

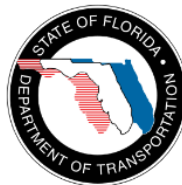
Innovative Financing in the Transportation Sector: A Government Agency Perspective

Florida Department of Transportation

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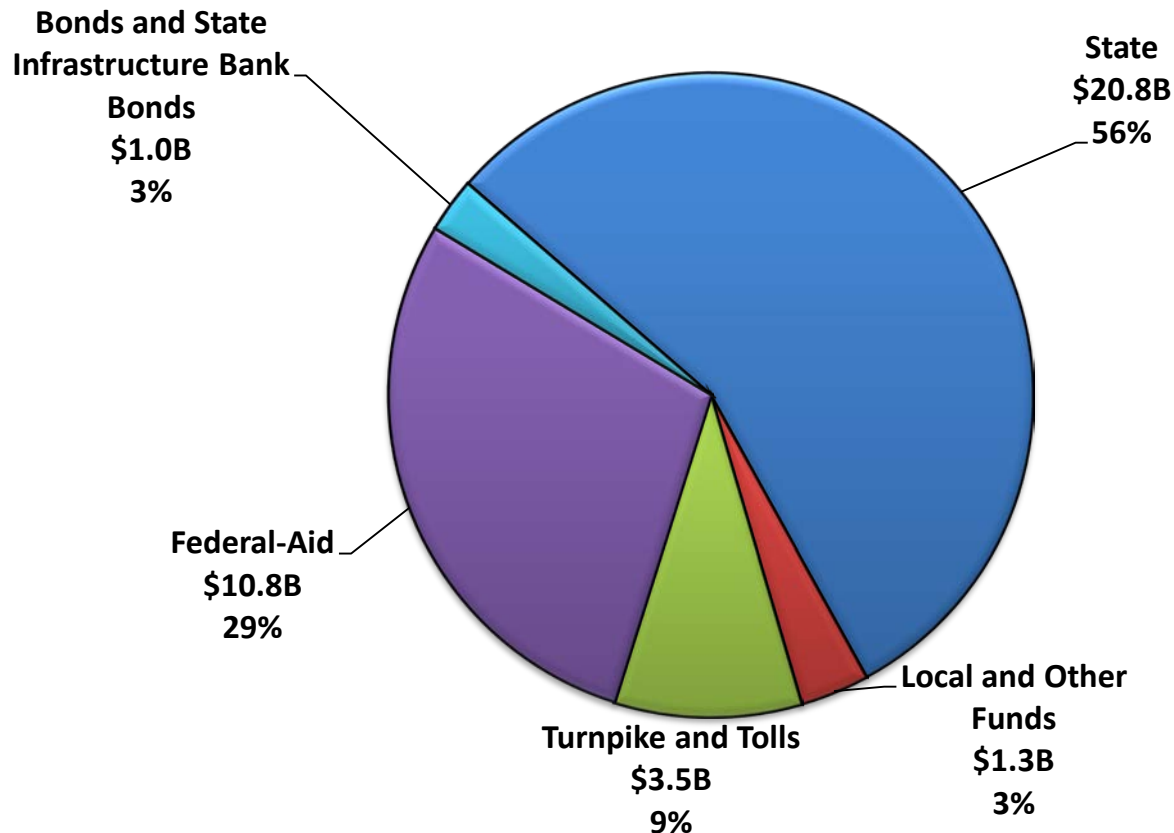
Issues Facing Transportation Infrastructure Needs

The Historical Approach Will Not Meet Future Needs

- Gas tax is unsustainable
- Federal government lacks long-term strategy
- Aging infrastructure
 - Washington bridge
- Florida is better positioned than other states, is ranked #1 in infrastructure, but needs are increasing:
 - Florida has over 19 million residents & will be the 3rd most populous state in a few years
 - Over 91 million visitors in 2012

