

Proactive Strategy



In Miami's hyper-active media and political environment every public infrastructure project has the potential to become a local "hot-button" issue—and mastering community relations and public outreach tactics is now as important as engineering and construction aptitude.

Obama's Tunnel Visit





Local Importance of PortMiami



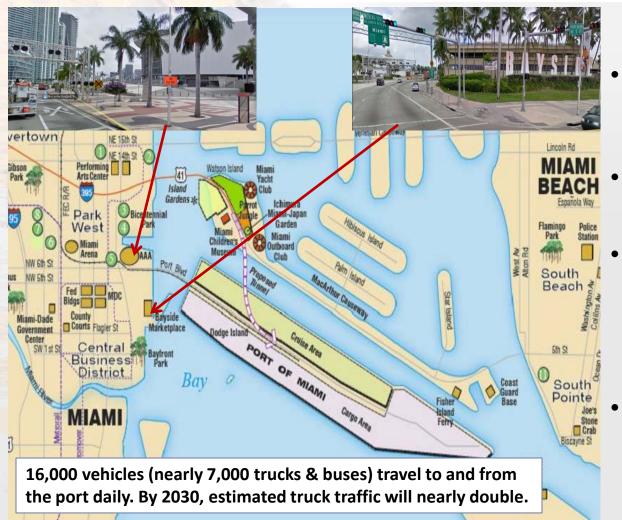
PortMiami is the cruise capital of the world, the 11th national cargo port and the top seaport in Florida based on containerized shipments

- \$15 billion in imports/exports
- 180,000 jobs
- \$6.4 million in wages
- \$18 billion in economic output
- More than a dozen shipping lines servicing 250 ports
- More than 4 million cruise passengers in FY 2011-2012



Project Benefits

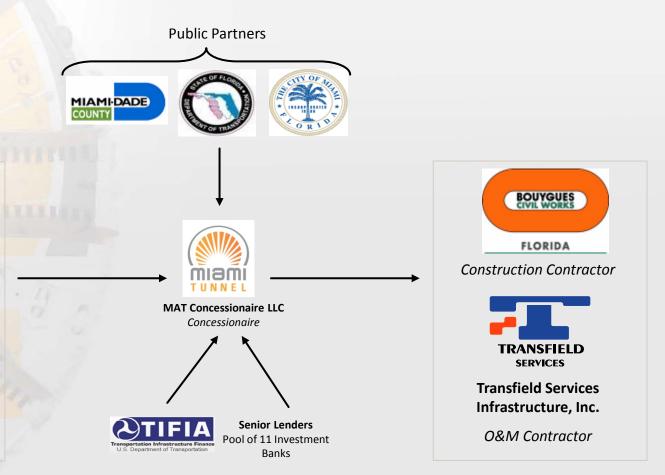




- Provide a direct connection between the Seaport, Airport and the Interstate Highway System
- Maintain PortMiami as the county's second leading economic generator
- Relieve congested downtown Miami streets of Port passenger and cargo traffic, improving safety as trucks also traverse areas of pedestrian activity.
- Facilitate ongoing and future development plans in and around downtown Miami

Project Partners





Financing

meridiam

90% Equity Partner

BOUYGUES TRAVALIX PUBLICS

10% Equity Partner

Public-Private Partnership



- Project structured as a PPP
- Concessionaire will design, build, finance, operate and maintain tunnel for 35 years
 - Design & Construction first 55 months
 - Operate & Maintain remaining 30 years and 5 months through facility hand-back
- No tolls allowed in the Concession Agreement
- Concessionaire compensated through
 - Milestone payments during construction period
 - Availability payments during operating period

Finance Deal of the Year



The Successes of the POMT Deal

- Removed traffic risk out of the equation
- **TIFIA Loan funding**
- 10 Banks provided additional **funding**
- **Geology contingency fund**

Deals of the Year 2009 Americas

North American PPP Deal of the Year 2009

Port of Miami Tunnel: **Dramatic presence**

The \$1.062 billion Port of Miami Tunnel financing would be noteworthy and influential even without the most gripping backstory of any project to close in 2009. No deal came so close to death and survived, no deal dealt with such a complex set of risks, and no deal - in the end - had so few detractors in the bank market.

