Florida’s Public-Private Partnerships

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Florida P3 Legal Framework

Early Adoption of Strong Legal Framework Ensures Creditworthiness

- Authority for availability payment deals introduced in 2007 statutes
  - 15% of federal and state funding cap, cost effectiveness analysis
  - Availability payments are prioritized ahead of new capacity projects
- Further controls introduced in 2012
  - Approval by Governor following Legislature review
  - Inclusion in State Transportation Trust Fund debt assessment
- Additionally, portions of P3 payments are included in the Division of Bond Finance annual Debt Affordability Report
Florida P3s

Florida’s Use of P3s Ongoing Since 2007

UNDER CONSTRUCTION
SR 79 - $99M (DBF)

UNDER CONSTRUCTION
US 19 - $119M (BF)

UNDER CONSTRUCTION
I-75 N of SR 80 to S of SR78 - $72M (DBF)

COMPLETE
I-75 (IROX) - $458M (DBF)

COMPLETE
US 1/SR 5 - $114M (DBF)

COMPLETE
I-4 Connector - $428M (BF)

COMPLETE
I-75 at Pineda - $200M (DBF)

IN OPERATIONS
Port of Miami Tunnel - $663M* (DBFOM)

IN OPERATIONS
I-595 - $1.2B* (DBFOM)

IN OPERATIONS
I-95 Express Lanes - $139M (DBF)

IN OPERATIONS
I-595 - $1.2B* (DBFOM)

UNDER CONSTRUCTION
Palmetto Section 2 - $192M (DBF)

UNDER CONSTRUCTION
Palmetto Section 5 - $566M (DBF)

UNDER CONSTRUCTION
SR 9B - $95M (DBF)

UNDER CONSTRUCTION
I-95 - $126M (DBF)

UNDER CONSTRUCTION
I-4 Ultimate - $2.3B* (DBFOM)

[Map of Florida with various projects marked]

*construction portion

BF – Build Finance
DBF – Design Build Finance
DBFOM – Design Build Finance Operate Maintain
# Florida P3 Track Record

**P3 Structure an Important Financial Tool in Tool Box**

<table>
<thead>
<tr>
<th>Project</th>
<th>Type</th>
<th>Contract Executed</th>
<th>Substantial Completion</th>
<th>Estimated Years Advanced</th>
<th>Design and Construction Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-595</td>
<td>DBFOM</td>
<td>March 2009</td>
<td>March 2014</td>
<td>15 years</td>
<td>$1.2B</td>
</tr>
<tr>
<td>Port of Miami Tunnel</td>
<td>DBFOM</td>
<td>October 2009</td>
<td>August 2014</td>
<td>Undetermined</td>
<td>$663M</td>
</tr>
<tr>
<td>I-4 Ultimate</td>
<td>DBFOM</td>
<td>September 2014</td>
<td>December 2020</td>
<td>20+ years</td>
<td>$2.3B</td>
</tr>
<tr>
<td>Other Projects</td>
<td>10 – DBF</td>
<td>From 2007 to 2013</td>
<td>5 completed</td>
<td>1 to 5 years</td>
<td>$2.6B</td>
</tr>
</tbody>
</table>
Florida P3 Value Proposition

*DBFOM P3 Seeks to Achieve 5 Primary Goals*

• Transfer Risk
• Reduce Cost
• Accelerate Project Timetable
• Secure Additional Financing
• Leverage Private Sector Innovation
I-4 Ultimate Project Scope

$2.3B Project Brings Innovation to Relieve Congestion

- 21 Miles from west of Kirkman Road to east of State Road 434
- Increases capacity by adding 4 tolled Express Lanes
- 6 General Use Lanes + 2 Auxiliary Lanes
- Reconstructs 15 major interchanges
- Widens 13 bridges, adds 53 new bridges and replaces 74 bridges
I-4 Ultimate P3

This Project Is a Game Changer for Central Florida

• FHWA estimates - every $1.0B spent on highway and bridge construction supports 28,000 jobs
• Reconstructs aging infrastructure originally built in the 1960s
• Reduces congestion by increasing capacity by adding 4 Express Lanes
• P3 procurement allows the full project to be built earlier than the traditional method (estimated at 26 years)
• P3 procurement delivers high priority projects without deferring other projects throughout the state
• Newer design provides a safer interstate reducing crashes and subsequent delays
Procurement Overview

I-4 Mobility Partners Taking On Key Project Risks

• FDOT entered into a 40-year concession agreement that transfers key project risks and “locks-in” costs for design, construction, operations, maintenance, renewal and replacement

• Key project risks undertaken by I-4 Mobility Partners:
  • Design and construction (over 500 designers working in peak)
  • Coordination with utility owners (1,000 utility conflicts with the project)
  • FHWA re-evaluation for additional scope items
  • Changes in costs (I-4 Mobility Partners had the lowest design and construction cost bid, with the highest bid being about a billion more)
P3 Lessons Learned

• Each project is unique
• A properly structured deal can be financed, even in the toughest of markets (flexibility is key)
• Evaluate cost effectiveness or value for money early in the process
• Secure government and community stakeholders’ support
• Secure outside experts with P3 experience, build internal expertise across projects
• Be transparent, have an interactive process
Conclusion

Public-Private Partnerships Deliver Value to Florida

- P3s allow project advancement by years or decades while still delivering other high priority projects throughout the state
- P3s relieve congestion in heavily populated areas in Florida
- Additional incentives in P3s to deliver on time/on budget
- I-4 concessionaire will be able to deliver additional value to FDOT
- Concessionaire, FDOT and federal partners work together to deliver transportation infrastructure solution in efficient, cost effective manner
Contact Information

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FDOT’s P3 website:
http://www.dot.state.fl.us/officeofcomptroller/PFO/p3.shtm