THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

April 30, 2009

The Honorable Joseph R. Biden, Jr.
President of the Senate
Washington, DC 20510

Dear Mr. President:

The enclosed 2008 report to Congress on the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) is submitted pursuant to the requirement of the Transportation Equity Act for the 21st Century, Section 1503(a), as amended by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, Section 1601(h). The report summarizes the financial performance of projects assisted by TIFIA and discusses alternatives for achieving the program objectives in the future.

An identical letter has been sent to the Speaker of the U.S. House of Representatives.

Sincerely yours,

Ray LaHood

Enclosure

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

April 30, 2009

The Honorable Nancy Pelosi
Speaker of the U.S. House of Representatives
Washington, DC 20515

Dear Madam Speaker:

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Enclosure

# TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT

# REPORT TO CONGRESS

**U.S. Department of Transportation**
**Federal Highway Administration**
**September 2008**

**Report to Congress**
**Transportation Infrastructure Finance and Innovation Act Credit Program**
**U.S. Department of Transportation**

## I. Introduction

Congress created the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program as part of its 1998 enactment of the Transportation Equity Act for the 21st Century (TEA-21, P.L. 105-78), as amended by the TEA-21 Restoration Act (Title IX of P.L. 105-206). Codified in sections 601 through 609 of title 23, United States Code (23 U.S.C.), the TIFIA program provides Federal credit assistance to surface transportation projects of national or regional significance that leverage federally subsidized credit to attract substantial State and local municipal, and private co-investment. Private investment can be in the form of debt (taxable or tax-exempt) or equity. Of the 15 TIFIA projects described in this report, 12 have finance plans that include private debt, and 4 have finance plans that also include private equity.

As part of its enactment of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), P.L. 109-59 in 2005, Congress increased the program's reporting frequency, directing the Secretary of Transportation to submit a biannual report summarizing the financial performance of the projects receiving assistance under TIFIA. The report must include a recommendation as to which governance structure best serves the objectives of TIFIA – continuing the program under the authority of the Secretary, establishing a government corporation or a government-sponsored enterprise to administer the program, or phasing out the program and relying on the capital markets to fund the types of infrastructure investments assisted by TIFIA without Federal participation.

This TIFIA report to Congress constitutes the third submission from the U.S. Department of Transportation (DOT). Copies of the earlier reports, from 2002 and 2006, are available on the Internet at http://tifia.fhwa.dot.gov. Detailed background information regarding the TIFIA policy underpinnings, the Department's implementation of the program, and its benefits for borrowers can be found in the 2002 report. In addition to the congressional requirements noted above, this 2008 report addresses issues that have arisen since the 2006 report was published.

## II. Program Description and Funding

The TIFIA program is intended to fill market gaps and leverage substantial private co-investment by providing flexible, subsidized credit assistance to projects of national or regional significance. Through TIFIA, DOT provides Federal credit assistance to highway, transit, rail, and intermodal freight projects including seaports. Because of this multimodal reach, DOT administers TIFIA via a Joint Program Office (JPO) that reports to a Credit Council comprised of top officials from relevant DOT Administrations and the Office of the Secretary.

Credit assistance under TIFIA can comprise up to 33 percent of total project costs. The program targets large projects: costs generally must exceed $50 million. For Intelligent Transportation System (ITS) projects, the minimum project cost is $15 million. According to FHWA counsel, the SAFETEA-LU amendments modifying the minimum size requirements for TIFIA projects went into effect upon passage of the law. Any discrepancy with the TIFIA regulation must be

resolved in favor of the statute. The program offers three types of financial assistance featuring maturities up to 35 years after substantial completion of the project. *Secured loans* are direct Federal loans providing long-term financing of capital costs with flexible repayment terms. *Loan guarantees* provide full-faith-and-credit guarantees by the Federal Government to institutional investors that make project loans. Standby *lines of credit* represent secondary sources of funding in the form of contingent Federal loans that can supplement project revenues during the first 10 years of project operations. The DOT has always enforced the statutory requirement that projects selected for TIFIA assistance must receive an investment grade rating on all obligations senior to TIFIA from at least one nationally recognized credit rating agency.

Both public and private sector borrowers may apply for TIFIA assistance, and projects must be consistent with State and local transportation plans. The TIFIA statute identifies eight criteria by which DOT is to evaluate a project: (1) national or regional significance; (2) creditworthiness; (3) private participation; (4) project acceleration; (5) use of new technology; (6) consumption of budget authority; (7) environmental impacts; and (8) reduced Federal grant assistance.

To fund TIFIA, Congress in SAFETEA-LU provides $122 million in contract authority from the Highway Trust Fund for each of Fiscal Years 2005 through 2009. These funds pay the subsidy cost (and administrative expenses) of credit assistance.[1] Any uncommitted contract authority remains available for obligation in subsequent years, unless Congress chooses to re-program or rescind these amounts. Most recently, the Consolidated Appropriations Act of 2008 (P.L. 110-161) rescinded approximately $257 million of uncommitted TIFIA contract authority, representing about $2.1 billion in potential credit assistance.[2]

Based on current and anticipated program activity, however, the remaining amounts authorized by SAFETEA-LU will be fully utilized. In fact, assisting all the projects in the TIFIA pipeline (Section IV, below) would require budget resources well beyond those remaining through Fiscal Year 2009. This gap between resources and demand could be as large as $450 million, representing approximately $3.75 billion in credit assistance.

The growth in demand is due, in large part, to the increasing utilization of TIFIA credit assistance for public-private partnerships to develop new capacity and capital improvements. State and local governments are using public-private partnerships to reduce costs, accelerate project delivery, reduce public sector exposure, and supplement public revenue with private capital. In the last year alone, DOT has closed three secured loans for public-private partnerships and the majority of the projects in the TIFIA pipeline are being developed as

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[1] Since enactment of the Federal Credit Reform Act of 1990 (FCRA), Federal agencies must set aside in advance capital reserves to cover the expected long-term cost to the Government of providing credit assistance. Analogous to a commercial bank's loan reserve, this subsidy cost is calculated for each TIFIA loan transaction based on an estimate of expected loss. Although no individual loan should be expected to repay less than its full due amount, the aggregate funds set aside represent the total expected losses for the loan portfolio.

[2] Actual TIFIA lending capacity is subject to calculation of the estimated subsidy cost for each individual loan. Historically, the initial subsidy cost of TIFIA assistance has averaged 8 percent of loan proceeds over the program's history. Because more recent loans have received higher estimates, a reasonable yet conservative forecast would assume average initial subsidy costs between 12 and 13 percent, resulting in the rescinded loan capacity of approximately $2 billion (e.g., $257 million divided by 12 percent equals $2.142 billion, $257 million divided by 13 percent equals $1.977 billion).

public-private partnerships. As their use continues to grow – there are currently more than 20 public private partnerships for major transportation projects in procurement in the United States – the demand for TIFIA assistance is quickly increasing.

## III. Financial Performance of Projects Receiving TIFIA Credit Assistance

The 15 projects receiving TIFIA credit assistance represent more than $18.5 billion of infrastructure investment in the United States. The credit agreements amount to almost $4.8 billion in Federal commitments at a budgetary cost of approximately $346 million in contract authority. To date, borrowers have drawn about 37 percent of their available TIFIA proceeds.

No borrower has defaulted on a TIFIA loan repayment. Five borrowers have retired TIFIA loans, either by early repayment or by refinancing the loan prior to draws. The following table displays key financial information for the approved TIFIA projects.