The tunnel financing was meant to be the first availability payment-based deal in the US, and the first PPP deal in Florida. The demise of Babcock & Brown put paid to that, allowing ACS I-595 financing to squeak in and take both titles. But if I-595 looked like a less arduous process (though it richly deserves its firsts), it dealt with a less complex feat of engineering.

The Florida Department of Transportation started work on ness to back its obligations to PPP deals, although FDOT staff the tunnel first, learned to navigate the demands of the bank murket with both deals, and thanks to both has arguably the best-regarded PPP programme in the US. With the tunnel it took sole counterparty to the 35-year concession. along Miami-Dade County and the City of Miami for the ride. Both of these partners were key to reviving the deal.

The tunnel will run for 1.2km under Biscayne Bay between Watson and Dodge Islands. It is designed to carry heavy goods geological conditions that places an initial small burden on of Miami, on Dodge Island without a detout through Miami's smaller amount on Bouygues. Banks' ability to work creatively downtown. Like many ambitious US engineering projects, it has around these two issues would have made the Poet of Miam been under study for decades.

Bill Thorp, then the chief financial officer of Florida's Turnpike Enterprise, and subsequently the acting CFO of FDOT, financing - the TIFIA debt will stay until the end of the concesthough now retired, first came to Project Finance's US infrastructure forum in 2006, soliciting sponsor and lender feedback about the state's first PPP deal. Several market participants were strated the value of banks in understanding complex construcsceptical that it could transfer the risk of such an undertaking to

traffic risk out of the equation. If the department wanted to move traffic out of downtown, it could not let a private operator set starting point. tolls in the tunnel. The record of financings for tolled urban tunnels has suggested it was right to do so.

The department wanted - needed - a contractor capable of and willing to build a tunnel under the bay on time and on budget. It got three responses to its request for proposals, from Babcock & Brown/Bouygues, Morgan Stanley/FCC and Dragados/Odebrecht. Babcock & Brown, which had replaced ABN AMRO after the shortlist stage, and Bouygues came in with the lowest bid, and their consortium, Miami Access Tunnel, was named preferred bidder in February 2008.

The department wanted to use a monoline-wrapped private activity bond to finance the tunnel, hoping to free up TIFIA loan capacity for other projects. The sponsors engaged Lehman Brothers to underwrite the bond. As the monolines weakened, the deal had to be reconfigured to account for a bank option. and progress on this front was slow into the middle of 2008.

The implosion of Babcock & Brown was a near-fatal blow. Whether mindful of the earlier switch of bidders or despairing at closing anything in the debt market of late 2008, FDOT

It was revived thanks to a combination of sustained pressure from state, county and city politicians, the ability of the department to line up a TIFIA loan at short notice, and the attractiveness of the Bouygues design-build contract. Bouygues stuck coolly by the PPP deal, probably realising that a conventional procurement was not an alternative.

In May 2009, the department acceded to Meridiam taking over from Babcock & Brown, and a month later the Meridians

Bouygues consortium reached commercial close. After blowing only slightly a 30 September 2009 deadline, banks, sponsors and government reached financial close on 15 October

The \$341 million 35-year TIFIA loan, which has an interest rate of 4.31%, performs the same function as a bond tranche on PPP deals elsewhere, as the primary financing for the operational part of the concession. A club of ten commercial banks, which provided subscriptions sufficient to cover the debt three times, is mostly exposed to construction risk.

The bank piece breaks down into a \$314 million 5-year loan that will be repaid at completion with acceptance payments from the grantor, and a small \$28 million 6-year loan to be repaid with the first of the availability payments. The debt is priced at 300bp over Libor, and swapped to a fixed rate of 6.63%The ten banks are BBVA (documentation agent), BNP Paribas (administrative agent), Calvon, Dexia Credit Local, ING, RBS, Santander, Society Generale, UniCredit and WestLB.