FDOT Five-Year Work Program

Diversification of Funding Sources Will Be Key in the Future



TOTAL 5-YEAR TENTATIVE WORK PROGRAM \$37.4B

Innovative Financing Tools

FDOT Looking to Expand Its “Toolkit”

Bonding Options

- Seaports
 - ✓ New revenue stream of \$10M per year
 - ✓ State Board of Administration plans to issue bonds in the Fall - \$150 - \$200M
- Turnpike Revenue Bonds
- Right of Way & Bridge Bonds
- Toll Facility Revenue Bonds (new)

Innovative Financing Tools (cont'd)

FDOT Looking to Expand Its “Toolkit”

MAP 21

- Tolling Options

Public-Private Partnerships (P3)

Federal programs to meet growing infrastructure needs

- TIFIA
- Private Activity Bonds (PABs)

Innovative Financing Tools (cont'd)

FDOT Looking to Expand Its “Toolkit”

State Infrastructure Bank (SIB) - \$1.2B awarded – 75 Projects

Federal

\$381.4M awarded

\$1.2B leveraged

35 projects

State

\$804.9M awarded

\$7.4B leveraged

40 projects

\$8.6B in projects leveraged

Types of Transportation P3s

P3 Financing Structures

Contractor-Financed Projects

- Design Build Finance or Build Finance
- Construction complete on five P3 projects
- Seven projects are currently under design/construction
- Typically advanced 3 to 5 years
- Typically \$100 - \$600 million
- Projects include:
 - ✓ Palmetto 5 (\$564M) – under construction
 - ✓ Palmetto 2 (\$192M) – construction complete
 - ✓ US 1 (\$114M) – unsolicited proposal, construction complete
 - ✓ I-95 Express Lanes (\$139M) – construction complete

- **Design**
- **Build**
- **Finance**

Types of Transportation P3s (cont'd)

P3 Financing Structures

- Toll Concession (not currently used by FDOT)
- Availability Payment Concessions
 - I-595
 - Port of Miami Tunnel
 - I-4 Ultimate

- **D**esign
- **B**uild
- **F**inance
- **O**perate
- **M**aintain

I-595 DBFOM

Financing:

- ✓ Final acceptance & availability payments
- ✓ Financed with TIFIA, bank loans, & private equity

Benefit:

- ✓ Adds 3 at-grade reversible tolled express lanes & significant corridor improvements

Key Decisions:

- ✓ Tolls set & retained by FDOT
- ✓ Concessionaire - 30-year O&M agreement

Key Dates:

- ✓ 1989 – Original facility opens to public
- ✓ March 2006 – PD&E completed
- ✓ July 2007 – P3 Industry Forum
- ✓ March 2009 – Contract executed
- ✓ June 2014 – Anticipated opening to public

Cost: \$1.2B



Project website: <http://www.i-595.com/index.asp>

Port of Miami Tunnel DBFOM

Financing:

- ✓ Milestone, final acceptance & availability payments
- ✓ Financed with TIFIA, bank loans, & private equity

Key Decisions:

- ✓ No tolls
- ✓ Technical / geotechnical risks with tunnel
- ✓ Concessionaire - 30-year O&M agreement

Benefits:

- ✓ Improved access to the Port
- ✓ Increased traffic safety in downtown Miami

Key Dates:

- ✓ March 1982 – MPO adopts a plan
- ✓ October 1989 – PD&E begins
- ✓ December 2005 – FDOT hosts P3 Industry Forum
- ✓ October 2009 – Contract executed
- ✓ May 2013 – Second tunnel completed (first tunnel completed July 2012)
- ✓ May 2014 – Anticipated opening

Cost: \$607M



Project website: <http://www.portofmiamitunnel.com>



Future Project: I-4 Ultimate DBFOM

Financing:

- ✓ Milestone, final acceptance & availability payments
- ✓ FDOT seeks to make TIFIA/PABs available to support private financing

