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Contractor finances I-595 work up front, state pays after construction is finished

State sets toll rates in express lanes and keeps revenue

By Michael Turnbull, Sun Sentinel

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At \$1.8 billion, the reconstruction and widening of Interstate 595 is the state's costliest road project, though the state hasn't as yet paid a penny.

It's the first road project in the U.S. to use so-called "availability payments" that pay the contractor for a period of years after the project is finished.

In a public-private partnership, a private company or concessionaire designs, builds, maintains and operates a road over a period of years and pays part or all of the costs up front, then is repaid later.

In I-595's case, a team lead by Spanish construction giant ACS Infrastructure Development will finance, design and build the project over five years, then maintain the road until 2044.

For the next 33 years, it is responsible for everything from fixing potholes to replacing signs to running the Road Ranger patrol trucks that assist stranded motorists.

The team won't get any money from the state until after construction is finished. It is to receive a total of \$685 million in "final acceptance" payments spread over seven years plus "availability payments" of \$65.9 million a year for 30 years.

The state will set toll rates in the express lanes and collect the revenue, which will be used to help make payments to the concessionaire.

There's an obvious incentive for the concessionaire to perform: The amount of the availability payments will depend on how well it maintains I-595 and keeps lanes open to traffic.

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