Banks' biggest concerns were appropriations risk and construction risk. The I-595 reassured them about Florida's willing spent considerable amounts of time making sure that city and county obligations to it were strong enough, because FDOT was

The construction risk took a little more time to resolve, becau it was unique to the tunnel. State and contractor have come up with a contingency for cost overruns resulting from unexpected and cruise traffic from the interstate highway system to the port Bouygues, then a larger chunk on the state and then a final Tunnel a landmark deal regardless of the context

There will be no second act in the Port of Miami Tunne sion, and thanks to the acceptance payments there will be no slack left to refinance post-completion. But the deal demon tion risks, and the two Florida deals demonstrated the centrality of TIFIA to the US PPP market. If TIFIA financing becomes less The first and smartest move that FDOT made was to move plentiful, and sponsors have to work out how to coordinate bank and bond tranches, these two deals will serve as a good

iami Access Tunno

Status: Closed 15 October Size: \$1.062 William

Location: Miami, Florida Description: 35-year DBFO concession to build a 1.2km tunnel and

associated access made Sponsors: Meridiam (90%), Bouygues (10%)

Equity: \$80 million

Debt: \$322 million in five-year commercial bank debt, \$22 million six-year loan and \$341 million 35-year TIFIA loan, \$40 million in capitalized TIFIA interest

Lead arrangers: BBVA (documentation agent), BNP Paribas (administrative agent), Calyon, Dexia Credit Local, ING, RBS, Santander, Societe Generale, UniCredit and Westl.B.

O&M contractor: Transfield

Sponsor advisers: Davies Ward Phillips & Vineberg (logal insaction), Greenberg Traurig (legal - Florida), Macquarie (financial), Barclays Capital (financial)

Lenders' advisers: Arup (engineer), Willis (insurance) Banks' legal advisers: Milbank Tweed; Rogers Towers TIFIA advisers: Hawkins, Delafield & Wood (legal), Scully Capital

FDOT advisers: Jeffrey Parker & Associates (financial) Nossamas (legal), Parsons Brinckerhoff and TY Lin (technical) and Marsh

Scope of Work

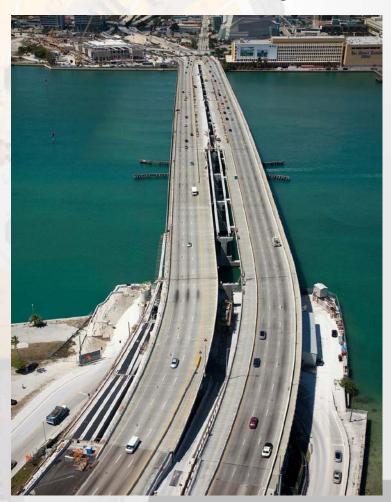


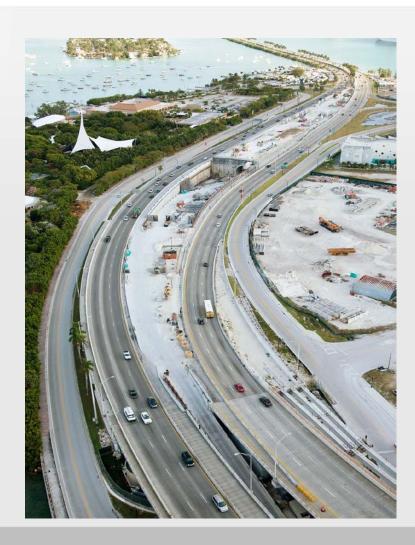


MacArthur Causeway Bridge Widening & Watson Island



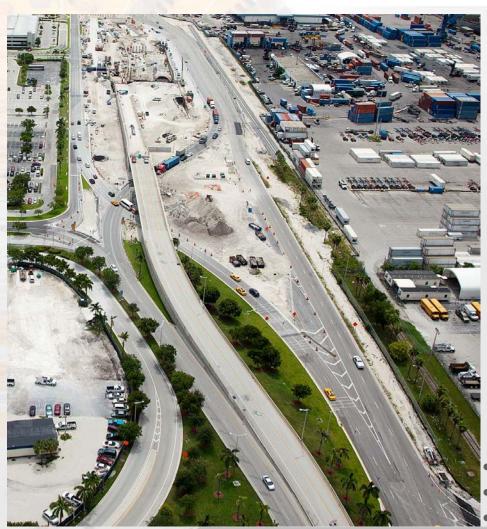
18 Piers and 28 beams are being added





Dodge Island Roadway Improvements



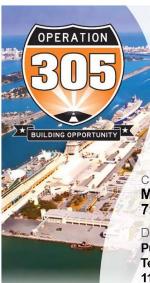




- Construction of Eastbound & Westbound Port Blvd.
- South Cruise Boulevard
- **Internal Roadways**

Operation "305"





Operación 305, es una

iniciativa nueva la cual estimulará contratos locales

La inscripción está abierta a todos los empresarios de

ganancias recaudadas de la Exposición es a beneficio del Miami Children's Museum.

pequeñas y medianas

empresas y/o a sus representantes. Parte de las

para el proyecto de construcción del Túnel al Puerto de Miami. ¡Venga y DBE, WBE y todas las empresas pequeñas y medianas! Únanse al equipo de Miami Access Tunnel para la

Exposición de Contratistas & Proveedores

Cúando:

Miércoles, 1 de diciembre, 2010 7:30 – 10 a.m.