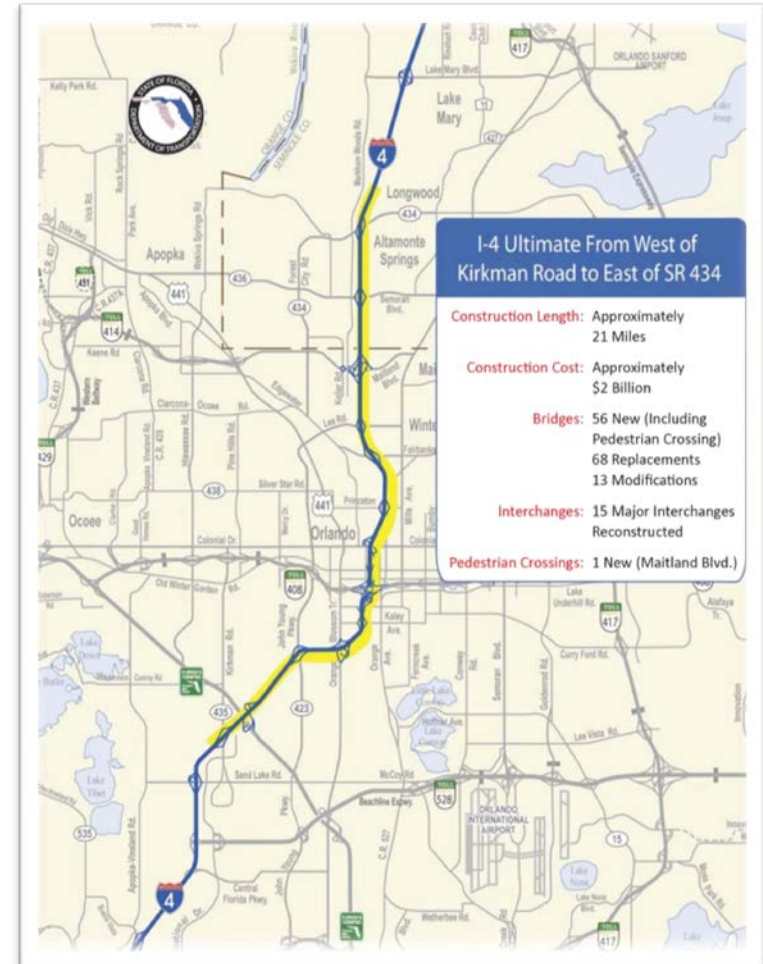
Key Decisions: 21 miles at one time, size & complexity of project

Benefit: Major interchanges & bridge reconstruction; addition of express lanes to provide congestion relief & improve safety

Key Dates:

- ✓ 1996 – Start PD&E
- ✓ 2000 – present: various environmental approvals & re-evaluations
- ✓ 2005 – ROW acquisition begins
- ✓ Industry Forum – March 4, 2013
- ✓ Advertisement – March 8, 2013
- ✓ Contract Executed- Summer 2014
- ✓ Construction Start – Fall/Winter 2014

Cost: \$2.1B



Project Website: <http://www.moving-4-ward.com>

Miami Intermodal Center (MIC)

Financing:

- Transaction fees on rental car customers used for Rental Car Facility (RCF) construction and O&M
- State and Federal funding (includes 2 federal TIFIA loans for \$270M)

Key Decisions: Decongestion of roadways around airport, consolidate rental car companies in one facility, create a central station with different modes of transportation

Benefit: Will provide connectivity via various modes of transportation, making regional travel easier for residents & visitors

Key Dates:

- ✓ May 2008 - Major roadway improvements completed
- ✓ July 2010 - Rental Car Center opens
- ✓ September 2011 - MIA Mover opens
- ✓ Miami Central Station - Under construction, scheduled for completion early 2014

Cost: \$2B Ground Transportation Hub



Project Website: <http://www.micdot.com/index.html>

Conclusion

- The Department considers multiple options to advance priority projects.
- The P3 approach is considered one tool in the toolbox
- Appropriate when there is a good business case demonstrating cost effectiveness or value for money