enhancements, and other forms of financial and technical support. SPIFIs can also directly or indirectly provide public capital to strategic industries.
Stakeholder Coordination	Aligning infrastructure investment, manufacturing, corporate and consumer demand, utilities, insurers, and financial institutions around common development objectives and regulatory frameworks.

Source: RMI analysis