Dónde:

Puerto de Miami Terminal J 1120 Caribbean Way Miami, FL 33132

Pre-Inscripción es \$25 (\$35 el día del evento)

Inscribase en línea en el: TunnelOperation305.com

Para más información, favor llamar a Carlos Terán al (305) 948-8063, ext. 206

Por favor traiga identificación con foto para presentar en la entrada del puerto





La fecha de pre-inscripción es el 26 de noviembre, 2010.





Operation "305"



Harriet – Tunnel Boring Machine





- TBM weighs *3,000 tons*
- TBM cutter head with an outside diameter of 42.3 feet (as high as a 4 story building)
- 361 foot long trailing support gear made up of 6 gantries
- Total length of the TBM is 428.5 feet long (more than a football field).

Girl Scouts Program & TBM Naming Contest





MAT held the following activities with the Girl Scouts STEM (Science, Technology, Engineering & Math) program:

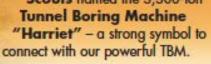
- TBM Naming Contest Kick-off and Educational Program
- TBM Naming Contest Award Ceremony, where Harriet was announced
- Customized MAT Badge (for their sashes) for participation in our educational program.

Harriet Ad in the Miami Herald





Harriet Tubman, passionate abolitionist and women's suffrage advocate, embodied the bold spirit of this community. Her Underground Railroad escape missions not only guided slaves to freedom, but launched her life-long push for equal rights. This legacy is why the Council of Tropical Florida Girl Scouts named the 3,300-ton Tunnel Boring Machine





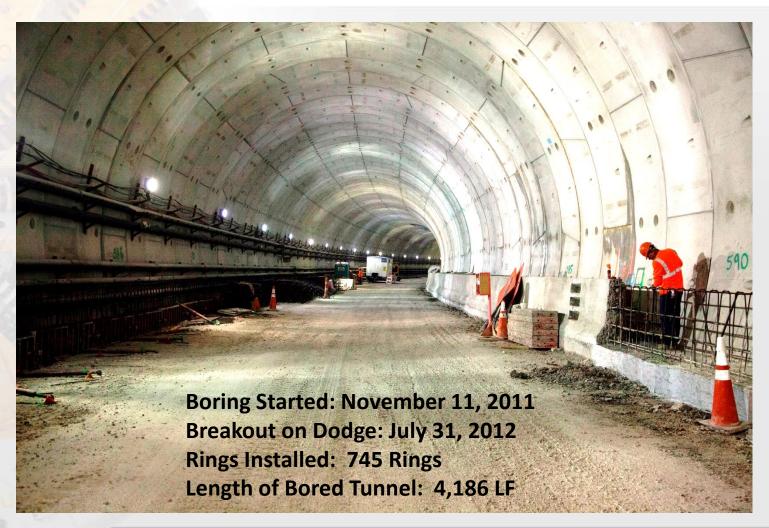
We're building more than a tunnel; we are creating hope in young lives. Together, let's show future engineers, technologists and geologists what South Florida's imagination and can-do attitude will accomplish.

Visit PortofMiamiTunnel.com to learn more.