***Status of TIFIA-assisted Projects as of 5/15/08***

| Credit Agreement | Location | Project Type | Agreement Date | Project Cost | TIFIA Amount | Disbursed | % | Substantial Completion |
|---|---|---|---|---|---|---|---|---|
| **Active Credit Agreements** | | | | | | | | |
| SH 130 | Texas | Highway | 7-Mar-08 | $1,309,000,000 | $430,000,000 | $33,135,511 | 7.71% | 30-Jun-12 |
| Capital Beltway HOT Lanes | Virginia | Highway | 20-Dec-07 | $1,998,000,000 | $589,922,875 | $0 | 0.00% | 31-Dec-12 |
| Miami Intermodal Center (RCF) | Florida | Intermodal | 1-Aug-07 | $1,313,400,000 | $270,000,000 | $0 | 0.00% | 1-Oct-09 |
| Pocahontas Parkway | Virginia | Highway | 19-Jul-07 | $748,000,000 | $150,000,000 | $97,800,000 | 65.20% | 31-Dec-09 |
| Warwick Intermodal Station | Rhode Island | Intermodal | 27-Jun-06 | $264,000,000 | $42,000,000 | $83,232 | 0.20% | 1-Oct-09 |
| LA -1 Project (a) | Louisiana | Highway | 31-May-05 | $247,300,000 | $66,000,000 | $0 | 0.00% | 1-Aug-09 |
| 183-A Toll Road | Texas | Highway | 2-Mar-05 | $336,600,000 | $66,000,000 | $66,000,000 | 100.00% | 1-Mar-07 |
| South Bay Expressway | California | Highway | 22-May-03 | $660,000,000 | $140,000,000 | $140,000,000 | 100.00% | 15-Jan-08 |
| Central Texas Turnpike | Texas | Highway | 25-Jul-02 | $3,180,600,000 | $916,760,000 | $900,000,000 | 98.17% | 1-Dec-07 |
| WMATA Capital Program (b) | DC, VA, MD | Transit | 28-Jan-00 | $2,324,000,000 | $600,000,000 | $0 | 0.00% | 30-Jun-09 |
| **Commitments Awaiting Credit Agreements** | | | | | | | | |
| Intercounty Connector | Maryland | Highway | 14-Mar-07 | $2,445,900,000 | $516,000,000 | $0 | 0.00% | 30-Jun-12 |
| **Retired Credit Agreements** | | | | | | | | |
| Reno ReTRAC #1 | Nevada | Intermodal | 28-Jun-02 | $279,900,000 | $ 50,500,000 | $50,500,000 | 100.00% | 18-Nov-05 |
| Staten Island Ferries | New York | Transit | 19-Dec-01 | $482,200,000 | $ 159,225,300 | $159,161,429 | 99.96% | 1-Jul-06 |
| Cooper River Bridges | South Carolina | Highway | 11-Jul-01 | $677,000,000 | $ 215,000,000 | $0 | 0.00% | 9-Jul-05 |
| Miami Intermodal Center (FDOT) | Florida | Intermodal | 9-Jun-00 | $1,313,400,000 | $ 269,076,000 | $15,000,000 | 5.57% | 18-Apr-09 |
| Tren Urbano | Puerto Rico | Transit | 4-Aug-00 | $2,250,000,000 | $ 300,000,000 | $300,000,000 | 100.00% | 6-Jun-05 |
| **TOTAL** | | | | **$18,515,900,000** | **$4,780,484,175** | **$1,761,680,172** | **36.85%** | |

(a) Most or all disbursements will occur near the project's substantial completion date in order to refinance short-term Bond Anticipation Notes (BANs) .
(b) The TIFIA assistance is a loan guarantee. Disbursements would only occur if the borrower is unable to repay its third-party loan.

Summaries of each project in this table are provided in Appendix A. Some notable program milestones are described below.

### A. Three TIFIA-Financed Toll Roads Opened to Traffic

Late 2006 and 2007 saw the first TIFIA-financed toll roads open to traffic. Advanced by both public and private entities, these projects comprise almost 80 miles of new roadways.

The Texas Department of Transportation (TxDOT) officially opened the first 27 miles of the $3.2 billion Central Texas Turnpike System on November 1, 2006, almost a year ahead of schedule. Consisting of three contiguous highways in the Austin metropolitan area, the system is one of the largest construction projects in the Nation. With the opening of the final segment in April 2008, the 65-mile system was completed nearly $400 million under budget. Transactions

and revenues have grown steadily. In February 2008, monthly revenues exceeded $4 million, almost 40 percent above original projections. Average daily transactions exceed 170,000, almost 75 percent higher than projected. With the recent completion of the final project segment, this healthy traffic and revenue performance should improve further.

The Central Texas Regional Mobility Authority, the first local agency to advance a tollway under recent Texas enabling legislation, opened the 11.6-mile 183A Toll Road in Austin on March 3, 2007. This highway, which connects and operates seamlessly with the Central Texas Turnpike System, opened on schedule and within its $336.6 million budget. In its first year of operation, the facility averaged nearly 58,000 toll transactions each weekday and generated roughly $8 million in revenue, more than twice the transactions and revenue originally projected. Despite rising gas prices, traffic continues to increase. Since January 2008, weekday traffic has increased almost 14 percent, and average weekday toll transactions now exceed 63,500 compared to projections of 34,000 transactions.

The privately-built South Bay Expressway opened on November 19, 2007. This 9.2-mile facility in eastern San Diego County extends from the U.S./Mexico border north through the Otay Mesa. Also known as State Route 125 (SR-125), the project was developed and financed and is being operated by subsidiaries of Australia's Macquarie Bank pursuant to a concession granted by the California Department of Transportation. This public-private partnership – among local, State, and Federal agencies and an international toll road developer – delivered the project years before it might have been completed under traditional methods. Because residential development in the corridor has been slower than anticipated, the average daily traffic (as of April) of nearly 26,400 transactions fell below projections of approximately 41,000 transactions. Revenue performance during the same month tracked very closely with projections, however, as the average toll revenue per trip was more than projected.

Each of these toll road financings is taking advantage of the TIFIA program's ability to defer debt service payments for up to 5 years after substantial completion. During this deferral period, toll revenues can be used to pay operating expenses and senior debt, without the burden of making current payments on TIFIA debt obligations. The deferred TIFIA interest accrues to the loan balance to be repaid in later years, when revenue projections indicate a stronger cash flow. As the "patient lender," DOT enhances the credit quality of the senior debt, lowering project costs, and improving prospects for financial success.

The beneficial use of flexible TIFIA credit assistance to help toll roads get through early "ramp-up" periods is significant because the use of tolling to pay for new capacity has been surging over the last decade, a trend which is expected to continue. A study prepared for the Federal Highway Administration (FHWA) reported that, "During the last 10 years, an average of 50 to 75 miles a year of new access-controlled expressways has been constructed as toll roads out of an overall average of the 150 to 175 miles of urban expressways opened annually. Toll roads, therefore, have been responsible for 30 to 40 percent of new 'high end' road mileage over the past decade."[3] The greater role of tolling in development of roads and highways presages greater demand for TIFIA credit assistance.

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[3] "Current Toll Road Activity in the U.S.: A Survey and Analysis", August 2006, page 2, available at: http://www.fhwa.dot.gov/ppp/toll_survey_0906.pdf.

## B. Recent TIFIA Loans Assisted State Procurements of Public-Private Partnerships

Two recently executed loans – for the Capital Beltway High Occupancy/Toll (HOT) Lanes in Northern Virginia and the State Highway (SH) 130 Segments 5 and 6 Toll Road in Central Texas – conclusively demonstrate that TIFIA is an attractive financing vehicle for public-private partnerships. The unprecedented use of public-private partnerships for transportation infrastructure over the last few years, which was highlighted in a recent DOT report, ("Innovation Wave: An Update on the Burgeoning Private Sector Role in U.S. Highway and Transit Infrastructure"), is significantly increasing the demand for TIFIA credit assistance.

Closed in December 2007, the Capital Beltway HOT Lanes project on I-495 is being financed with a creative mix of public and private capital: approximately $408 million of State/Federal-aid grants from the Virginia Department of Transportation (VDOT) was leveraged to attract $350 million of private equity, $589 million of Private Activity Bonds (PABs) sold in the capital markets (the authority to issue PABs is allocated by DOT under SAFETEA-LU authorization), and a subordinated TIFIA loan of up to $589 million. The 14-mile project, estimated to cost close to $2 billion, will add HOT Lanes to I-495 between Georgetown Pike and the Springfield Interchange.

The combination of PABs and a subordinated TIFIA loan provides low-cost, flexible financing which made it easier for the private sector to assume the significant risks associated with the design, deployment, and operation of a complicated dynamic pricing technology, which is expected to reduce congestion on one of the busiest corridors in the country. The HOT Lanes will be free to carpools and buses, and other drivers will pay a toll that will vary with traffic volume to ensure travel speeds of at least 45 miles per hour in the HOT lanes.

Closed in March 2008, the $430 million TIFIA loan for SH 130, Segments 5 and 6 will allow a private partner to construct a 40-mile portion of an alternate route between Austin and San Antonio, Texas, through a public-private partnership with TxDOT. The two cities are currently connected via the heavily congested I-35, a critical trucking and commuting route which continues north to Dallas. The rest of the financing for the $1.31 billion project is being provided through private equity and a private bank debt facility.

