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

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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

- $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
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
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
Your questions, comments…

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