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Florida DOT Closes on I-595 P3 in Broward County

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By [Shelly Sigo](#)

BRADENTON, Fla. - The Florida Department of Transportation Tuesday closed on the \$1.8 billion Interstate 595 project in Broward County with I-595 Express LLC, a consortium whose main sponsor and equity partner is ACS Infrastructure Development.

The project is the state's largest public-private partnership and the first concession of its kind in the U.S. that is based on availability payments.

Under a 35-year contract, the concessionaire will be solely responsible for designing, building, financing, operating, and maintaining the 10.5-mile-long project that will accelerate improvements by 15 years sooner than previously planned. Construction is expected to begin this summer and be completed in the spring of 2014.

A portion of the project will include reversible ground-level express lanes with variable tolls. The DOT will receive the toll revenue and control the rates, and will repay the concessionaire annually through availability payments when the project opens to traffic.

"This project will also boost the economy by getting shovels in the dirt and supporting more than 34,000 jobs in the region," Gov. Charlie Crist said in a news release yesterday formally announcing closing on the concession contract.

DOT Secretary Stephanie Kopelousos said in a statement, "This is a landmark project for three reasons: it produces jobs, provides relief to our motorists on an accelerated timetable, and promotes innovative contracting solutions."

I-595 Express will finance the project with \$210 million of equity, senior financing of \$780 million in 10-year loans with 12 banks, and a \$680 million, 35-year Transportation Infrastructure Finance and Innovation Act loan that closed on Monday.

The TIFIA loan is structured as a long-term, low-cost loan with capitalized interest providing affordable financing that helped move the project forward, U.S. Department of Transportation spokeswoman Nancy Singer said yesterday.

"The loan features a lengthy interest-only period," Singer said. "That's one of the things we try to do with TIFIA [loans] - we try to make it as flexible as possible with the repayment terms and certainly in this environment it is attractive."

Initially, the use of private-activity bonds had been contemplated by the consortium. However, a market expert said disruption in the credit markets would have made it difficult - if not impossible - to sell nearly \$800 million of debt rated in the single-A category or less.

The consortium will build three reversible high-occupancy toll lanes in the median along 10.5 miles of I-595 running east-west. Tolls will vary according to traffic volume throughout the day.

Work also will include improvements to the I-595/Florida Turnpike interchange, other nearby

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roadways, and will allow for the implementation of Bus Rapid Transit within the I-595 corridor.

The group of banks providing 10-year loans for the financing are Banco Popular Español, BBVA, Banco de Sabadell, Grupo Santander, La Caixa, Caixanova, Caja de Ahorros Y Monte de Piedad de Madrid, Calyon, Dexia Crédit Local, National Australia Bank, WestLB, and Société Générale.

ACS Infrastructure Development's financial adviser is Macquarie, while the state DOT's financial adviser was Jeffrey Parker & Associates.

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