As noted by Robert Poole, the Director of Transportation Studies at the Reason Foundation, the project "…is a home run for Texas motorists and taxpayers. Not only is Cintra-Zachry [the private partner] coming up with the entire $1.35 billion project cost, it is also paying TxDOT an up-front concession fee of $25 million and has agreed to a profit-sharing deal over the 50-year term…estimated [to] give TxDOT another $245 million. And the concessionaire is taking the risks of construction cost overruns, construction delays, and traffic and revenue shortfalls."[4]

## C. The TIFIA Process Adapted to State Procurements for Public-Private Partnerships

With its requirement that finance plans be reviewed by credit rating agencies prior to applying for assistance, the standard TIFIA loan process is designed for the applicant (typically a public

[4] "Surface Transportation Innovations," Issue No. 38, December 2006

entity) that already controls the project it seeks to finance. With States seeking private partners to finance, build, and operate a project under a long-term concession, however, the TIFIA program faces the challenge of accommodating multiple bidders (only one of whom will be successful) seeking Federal credit assistance for the same project. Furthermore, this revised loan process must provide equal, transparent – and confidential – access for all concession seekers.

The means to adapt the TIFIA loan process were found in an FHWA initiative used to test and evaluate project development using public-private partnerships (PPPs). Under authority of this 15th Special Experimental Project (SEP-15), FHWA has entered into agreements with State agencies to modify the TIFIA loan process on a test basis. The basic approach allows the public sponsor to submit a TIFIA application using the preliminary financial information developed for the PPP solicitation. If the Secretary approves the State's application, each competing bidder can then consult with the TIFIA JPO regarding the form and amount of TIFIA assistance. Selection of the winning bidder remains the province of the State, and TIFIA assistance to the selected concessionaire would remain subject to negotiation of final terms and conditions.

Under SEP-15 authority, FHWA has entered into agreements with Texas, Alaska, and Florida to modify the TIFIA loan process for these States' PPP concessions. The three Texas projects, each in the Dallas-Fort Worth Metroplex, include the SH-121 Toll Road – withdrawn when the State transferred the project to the public North Texas Tollway Authority – and two managed lanes concessions identified as Interstate Highway (IH) 635 and the North Tarrant Express. In Alaska, the Knik Arm Bridge and Toll Authority seeks a PPP concessionaire to finance, build, and operate a bridge to allow the westward growth of the Anchorage municipality. In Florida, the State is pursuing a PPP concessionaire for the I-595 corridor in Fort Lauderdale. The State of Mississippi has recently applied for a SEP-15 experiment to award a PPP concession for the proposed Airport Parkway to downtown Jackson.

The knowledge gained from these experiments will prove vital as the TIFIA office continues to receive applications for PPPs involving multiple bidders. Additional information regarding the TIFIA SEP-15 experiments can be found at http://www.fhwa.dot.gov/ppp/sep15.htm.

## D. The TIFIA Program Completed its First Refinancing

Language in SAFETEA-LU amended TIFIA to authorize the use of TIFIA credit assistance to refinance long-term project obligations or Federal credit instruments if such refinancing would provide additional funding capacity for the completion, enhancement, or expansion of any project selected for TIFIA assistance or otherwise eligible for TIFIA. Using this new authority, the TIFIA program ensured completion of a roadway project in danger of defaulting on its initial bond obligations.

The Pocahontas Parkway, also known as Route 895, is an 8.8-mile toll road outside Richmond, Virginia. The road opened in 2002 under the aegis of the Pocahontas Parkway Association (PPA), a non-profit corporation formed under IRS rule 63-20, which allows issuance of tax-exempt debt for certain private purposes. With traffic and revenues less than half of pre-construction forecasts, however, the PPA bonds were downgraded severely with the ultimate likelihood of a payment default.

In June 2006, VDOT and the PPA entered into a public-private partnership with Transurban, an Australian toll road operator, to enhance, manage, operate, maintain, and collect tolls on the Parkway for 99 years. The agreement with VDOT also required Transurban to construct and operate the Richmond Airport Connector, a segment of the Parkway's original plan that was not constructed because of lack of funding. Recognizing that the Airport Connector was not economically viable on its own, the requirement to construct the Airport Connector applied only if Transurban obtained a TIFIA loan to reduce its acquisition financing costs.

The $150 million TIFIA loan, which closed July 19, 2007, is comprised of a $97.8 million tranche to refinance a portion of Transurban's bank debt and a $52.2 million tranche to finance construction of the Airport Connector and upgrades to the Parkway electronic toll system. The DOT holds a subordinate lien on a pledge of toll revenues from the Parkway and the Airport Connector, projected to be completed in 2010. Through the end of 2007, weekday traffic averaged more than 18,000 vehicles daily. An overall increase from the previous year, these volumes fell slightly short of traffic forecast due largely to delays in residential development in the Parkway corridor.

The Pocahontas Parkway transaction highlights the TIFIA program's ability to help the private sector finance significant transportation projects, like the Airport Connector, which would otherwise not be feasible.

## IV. The TIFIA Pipeline

The table below lists projects that have submitted, or indicated formal interest in submitting, an application for TIFIA assistance. Appendix B of this report contains summaries of these projects. Consistent with trends, the proposed borrower in many of these projects would be a private concessionaire. In addition to new toll roads, the pipeline includes many managed lanes projects (i.e., IH 635, North Tarrant Express, I-595, and I-95/395). Although difficult to estimate with precision, the funding demand represented by these projects greatly exceeds the budgetary authority remaining under SAFETEA-LU. Using reasonable assumptions, this gap between supply and demand could be as large as $450 million, representing approximately $3.75 billion of credit assistance.

| TIFIA Projects in the Pipeline ($ in millions) | | | | | | |
|---|---|---|---|---|---|---|
| Project | Public-Private Partnership | Location | Est. Cost | Request | TIFIA % | Instrument |
| **Active Applications** | | | | | | |
| I-595 Corridor Roadway Improvements | Yes | Florida | $1,500 | $500 | 33% | Direct loan |
| IH 635 (LBJ Freeway) Phase I | Yes | Texas | $1,340 | $146 | 11% | Direct Loan |
| Knik Arm Crossing | Yes | Alaska | $844 | $261 | 31% | Direct Loan |
| North Tarrant Express | Yes | Texas | $802 | $59 | 7% | Direct loan |
| Port of Miami Tunnel (POMT) | Yes | Florida | $822 | $299 | 36% | Direct loan |
| **Potential Applications Anticipated** | | | | | | |
| 281 North Toll Project | Yes | Texas | $522 | $121 | 23% | Direct Loan |
| I-95/395 HOT Lanes | Yes | Virginia | $1,250 | $413 | 33% | Direct Loan |
| BART Oakland Airport Connector | Yes | California | $435 | $140 | 33% | TBD |
| First Coast Outer Beltway | No | Florida | $2,000 | $660 | 33% | Direct Loan |
| Las Vegas Monorail | Yes | Nevada | $650 | $200 | 31% | TBD |
| Airport Parkway | Yes | Mississippi | $500 | TBD | TBD | TBD |
| Transbay Terminal/Caltrain Extension | No | California | $2,083 | $690 | 33% | Direct Loan |
| Transportation Corridor System | No | California | $4,900 | $1,100 | 22% | Direct Loan |
| Triangle Expressway | No | North Carolina | $967 | $319 | 33% | Direct Loan |
| US-460 | Yes | Virginia | $1,500 | $500 | 33% | Direct Loan |

## V. Meeting the Objectives of TIFIA: Three Options

As noted above, each TIFIA report to Congress must recommend the governance structure that best serves the objectives of TIFIA – continuing the program under the authority of the Secretary, establishing a government corporation or a government-sponsored enterprise to administer the program, or phasing out the program and relying on the capital markets to fund the types of infrastructure investments assisted by TIFIA without Federal participation.

Continued attention to this question speaks to the rationale that established TIFIA. The 1998 Conference Report accompanying TEA-21 articulates the TIFIA objective to "help the financial markets develop the capability ultimately to supplant the role of the Federal Government in helping finance the costs of large projects of national significance."[5] In acknowledging this ultimate objective, however, DOT believes that recent disruptions in the financial markets demonstrate the value the Federal Government can provide in funding transportation infrastructure. The descriptions below summarize the significant features of each option, followed by a brief public policy discussion.

