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Applying Innovative Financing Tools to New Highway Construction: A Tale of Two States

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MAKING IT HAPPEN.

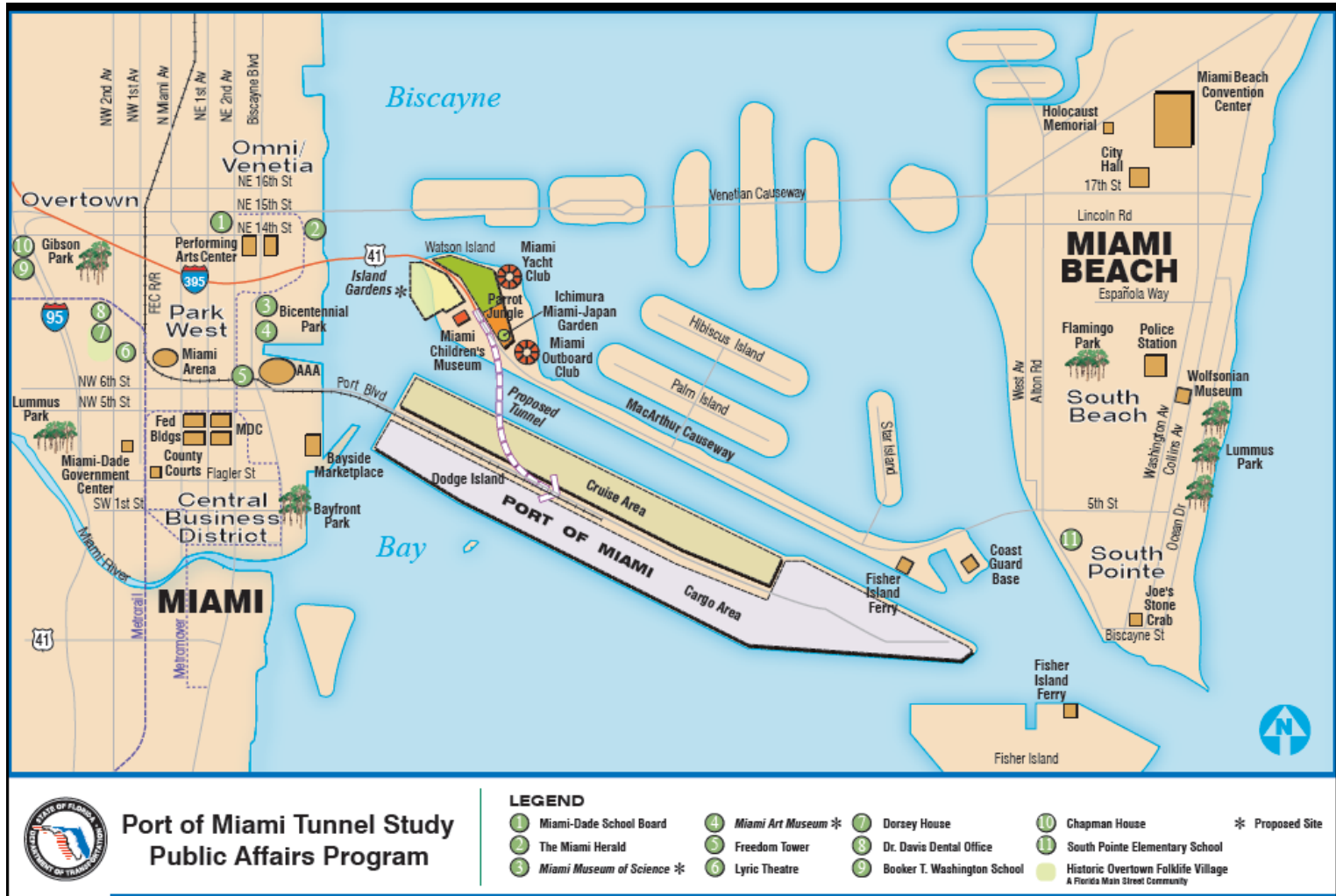
Financing Tools

- Availability Payments
- Private Investment in Future Toll Revenues
- TIFIA
- Private Activity Bonds

Recent Applications of Financing Tools

- Florida Department of Transportation
 - Port of Miami Tunnel
 - I-595 Corridor Improvements Project
- Texas Department of Transportation
 - North Tarrant Express
 - I-635/LBJ Managed Lanes Project