Eastbound Tunnel Interior





TBM Breakout





July 31, 2012

- More than 500 attendees
- Every local news organization
- National media coverage
- Live Breakout with TBM crew describing what was happening as machine broke out

Westbound Tunnel Interior





Media Relations





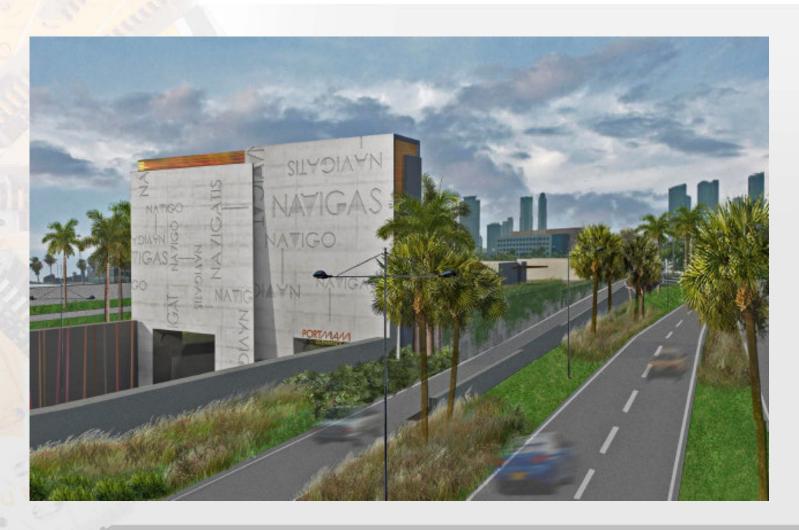


Media Events

- Groundbreaking
- TBM ship arrival
- TBM cutter -head lowering
- Site tours
- TBM Launch
- TBM Breakouts EB & WB

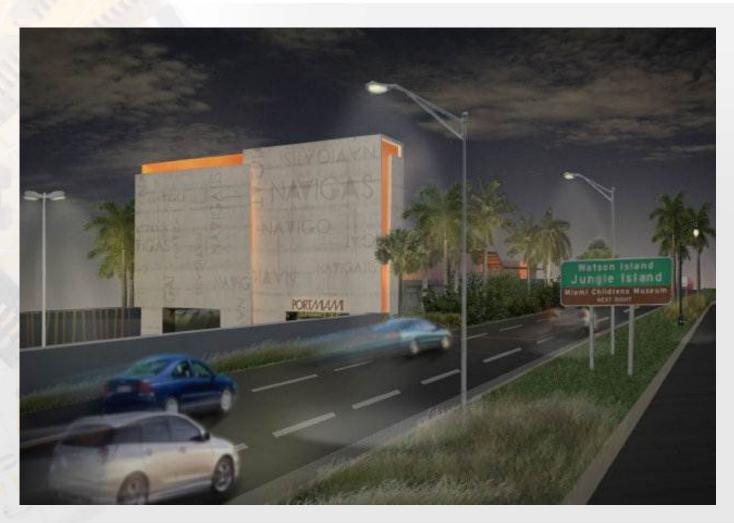
Dodge Island Tunnel Portal





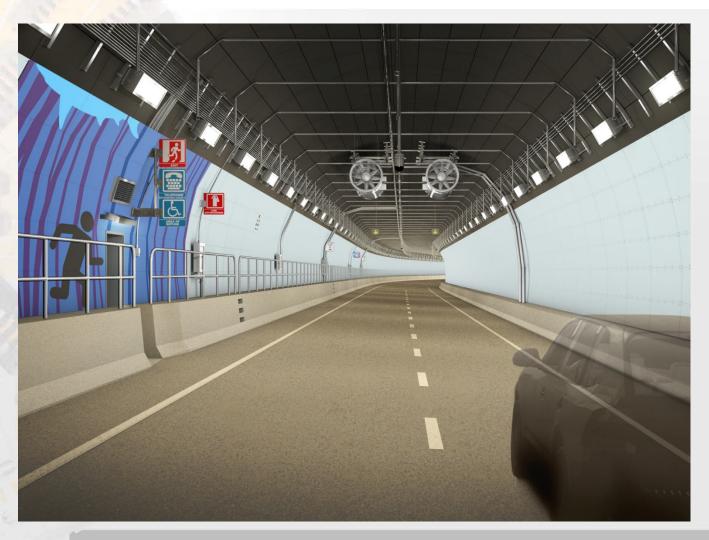
Watson Island Tunnel Portal





Tunnel Interior





May 15, 2014 – Substantial Completion

Education Outreach School Program and National Engineering Week



Tunnel Boring Machine Naming Contest - Girl Scouts Program



In the Community



Media Outreach Site Tours

Vendor, Suppliers & Employment Outreach





Community Partnerships























Laborers'
International
Union of
North America





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Obama's Tunnel Visit