[5] Transportation Equity Act for the 21st Century, Conference Report to Accompany H.R. 2400 (105-550), page 435, May 22, 1998.

## A. Continuing the Program Under the Authority of the Secretary

The DOT administers the TIFIA program under the policy guidance of the DOT Credit Council, chaired by the Assistant Secretary for Budget and Programs and consisting of the Administrators of the FHWA, the Federal Transit Administration, the Federal Railroad Administration, the Maritime Administration, and senior officials from the Office of the Secretary. The TIFIA JPO manages the program's day-to-day operations.

As a Federal program, TIFIA is subject to Executive and congressional oversight. Like all Federal programs, it is subject to the provisions of the Federal Credit Reform Act (FCRA). Congress directly controls the amount of credit assistance provided by determining the program's level of contract authority. Although the cost of individual credit facilities will vary, there is direct control over the aggregate cost to the Government. The FCRA provisions preclude establishment of a revolving loan fund, where repayments and fees would fund new credit instruments. Like other Federal agency credit programs, all loan repayments are remitted to the U.S. Treasury.

Up to $2.2 million in annual administrative expenses (which include staff salaries and benefits, financial and legal consultants, and loan servicing costs) can be funded from the TIFIA contract authority. In addition, subject to the authority of annual appropriations acts, Congress allows DOT to collect and spend transaction fees from TIFIA borrowers. This allows the JPO to fund annual administrative costs in excess of $2.2 million, providing an essential tool for managing the transaction workload.

Negotiating loan transactions does not comprise the only workload demand, however, as each new project brings requirements for oversight, monitoring, and servicing throughout the life of the loan. The PPP loan agreements in particular require relatively frequent amendments as ownership and financial objectives evolve. This long-term requirement eventually will demand larger staffing levels of the JPO. An alternative to managing a large portfolio, however, might be to sell mature TIFIA loans to investors such as pension funds, infrastructure funds, and insurance companies. The sale of a TIFIA loan would return proceeds to the U.S. Treasury and relieve DOT from ongoing servicing and monitoring functions once the program's primary objective – to finance construction of projects that otherwise might not be built – has been met.

## B. Establishing a Government Corporation or a Government-Sponsored Enterprise to Administer the Program

A government corporation is a special entity chartered by Congress to perform business activities typically involving fees for service. The U.S. Treasury holds most or all of the corporation's stock or equity. Analogous to a State or local public authority, each corporation is established under specific authorizing legislation with provisions that may vary considerably from case to case. A government corporation usually is capitalized via a Federal appropriation. A single administrator heads some government corporations, and others have federally appointed boards of directors.

Government corporations must submit annual budgets to Congress, but some have their own borrowing, receipts, and spending authority, making them largely independent of the Federal appropriations process. All such Federal credit programs, however, must follow the budgeting provisions of the FCRA. Examples include the Commodity Credit Corporation (agricultural product loans), the Government National Mortgage Association (residential mortgages), and the Export-Import Bank (trade finance).

A government sponsored enterprise (GSE) is generally a for-profit, shareholder-owned financial institution established under Federal charter, with nationwide lending authority. Although independent, a GSE enjoys special Federal status. A GSE has federally appointed representation on its boards of directors, is exempt from State and local income taxes and from securities laws administered by the Securities and Exchange Commission, and often has access to a line of credit from the U.S. Treasury. Examples of GSEs are Fannie Mae and Freddie Mac (housing loans), the Farm Credit System (agricultural loans), and Sallie Mae (student loans).

## C. Phasing out the Program and Relying on the Capital Markets

To phase out the TIFIA program would be to acknowledge either that its policy objectives have been achieved or eclipsed by other considerations. Reliance on the capital markets to finance these large and complex projects would reduce future Federal spending and liability in this area. As recent events demonstrate, however, these private markets are subject to disruption that can prevent worthy projects from obtaining financing.

Since late 2007, difficulties associated with sub-prime mortgages and asset-backed securities have spilled over into the tax-exempt bond market. The variable rate auction market has experienced severe deterioration in the wake of events, leading to substantially increased borrowing costs and failed auctions in many cases. Bond insurer downgrades, increased credit sensitivity, and decreased liquidity have reduced investor participation and widened credit spreads. Although almost $40 billion of tax-exempt debt was sold in the municipal market in March 2008 (the third highest volume ever), the vast majority consisted of refinancings of existing securities from variable-rate to fixed-rate with reduced monoline credit intermediaries.

In the face of these disruptions, the Federal Reserve's actions to lower banking interest rates resulted in extremely attractive interest rates for TIFIA loans, which are tied to the rate for U.S. Treasury securities of comparable maturities. As a result, at least one private concessionaire – for the Port of Miami Tunnel, with the encouragement of its State sponsor the Florida Department of Transportation – applied belatedly for TIFIA assistance in an attempt to preserve the economic benefits of its financial offer to the State.

## D. Conclusion: Continue the TIFIA Program under the Authority of the Secretary

As demonstrated by the list of projects intending to seek TIFIA assistance, revenue-generating user fee projects – especially toll roads and public-private partnerships – constitute an increasingly significant share of all U.S. transportation investments. And as further demonstrated by the list, the TIFIA program provides a tool to help these projects attract capital investments from domestic and overseas markets.

Operating the TIFIA program within the DOT, an agency subject to direct congressional and administrative oversight, provides policymakers the most discretion to adapt Federal credit assistance to the demands of new and traditional transportation infrastructure investors.

Given this advantage, there seems no compelling reason to provide TIFIA assistance via a government corporation or a GSE. Working in conjunction with other DOT grant programs, TIFIA assistance helps fulfill departmental objectives. Employing the corporation or GSE model could lessen the program's accountability with no offsetting advantage.

Phasing out the program in order to rely on the capital markets would seem to embody demonstrable risk and uncertainty when demand for a Federal credit product is at its highest level. Although the ultimate disposition of TIFIA-originated loans could rest readily with the private sector via refinancing or sale of TIFIA assets, the program's current role in attracting co-investors to innovative transportation and financial transactions seems more vital than ever.

## Appendix A. TIFIA Project Fact Sheets

### SH 130 Segments 5 and 6 Project

Austin – San Antonio, Texas | Approval FY 2008

**Borrower** http://www.mysh130.com/

SH 130 Concession Company LLC, a joint venture of Cintra and Zachry American Infrastructure.

**Description**

Segments 5 and 6 of State Highway 130 will form a 40-mile link through Travis, Caldwell and Guadalupe counties southeast of Austin to I-10 near Seguin, Texas. The Project is a continuation of the northern four segments of SH 130 – from Georgetown in Williamson County to Mustang Ridge in southeast Travis County, which were developed by the Texas Department of Transportation. When Segments 5 and 6 are complete, SH 130 will be a new 91-mile tollway intended to provide needed relief to the highly congested I-35 through Central Texas.

On March 22, 2008, the SH 130 Concession Company entered into a Facility Concession Agreement (FCA) with the Texas Department of Transportation (TxDOT) to design, build, finance, operate, and maintain Segments 5 and 6 of SH 130. The FCA grants a 50-year concession to the Company from the date the Project opens to traffic.

**Project Status**

Right-of-way acquisition and final design are underway with construction expected to commence in February 2009. The project is currently scheduled to open in July 2012.

**Funding Sources**

Anticipated funding sources are as follows (dollars in millions):

| | |
|---|---|
| • Senior Bank Loans: | $682.6 |
| • TIFIA Loan: | 430.0 |
| • Equity Contribution: | 196.4 |
| Total: | $1,309.0 |

**TIFIA Credit Assistance**

Direct loan: $430 million.

The TIFIA loan will be secured by a lien on Project Revenues subordinate to the lien securing Senior Lien Obligations, which will be bank loans, and will be senior to the equity to be provided by investors.

**TIFIA Financial Performance**

Both the Term Sheet obligating funds for the Project and the TIFIA Loan Agreement were executed on March 7, 2008. The first disbursement was made on March 21, 2008. The TIFIA interest rate on the loan is 4.46 percent. The first interest payment is scheduled for June 2017. Principal repayments are scheduled to begin in 2018. The final maturity of the TIFIA loan is June 2047. A bank liquidity facility and contingent equity will be available to meet senior and TIFIA debt service obligations in the first 5 years of operation. In addition a 12 month debt service reserve account will be established beginning in year 6 of operations and will be in place through the final maturity of the TIFIA loan.