Florida Department of Transportation Port of Miami Tunnel



Florida Department of Transportation

Port of Miami Tunnel

- \$903 million tunnel and bridge project linking Port of Miami on Dodge Island with MacArthur Causeway and I-395 via twin 42' diameter tunnels under Biscayne Bay
- Sponsored by FDOT, in partnership with Miami-Dade County and City of Miami
- 35 year availability payment contract, only second in U.S.
- Best value selection
- Awarded to consortium led by Meridiam Infrastructure Finance and Bouygues Travaux Publics
- Closed financing October 2009
- FDOT payment commitments
 - \$100 million in milestone payments
 - \$32 million maximum annual payment, commencing on project completion/acceptance

Florida Department of Transportation

Port of Miami Tunnel (cont)

- Financing
 - \$80 million private equity
 - \$330 million senior commercial bank debt
 - \$341 million TIFIA loan
- Awards
 - 2007 Project of the Year, *American Road and Transportation Builders Association*
 - 2009 Americas P3 Deal of the Year, *Project Finance International*
 - 2009 Global Deal of the Year, *Project Finance Magazine*
- Engineering Firms
 - FDOT Technical Advisors – Parsons Brinckerhoff and T.Y. Lin
 - Developer Design Engineer – Jacobs Engineering Group

Florida Department of Transportation I-595 Corridor Improvement Project



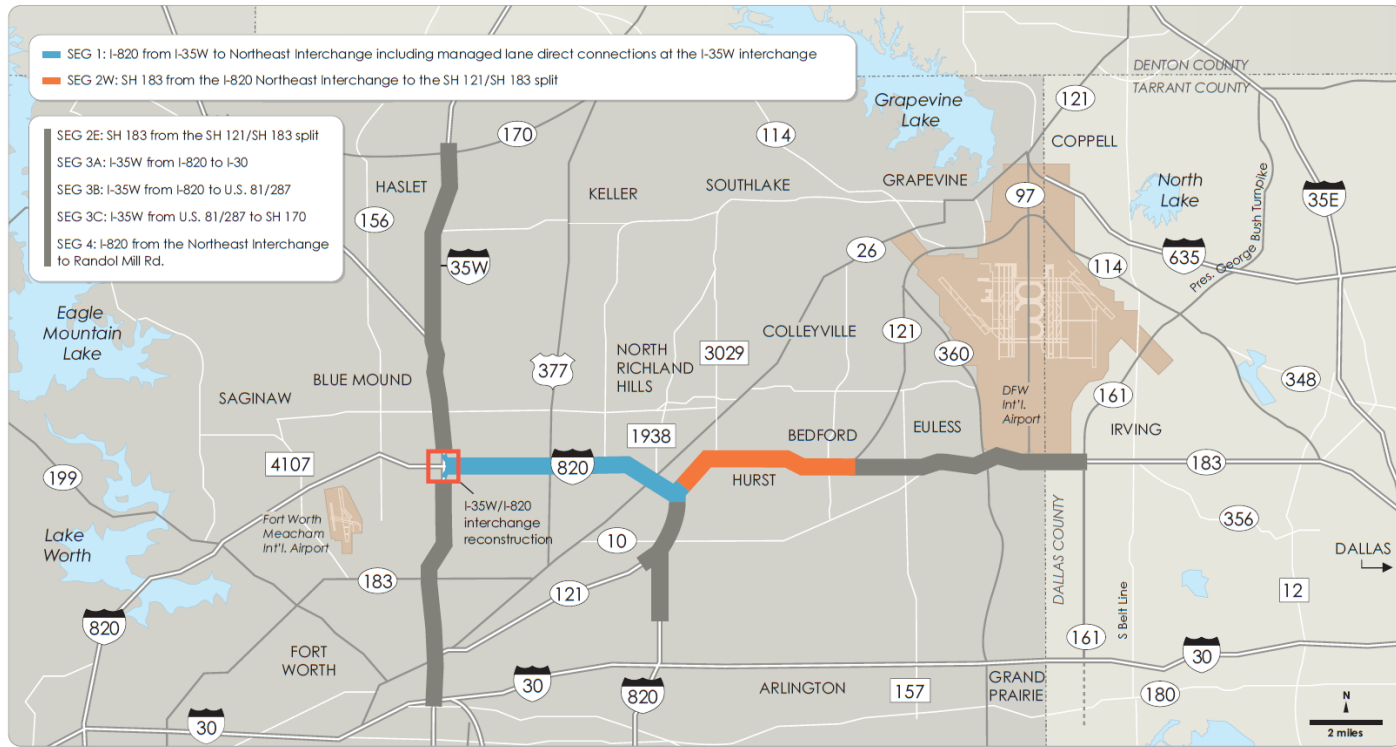
Florida Department of Transportation I-595 Corridor Improvements Project

