



Florida's Public-Private Partnerships

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Southern Legislative Conference Webinar

December 16, 2014

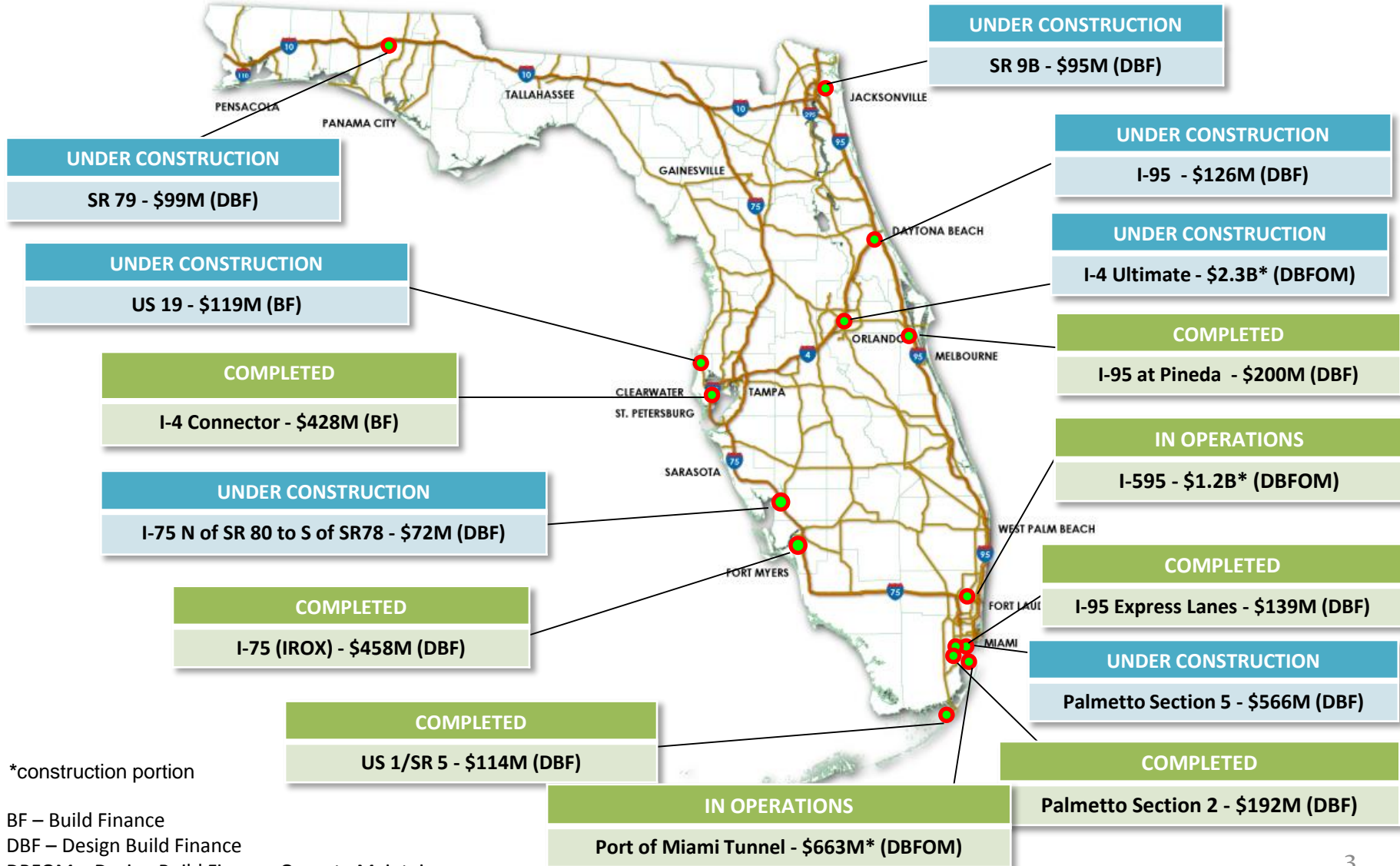
Florida P3 Legal Framework

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



*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

Project	Type	Contract Executed	Substantial Completion	Estimated Years Advanced	Design and Construction Cost
I-595	DBFOM	March 2009	March 2014	15 years	\$1.2B
Port of Miami Tunnel	DBFOM	October 2009	August 2014	Undetermined	\$663M
I-4 Ultimate	DBFOM	September 2014	December 2020	20+ years	\$2.3B
Other Projects	10 – DBF 2 – BF	From 2007 to 2013	5 completed	1 to 5 years	\$2.6B

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

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FDOT's P3 website:

<http://www.dot.state.fl.us/officeofcomptroller/PFO/p3.shtm>