## Capital Beltway/I-495 HOT Lanes Project

Northern Virginia — Approval FY 2008

### Borrower

http://www.transurban.com.au/transurban_online/tu_nav_black.nsf/alltitle/north%20america-projects-Capital%20Beltway-overview?open

Private sector concessionaire, Capital Beltway Express, LLC–90 percent owned by a U.S. subsidiary of the Australian toll road operator, Transurban Group, and 10 percent by the American construction firm Fluor Enterprises, Inc. The Virginia Department of Transportation (VDOT) is providing significant funding for design, construction, and start up of the project.

### Description

The project includes construction of four high-occupancy-toll (HOT) lanes added to the Capital Beltway between the Springfield Interchange and just north of the Dulles Tollway. The HOT Lanes—two in each direction—will employ electronic tolling and dynamic pricing to manage traffic flow. The project is being advanced under an 80-year concession agreement with VDOT. This project is designed to help alleviate congestion on Virginia's busiest highway in the third worst congested region in the U.S. Certain users including high occupancy vehicles with three or more people, buses, and emergency vehicles ("HOV3+") will be exempt from tolls. Drivers will enter and exit the HOT Lanes from non-tolled general purpose lanes at multiple entry locations along the Improved Beltway Corridor. The HOT Lanes will employ state-of-the-art tolling technology, which will continuously monitor traffic levels. The amount of the toll will be based on demand and will fluctuate throughout the day to reflect real-time traffic conditions and maintain free flow traffic conditions on the HOT Lanes.

### Project Status

Construction is scheduled to start in late spring/early summer 2008. Substantial completion is expected by the first quarter of 2013. Transurban will participate as the manager, operator, and lead project equity investor. Fluor will participate as the design/build contractor and minority equity investor. The private sector will operate the HOT Lanes until 2087.

### Funding Sources

Anticipated funding sources are as follows (dollars in millions):

| | |
|---|---|
| • Private Activity Bonds: | $585.6 |
| • TIFIA Loan*: | 585.5 |
| • VDOT Funds: | 408.9 |
| • Interest Income: | 69.3 |
| • Private Equity: | 348.7 |
| Total: | $1,998.0 |

* The TIFIA secured loan is approved for up to $589.0 million

### TIFIA Credit Assistance

Direct loan: Up to $589.0 million. The TIFIA loan holds a subordinate lien on a pledge of the project's toll revenues and interest income, after operations and maintenance expenses, certain capital expenditures, senior debt service reserve, and debt service payments to senior lenders.

### TIFIA Financial Performance

The DOT signed a loan agreement on December 20, 2007. The first draw in the amount of $58.9 million was made in June, 2008. The TIFIA interest payments are expected to begin in 2018. Loan repayments are scheduled to begin in 2033 and conclude in 2047. The TIFIA loan is structured with 5 years of capitalized interest during construction followed by 5 years of partially capitalized interest during ramp-up; then current interest only for 15 years followed by 15 years of interest plus principal.

## Miami Intermodal Center

Miami, FL — Approved FY 1999

### Borrower

http://www.micdot.com/

Florida Department of Transportation (FDOT) and Miami-Dade Aviation Department.

### Description

The Miami Intermodal Center (MIC) comprises a multi-year program of ground access improvements to and within the Miami International Airport. Passenger traffic at the airport totaled 31 million in 2005. Major project elements include construction of an intermodal center for transit, commuter rail, and intercity bus services; an automated airport people mover; and highway improvements. The MIC will also consolidate rental car operations at the airport, providing space for 10,000 cars at a new rental car facility.

### Project Status

Although originally scheduled for completion in January 2008, the entire program was re-evaluated after the events of September 11, 2001, which led to steep drops in air travel and rental car activity. The MIC program is moving forward with an approximate 18-24 month delay in overall implementation. All construction contracts for Phase I of the MIC have been awarded. All construction currently under contract is on time and on or under budget. The Rental Car Facility and roadway construction, for which TIFIA funds are being used, began construction in June 2003. The DOT and FDOT are the sole lenders to the Rental Car Facility project. Completion of the Rental Car Facility is expected in 2011.

### Funding Sources

Anticipated funding sources for the entire Miami Intermodal Center project are as follows (dollars in millions):

| | |
|---|---|
| • Federal funds: | $35.2 |
| • State and local funds: | 393.9 |
| • MDAD | 232.0 |
| • MDX Tolls | 87.3 |
| • TIFIA loan: | 540.0 |
| • SIB loan: | 25.0 |
| Total: | $1,313.4 |

### TIFIA Credit Assistance

The original TIFIA commitment amounted to up to $439 million, comprised of two separate obligations:

- FDOT Program Elements loan: $269 million; to be repaid from fuel tax revenues.
- Rental Car Facility loan: up to $170 million, amended to $270 million to be repaid from fees levied on rental car users.

The FDOT Program Elements loan closed June 9, 2000, and was repaid in full on July 3, 2006. The Rental Car Facility loan closed April 29, 2005, and was amended August 1, 2007.

### TIFIA Financial Performance

On July 3, 2006, the DOT accepted $17.1 million as final payment with interest, in full, for the FDOT Program Elements Loan. The FDOT drew only $15 million of the $269 million loan facility, as it identified internal funds to replace the TIFIA assistance. Repayment came 24 years ahead of originally scheduled. An initial draw in the amount of approximately $109.3 million is expected in September 2008 for the Rental Car Facility TIFIA Loan.

## Pocahontas Parkway-Richmond Airport Connector

Richmond, VA — Approved FY 2007

### Borrower

http://www.pocahontasparkway.com/

Transurban, an Australian toll road operator; Transurban USA, Transurban (895) US Holdings LLC (T895)

### Description

The Pocahontas Parkway (the "Parkway" or "Route 895") is an 8.8-mile toll road that includes an elevated river crossing over the James River outside Richmond, Virginia. The Parkway, also known as Route 895, is a four-lane, limited access toll road that provides a direct connection between Chesterfield County and eastern Henrico County. It is one of three river crossings in the greater Richmond area. Transurban acquired the Parkway in 2006 through a 99-year lease concession agreement to operate and maintain the toll road.

The Richmond Airport Connector ("RAC") is a proposed 1.58-mile roadway that will connect the Parkway from one-third of a mile west of Monahan Road to Airport Drive near its intersection with Charles City Road in Henrico County. The four-lane, limited access roadway will provide a direct connection from Route 895 to Richmond International Airport. Under the terms of the concession, Transurban will construct and operate the Airport Connector.

### Project Status

Construction on the RAC scheduled to begin in 2008. Substantial completion is expected by the first half of 2010 when the road will be opened to traffic. The Toll Improvements contract is expected to be completed also by 2010. The Concessionaire is currently completing intensive work related to the traffic model. When completed they expect to have an updated forecast and key assumptions underpinning the revised forecast.

### Funding Sources

Funding sources are as follows (dollars in millions):

| | |
|---|---|
| • Bank loans | 400.9 |
| • Equity: | 140.9 |
| • Cash from Pocahontas Parkway Authority (PPA): | 0.8 |
| • Subordinated note: | 55.0 |
| • TIFIA loan*: | 150.0 |
| Total: | $747.6 |

* A portion of the TIFIA loan is used to retire $95.2 million of the bank loans; another $41.5 million in capitalized interest has not been included in the total.

### TIFIA Credit Assistance

Direct loan: $150 million.

The TIFIA loan will be secured by a pledge of net toll revenues that have a 4-year history of collection, as well as the interest income from the various reserve accounts. The Loan is structured into two tranches: Tranche A provides for refinancing of a portion of the acquisition bank debt; Tranche B provides for construction of the RAC and Electronic Toll Collection System.

### TIFIA Financial Performance

The TIFIA loan closed July 18, 2007. An initial draw was made in August, 2007 for the refinancing in Tranche A. Draws for construction in Tranche B will begin in 2008. Interest is capitalized through 2012. Loan repayments are scheduled to begin in 2029 and conclude in 2043.

## Warwick Intermodal Station

Warwick, RI — Approved FY 2003

### Borrower

http://www.dot.state.ri.us/

The Rhode Island Economic Development Corporation, the Rhode Island Airport Corporation (RIAC), and the Rhode Island Department of Transportation.

### Description

This intermodal transportation facility will include a commuter rail station, a bus terminal, a consolidated rental car facility, a 3,200 space parking garage, and a skywalk to T.F. Green Airport, which serves the Providence area and southern Massachusetts.