- 10.5-mile section of I-595 corridor in Ft. Lauderdale, including resurfacing of existing roads, addition of auxiliary lanes/ramps and new reversible express toll lanes
- 35-year availability payment contract, first in U.S., which accelerated project completion by more than 20 years
- Best value selection
- Awarded to ACS Infrastructure Development/Dragados
- Despite complete chaos in financial market, reached financial close March 2009

Florida Department of Transportation I-595 Corridor Improvements Project (cont)

- \$1.8 billion in financing, including:
 - \$208 million private equity
 - \$781 million senior commercial bank loan
 - \$678 million TIFIA loan
- Awards
 - 2009 Project of the Year, *American Road and Transportation Builders Association*
 - 2009 North American Transport Deal of the Year, *Project Finance Magazine*
- Engineering Firms
 - FDOT Technical Advisor – Reynolds, Smith & Hills, Inc.
 - ACS Design Engineers – AECOM/EarthTech

Texas Department of Transportation North Tarrant Express



Configuration as proposed in Regional Mobility 2030 Plan**

SEG*	Roadway and Limits	Existing lanes (Each dir.)	Frontage lanes (Each dir.)	General purpose lanes (Each dir.)	Managed lanes (toll) (Each dir.)	Frontage lanes (Each dir.)
1	I-820 from I-35W to Northeast Interchange including managed lane direct connections at the I-35W interchange	2	2 [^]	3 [^] [^] [^]	2	2 [^]
2W	SH 183 from the I-820 Northeast Interchange to the SH 121/SH 183 split	3	2 [^]	3	3	3 [^] [^]

* Segments identified by number do not denote priority or sequence. ** All segments will include one-way frontage roads at identified locations and connections to all existing and proposed improvements. [^]Discontinuous. ^{^^}Continuous.
^{^^^} 3rd lane each direction deferred.

Texas Department of Transportation

North Tarrant Express

- P3 agreement to design, build, finance, and operate managed lanes and upgrade existing facilities in 36-mile corridor in Dallas and Tarrant counties
- Awarded to Cintra/Ferrovial/Meridiam – led consortium
- \$204 billion first segment – 13 miles
- Financial close of toll concession for first segment - December 2009
 - \$420 million private equity
 - \$400 million private activity bonds
 - \$650 million TIFIA loan
 - \$570 million state funds

Texas Department of Transportation

North Tarrant Express (cont)

- Subsequent Segments – 23 miles (toll concession under current negotiation)
- Awards
 - 2009 Global Transport Deal of the Year, *Infrastructure Journal*
 - 2010 P3 Project of the Year, *American Road and Transportation Builders Association*
- Engineering Firms
 - Texas Department of Transportation: HDR Engineering and HNTB
 - Cintra: Aguirre & Fields
 - Independent Engineer: CH2M Hill

Texas Department of Transportation I-635/LBJ Managed Lanes Project



- 6 Managed HOV Lanes
- 6 Subsurface Managed HOV Lanes
- 6 Elevated Managed HOV Lanes
- 4 Managed HOV Lanes

Texas Department of Transportation I-635/LBJ Managed Lanes Project

- \$2.7 billion, 17 mile project in Dallas area
 - Construction of new managed lanes
 - Improvement of existing facilities
- Largest greenfield highway P3 in U.S. history
- Best value selection
- Toll concession awarded to Cintra/Dragados/Meridiam – led consortium
- Includes Dallas Police & Fire Pension System, first U.S. pension fund to invest directly in P3

Texas Department of Transportation I-635/LBJ Managed Lanes Project (cont)

- Financial close June 2010, including:
 - \$664 million private equity
 - \$615 million in private activity bonds
 - \$850 million TIFIA loan (2d largest in U.S. history)
 - \$489 million public funds
- Awarded 2010 P3 Project of the Year, *American Road and Transportation Builders Association*
- Engineering Firms
 - Texas Department of Transportation: Carter Burgess, Halcrow and HNTB
 - Cintra: Bridgefarmer and Associates
 - Independent Engineer: URS

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- Your questions, comments...

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