### Project Status

Construction schedule is to be determined. Substantial completion is expected by July 2010.

The Project Team includes Gilbane Building Company (Gilbane) – Construction Manager; PB Americas Inc. – Project Manager/Owner's Representative; Jacobs Edwards & Kelcey – Design and Construction Administration; and Jacques Whitford - Fuel System Design Firm.

Based on the current status of the project design, Gilbane, with input from the Project Team, has produced the current budget of $264 million. This budget was built with a "bottoms up" approach and classifies expenditures by appropriate categories. Included in the land acquisition, site development, engineering and miscellaneous category are the following items: design costs ($20 million), project management/owners representative costs ($2 million), construction administration costs ($4 million), land acquisition costs ($8 million), site development costs ($6 million), and other miscellaneous costs\ ($5 million). The Project Team is currently undertaking a value engineering exercise to mitigate the $28 million increase in the project estimate. Although the current budget is approximately $28 million (12.5%) higher than the original plan of finance, the project scope has not been modified.

### Funding Sources

Anticipated funding sources are as follows (dollars in millions):

| | |
|---|---|
| • Federal grants: | $88.9 |
| • State funds | 22.2 |
| • CFC: | 29.8 |
| • Interest Earnings: | 2.4 |
| • Senior bond proceeds: | 50.3 |
| • TIFIA loan: | 42.0 |
| • RDOT: | 28.4 |
| Total: | $264.0 |

### TIFIA Credit Assistance

Direct loan: $42 million.

The TIFIA loan will be secured by customer facility charges imposed by RIAC upon people renting cars at the airport as well as payments by the rental car companies for tenant improvements in the Intermodal Facility.

### TIFIA Financial Performance

The TIFIA loan closed June 27, 2006. An initial draw to cover development costs was made in April 2007. No further construction draws have been made. Loan repayments are scheduled to begin in 2009 and conclude in 2042.

## LA-1

Leeville, LA — Approved FY 2005

### Borrower

http://www.wilbursmith.com/la1project/

Louisiana Transportation Authority (LTA), a subsidiary of the Louisiana Department of Transportation and Development (LADOTD).

### Description

The ultimate LA-1 Project will be a 16.3-mile, four-lane elevated toll highway between Golden Meadow and Port Fourchon. The project's first phase, which has received TIFIA assistance, is an eight-mile, two-lane elevated highway between Leeville and Port Fourchon including a new high-level bridge at Leeville with a southbound toll facility. The existing LA-1 incurs subsidence, erosion, and frequent storm damage. In the event of hurricanes, this is the only highway evacuation route for Port Fourchon and Grande Isle, both of which suffered extensive damage from hurricanes Katrina and Rita in 2005.

### Project Status

Although the project has been delayed due to high bid prices resulting in part from the hurricane, bids have been received and contracts awarded for the project's three construction phases. The project (Phase 1) was let in staged contracts. Phase 1B was awarded to Traylor/Massman joint venture for $141M. 1B notice to proceed date: 3/1/2006. 1B completion date: 4/1/2010. The contract is currently 47% complete. The LADOTD awarded Phase 1C contract (Leeville Bridge - Highrise) to the low bidder, Traylor/Massman joint venture for $20.2M. Phase 1C completion date is January 2009. Phase 1C is 75.6% complete.

The LADOTD received bids for Phase 1A (from Leeville to Port Fourchon) on 12/13/2006. The contract was awarded to the low bidder, James Construction Group, on 1/8/2007 for $137M, 4.1% over the engineer's estimate. Construction began on August 28 2007. Phase 1A is scheduled to be completed in August 2011 and is currently 9.3% complete. The Phase 1A project has an approximate $35M shortfall. A potential funding source could be the Coastal Impact Assistance Program. The LADOTD is actively pursuing multiple funding sources. It is anticipated that the budget shortfall will be resolved by late spring 2008. The Phase 1D project for the toll facility, toll signing, customer service center, and ITS was let in April 2008.

### Funding Sources

Anticipated funding sources are as follows (dollars in millions):

| | |
|---|---|
| • Senior bond proceeds: | $95.0 |
| • TIFIA loan: | 66.0 |
| • LADOTD funds: | 58.4 |
| • State and Federal funds: | 18.2 |
| • Other: | 9.7 |
| Total: | $247.3 |

### TIFIA Credit Assistance

Direct loans: $66 million. Date of credit agreement: May 2005.

All project debt will be repaid from toll revenues. The financial plan shows TIFIA principal and interest payments beginning in 2013 with final payment in 2040.

### TIFIA Financial Performance

Along with the $95 million in senior bonds issued at the time of the closing of the TIFIA loan, the LTA issued $66 million of low interest Bond Anticipation Notes (BANs) that mature in 2009. When the BANs become due, the LTA has the option of retiring them with draws on the TIFIA loan, additional bonds, or any other funds available.

## 183-A Turnpike Project

Austin, TX — Approved FY 2005

### Borrower

http://www.ctrma.org/

Central Texas Regional Mobility Authority (CTRMA).

### Description

The 183-A Turnpike is a new 11.6-mile controlled access north-south tolled highway east of the existing US 183 in metropolitan Austin. This regionally significant project connects to the Central Texas Turnpike System, previously funded in part with TIFIA credit assistance. The project will alleviate congestion and improve safety in a fast growing region that consistently ranks as one of the Nation's most congested. The project is a four-lane facility, but will accommodate expansion to six lanes.

### Project Status

The project officially opened to traffic on March 3, 2007, on time and on budget. Initial toll revenue collections (cash only) began on May 1, 2007, with collection on discounted toll tag accounts beginning on June 1, 2007, as part of phased promotional implementation program. Full implementation of toll collection operations began on July 1. 2007.

### Funding Sources

The estimated funding sources for the project are as follows (dollars in millions):

| | |
|---|---|
| • Senior bond proceeds: | $177.8 |
| • BANs/TIFIA loan: | 66.0 |
| • State funds: | 64.7 |
| • Donated right of way: | 18.6 |
| • Other: | 9.5 |
| Total: | $336.6 |

Note: As of June 30, 2007

### TIFIA Credit Assistance

Direct loan: $66 million.

Date of credit agreement: March 2, 2005.

Net toll revenues on the full 11.6-mile system secure the loan. The Federal Government has a subordinate lien on these revenues with respect to debt service due on senior lien bonds.

### TIFIA Financial Performance

Along with the senior bonds issued at the time of financial closing, CTRMA issued $66 million of low interest Bond Anticipation Notes (BANs) with maturity in January 2008. CTRMA had the option of retiring the BANs with draws on the TIFIA loan, additional bonds, or any other funds available. In December 2008, the CTRMA requisitioned the full amount of the $66 million TIFIA loan to retire the BANs. The TIFIA funds were disbursed on December 18, 2007.

Mandatory interest as well as scheduled interest and principal payments begin in January 2012. The final maturity of the TIFIA loan is January 2042.

## South Bay Expressway (Formerly State Route 125 South)

San Diego County, CA — Approved FY 1999

### Borrower

http://southbayexpressway.com/

The South Bay Expressway (SBX), Ltd. (formerly San Diego Expressway, Ltd. Partnership), a California limited partnership. California Transportation Ventures (CTV), formed in 1990, is developing, financing, and operating the Project. CTV is the sole General Partner of SBX. Macquarie Infrastructure Group (MIG), through its U.S. subsidiary Macquarie 125 Holdings, Inc., owns CTV and SBX.

### Description

The South Bay Expressway is a 9.2-mile toll road advanced as a public-private partnership between the California Department of Transportation and SBX. In addition to the tolled road, two other road facilities (the Gap and the Connector) were constructed at the northern end of the Project in order to connect the Project to the existing San Diego highway network.

The South Bay Expressway completes a missing link in the San Diego freeway network and provides access to the Otay Mesa international border crossing, a key port of entry between the U.S. and Mexico.

The project is opening as a four-lane facility with provisions for an ultimate facility of eight mixed-flow lanes and a median wide enough to accommodate two high occupancy vehicle (HOV) lanes.

### Project Status

The South Bay Expressway opened to traffic on November 19, 2007. Cash tolls began on December 3, 2007. Full electronic toll collection was implemented on January 14, 2008. While the majority of the civil works was completed prior to the opening of the toll road, landscaping, and noise wall work is still ongoing.

### Funding Sources

Estimated funding sources , as of June 30, 2007, are as follows (dollars in millions):

- Senior bank loans: $340.0
- TIFIA loan: 140.0
- Equity contribution: 132.2
- Donated right of way: 47.8

Total: $660.0

### TIFIA Credit Assistance

Direct loan: $140 million.

Date of credit agreement: May 22, 2003.

The TIFIA loan is secured by a second priority security interest, subordinate to the lien of the Senior Loans, in the "Project Revenues" which means: (a) all income, tolls, revenues, rates, fees, charges, rentals, or other receipts derived by or related to the operation or ownership of the Project including all amounts from joint development or leasing of air space lease rights, (b) any revenues assigned to the Borrower and proceeds of the sale or other disposition of all or any part of the Project, and (c) all income derived from Permitted Investments.

### TIFIA Financial Performance

The TIFIA proceeds of $140 million have been fully disbursed. Scheduled TIFIA interest repayments begin in 2010 with the first mandatory interest payment in 2011. The first principal payment is scheduled in 2018. The final maturity of the TIFIA loan is scheduled for 2041.

## Central Texas Turnpike Project

Austin, TX — Approved FY 2001

### Borrower

http://www.dot.state.tx.us/

Texas Department of Transportation (TxDOT).

### Description

The Central Texas Turnpike Project, designated by TxDOT as the "2002 Project", consists of 65 miles of contiguous turnpike facilities to improve regional mobility and increase connectivity in the Austin-San Antonio corridor, the third fastest growing area in the Nation. The project consists of three distinct elements – SH 130, SH 45 North, and Loop 1 -- each on the National Highway System. The project will support national and international commerce by relieving congestion and improving safety in the I-35 corridor, a freight route that serves most of Texas' share of NAFTA-related truck traffic.

### Project Status

The project opened in phases with all phases completed at the end of April 2008.
On November 1, 2006, approximately 25 miles of the 2002 project opened to traffic, nearly a year ahead of schedule. This early opening included the Loop 1 extension from Parmer Lane to SH 45 North, SH 45 North from Loop 1 to SH 130, and SH 130 from US 79 to US 290 (Segment 2). In December 2006, Segment 1 of SH 130 (I-35 to US 79) opened, followed by Segment 3 (US 290 to SH 71) in September 2007. Segment 4 of SH 130 (SH 71 south to US 183) opened in April 2008.

The current cost estimate is $3.181 billion, $479 million less than the initial budget of $3.660 billion.

### Funding Sources

Estimated funding sources, as of August 31, 2007, are as follows (dollars in millions):

- Senior bond proceeds: $1,367.8 (revenue bonds issued by Texas Transportation Commission)
- BANs: 775.1
- TIFIA Loan 124.9
- State funds: 436.5
- Local grants: 291.1
- Investment income: 185.2

Total: $3,180.6

Note: It is anticipated that TIFIA loan proceeds will take out the BANs due to mature on June 1, 2008.

### TIFIA Credit Assistance

Direct loan: $916.8 million. Date of credit agreement: July 25, 2002.

The DOT has a subordinate lien on gross revenues (i.e., prior to operations and maintenance costs) and the trust estate. Revenues are defined as all income and revenues derived from the operation of the system, including all tolls, any other sources of revenues or funds derived from or attributable to the system, and interest income.

### TIFIA Financial Performance

Of the approximately $2.2 billion in capital market debt, $900 million was issued as low interest Bond Anticipation Notes (BANs) maturing in 2007 and 2008. In May 2007, TxDOT requested its first draw of TIFIA loan proceeds in the amount of $124,930,000 to retire the 2007 BANs. The TIFIA funds were disbursed on May 15, 2007. The TIFIA interest payments will begin in 2010 with principal payments commencing in 2025. The final maturity of the TIFIA loan is July 2042.

## Washington Metropolitan Area Transit Authority Capital Improvement Program

Washington DC Metropolitan Area, DC/MD/VA — Approved FY 1999

### Borrower

http://www.wmata.com/

Washington Metropolitan Area Transit Authority (WMATA).

### Description

WMATA operates a rail and bus system serving the National Capital area. It is the fourth largest transit system in the U.S. and the "Metro" is the Nation's second largest rail transit system, spanning 103 miles, and incorporating 83 stations.

The WMATA capital improvement program (CIP) will replace vehicles and rehabilitate facilities and equipment on the rail and bus systems. Individual components of the CIP include procurement of new buses and rail cars; major maintenance and rehabilitation of electrical and mechanical systems, communications, and track and structures to improve system-wide performance; escalator and elevator rehabilitation and other station enhancements; parking lot improvements; and upgrades to several maintenance facilities.

### Project Status

Construction is underway. Substantial completion of the CIP is anticipated for mid-2009.

### Funding Sources

Anticipated funding sources are as follows (dollars in millions):

- Federal grant funds: $1,547
- Local match: 560
- Grant anticipation bonds: 217

Total: $2,324

In addition to the sources above, WMATA has a $600 million loan commitment (i.e., line of credit) from Lehman Commercial Paper, Inc. which is guaranteed under TIFIA. This loan commitment permits WMATA to demonstrate adequate fiscal capacity under the terms of its funding agreement with local jurisdictions.

### TIFIA Credit Assistance

Loan guarantee: $600 million.

Date of credit agreement: January 28, 2001.

The TIFIA loan guarantee permitted WMATA to obtain the loan commitment at no cost. The TIFIA guarantee backs repayments to Lehman Commercial Paper, Inc. should WMATA draw on the loan commitment and be unable to repay. Revenues that would secure a loan commitment draw, and thus the TIFIA guarantee, include the system's gross revenues as well as payments provided by local area governments to support the CIP.

### TIFIA Financial Performance

WMATA has not drawn on the Lehman commitment, and thus there has been no possibility of a draw on the TIFIA loan guarantee.

## Intercounty Connector

Montgomery County – Prince George's County, MD — Approved FY 2007

### Borrower

http://www.iccproject.com/

Maryland Transportation Authority (MTA) and Maryland State Highway Administration (SHA)

### Description

The Intercounty Connector (ICC) is a proposed 18-mile, six-lane, access-controlled, congestion-managed toll road in suburban Washington, DC. It will be a new asset in the MTA existing system of highway, tunnel, and bridge assets ("System"). The ICC, when completed, will improve east-west mobility by connecting the I-270 and I-95/US 1 corridors.

### Project Status

Notice to proceed for construction was issued in 2007. Substantial completion is expected by 2012.

### Funding Sources

Anticipated funding sources are as follows (dollars in millions):

| | |
|---|---|
| • Federal Grants: | $18.5 |
| • Maryland's Transportation Fund: | $180.0 |
| • Maryland General Fund: | $264.9 |
| • GARVEE: | $750.0 |
| • Facility Bonds: | $654.3 |
| • TIFIA Loan: | 516.2 |
| • MTA Funds from Operations: | 62.0 |
| Total: | $2,445.9 |

### TIFIA Credit Assistance

Direct loan: $516.2 million.

The TIFIA loan will be repaid using net toll revenues from the MTA.

### TIFIA Financial Performance

The Department of Transportation signed a term sheet, obligating funds on April 26, 2007. Negotiations on the TIFIA loan are ongoing. An initial draw is expected in September 2009. The TIFIA interest payments are expected to being in 2012. Loan repayments are scheduled to begin in 2013 and conclude in 2044. The MTA issued $325 million in Garvee bonds in May 2007 and approximately $100 million in Authority debt in March 2008 for the ICC project. We anticipate a credit agreement in the Fall of 2008.

## Reno Transportation Rail Access Corridor (ReTRAC)

Reno, NV — Approved FY 2001

Retired: Paid in Full

### Borrower

http://www.cityofreno.com/gov/retrac/

City of Reno, Nevada.

### Description

This project involves a 2.25-mile below-grade rail freight corridor with two mainline tracks and an access road, replacement of 10 at-grade rail crossings with bridges, and construction of one new bridge. A "shoofly" track served as a temporary bypass route during construction.

Reno is situated in a major rail corridor linking west coast ports, especially the Port of Oakland, to inland destinations. The Union Pacific Railroad is expected to increase train traffic through central Reno from 14 trains to at least 24 trains per day. The project allows Union Pacific to improve freight capacity by increasing train lengths to 8,000 feet with double-stacked containers.

### Project Status

The trench opened to train service on November 18, 2005. Using a design/build contractor, Reno completed the entire project in the spring of 2006.

### Funding Sources

Funding sources are as follows (dollars in millions):

| | | |
|---|---|---|
| • Senior bond proceeds: | $111.5 | (revenue bonds issued by City of Reno) |
| • TIFIA loan: | 50.5 | |
| • Federal grants: | 21.3 | |
| • Railroad payment: | 17.0 | |
| • Other: | 79.6 | (includes cash on hand and interest earnings) |
| Total: | $279.9 | |

### TIFIA Credit Assistance

The original TIFIA commitment amounted to $73.5 million, comprised of three separate obligations:

- Sales and room tax loan: $50.5 million; secured by county sales and city hotel room taxes.
- Lease-backed loan: $5 million, secured by lease income from property contributed by Union Pacific.
- Assessment district loan: $18.5 million, secured by tax assessments on real property in a downtown business district. Adjoining the ReTRAC corridor

The sales and room tax loan closed in 2002 and was funded in 2004. Negotiations concluded in 2005 on the assessment district loan, although litigation prevented its closing. Reno elected not to proceed with either of the two smaller loans.

### TIFIA Financial Performance

With revenues securing the $50.5 million sales and room tax loan performing as projected, the City repaid the original $50.5 million loan with interest in May 2006.

## Staten Island Ferries and Ferry Terminals

New York, NY

Approved FY 2000

Retired: Paid in Full

### Borrower

http://www.ci.nyc.ny.us/html/dot/html/get_around/ferry/statfery.html

New York City Department of Transportation and TSASC, Inc., a special-purpose not-for-profit state corporation authorized to issue bonds secured by tobacco settlement revenues.

### Description

The Staten Island Ferries and Ferry Terminals project consisted of construction and acquisition of three ferry boats and redevelopment of two ferry terminals, the St. George Terminal in Staten Island, and the Whitehall Terminal in lower Manhattan, including new traveler information systems and multimodal connections to taxis and transit.

The ferry system operates an eight-vessel fleet, serving 70,000 passengers per day on the five-mile, 25-minute ride between Staten Island and Manhattan. The three new ferries accommodate 4,400 passengers each, 25 percent more than previous capacity.

### Project Status

Renovation of the St. George Terminal and Whitehall Terminal is complete. All ferry vessels have been delivered and are in revenue service.

### Funding Sources

Original funding sources were as follows (dollars in millions):

| | |
|---|---|
| • Bond proceeds: | $274.3 |
| • TIFIA loan: | 159.2 |
| • Federal grants: | 47.0 |
| • State grants: | 1.8 |
| Total: | $482.2 |

### TIFIA Credit Assistance

Direct loan: $159.2 million.

Date of credit agreement: December 19, 2001.

The TIFIA loan was secured by tobacco settlement revenues due to TSASC, Inc. under the Master Settlement Agreement with participating tobacco companies. This agreement requires participating companies to make annual payments to beneficiaries, including TSASC, in perpetuity. The DOT held a parity lien, with senior bondholders, of $750 million in outstanding TSASC bonds, the proceeds of which were available for other purposes.

### TIFIA Financial Performance

Using tax-exempt bonds, TSASC pre-paid the TIFIA loan with interest on February 8, 2006. The loan was repaid 27 years ahead of schedule, saving New York City about $152 million in interest payments. Prior to the loan pay-off, TSASC had made eight timely payments of interest and one of principal.

## Replacement of the Cooper River Bridges

Charleston, SC

Approved FY 2000

Retired: Refinanced

### Borrower

http://www.dot.state.sc.us

South Carolina Transportation Infrastructure Bank (SCTIB) and the South Carolina Department of Transportation.

### Description

The Arthur Ravenel, Jr. bridge replaces two structurally deficient bridges on U.S. 17, a designated national defense highway, connecting the cities of Charleston and Mount Pleasant, South Carolina and permits modern cargo vessel passage to the Port of Charleston, the second largest container cargo port on the East Coast. The bridge crossing provides a vital link in the regional roadway network that provides access to major employment centers in North Charleston, commercial and industrial port facilities, and residential and recreational areas east of the Cooper River.

### Project Status

The project opened to traffic on July 9, 2005.

### Funding Sources

Funding sources are as follows (dollars in millions):

- Federal grants: $127.5
- TIFIA direct loan: 215.0
- Bond proceeds: 334.5

Total: $677.0

### TIFIA Credit Assistance

Direct loan: $215 million.

Date of credit agreement: July 11, 2001.

The loan was secured by two primary sources: (i) payments from the South Carolina Department of Transportation ($8 million per year for 25 years) and (ii) certain revenues from hospitality fees levied by Horry County as well as an intercept of State funds collected by the county, if needed. (The hospitality fee comprises a 1.5 percent tax on sales of lodging, admissions, and restaurants.) In addition, certain reserve funds were available as a third source of repayment.

### TIFIA Financial Performance

On July 6, 2004, the DOT and the SCTIB terminated the loan agreement so the SCTIB could issue new tax-exempt bonds backed by the revenues pledged to the TIFIA loan. The new bonds carry a lower interest rate than the TIFIA loan, the proceeds of which the SCTIB had yet to draw. This retirement of a TIFIA loan marks a successful milestone, as the Federal credit commitment in 2001 enabled project construction to get underway, to be replaced entirely by private investment after only 3 years.

## Tren Urbano

San Juan, PR

Approved FY 1999

Retired: Paid in Full

### Borrower

http://www.dtop.gov.pr/

Puerto Rico Highway and Transportation Authority (PRHTA).

### Description

This 17-kilometer rapid rail line serves metropolitan San Juan, home to 1.3 million residents, representing 37 percent of Puerto Rico's total population. The system has 16 stations, closely integrated with the local bus system, and currently carries approximately 30,000 riders per day.

### Project Status

The project is 100 percent complete. Revenue service began June 6, 2005.

### Funding Sources

Funding sources are as follows (dollars in millions):

- Federal grants: $828.8
- Bond proceeds: 637.8
- TIFIA loan: 300.0
- Other sources: 483.4

Total: $2,250

### TIFIA Credit Assistance

Direct loan: $300 million.

Date of credit agreement: August 4, 2000.

The TIFIA loan received a subordinate pledge of certain tax revenues (including the proceeds of motor fuel taxes, tire taxes, and vehicle registration fees) accruing to PRHTA.

### TIFIA Financial Performance

The DOT disbursed the $300 million loan in its entirety on August 7, 2000. Taking advantage of the low interest rate environment, PRHTA refinanced the loan with tax-exempt debt in April 2003, fully prepaying the TIFIA loan in the amount of $305.6 million. In keeping with the TIFIA objective of encouraging prepayments when feasible, this loan was paid off 32 years earlier than its scheduled final maturity. The bonds issued to refund the TIFIA loan have an interest rate of 4.97 percent, slightly more than 75 basis points lower than the interest rate on the TIFIA loan. The authority expects to save $31.7 million, based on net present value, when compared to maintaining the TIFIA loan.

## Appendix B. The TIFIA Pipeline

| TIFIA Projects in the Pipeline ($ in millions) | | | | | | |
|---|---|---|---|---|---|---|
| Project | Public-Private Partnership | Location | Est. Cost | Request | TIFIA % | Instrument |
| **Active Applications** | | | | | | |
| I-595 Corridor Roadway Improvements | Yes | Florida | $1,500 | $500 | 33% | Direct loan |
| IH 635 (LBJ Freeway) Phase I | Yes | Texas | $1,340 | $146 | 11% | Direct Loan |
| Knik Arm Crossing | Yes | Alaska | $844 | $261 | 31% | Direct Loan |
| North Tarrant Express | Yes | Texas | $802 | $59 | 7% | Direct loan |
| Port of Miami Tunnel (POMT) | Yes | Florida | $822 | $299 | 36% | Direct loan |
| **Potential Applications Anticipated** | | | | | | |
| 281 North Toll Project | Yes | Texas | $522 | $121 | 23% | Direct Loan |
| I-95/395 HOT Lanes | Yes | Virginia | $1,250 | $413 | 33% | Direct Loan |
| BART Oakland Airport Connector | Yes | California | $435 | $140 | 33% | TBD |
| First Coast Outer Beltway | No | Florida | $2,000 | $660 | 33% | Direct Loan |
| Las Vegas Monorail | Yes | Nevada | $650 | $200 | 31% | TBD |
| Airport Parkway | Yes | Mississippi | $500 | TBD | TBD | TBD |
| Transbay Terminal/Caltrain Extension | No | California | $2,083 | $690 | 33% | Direct Loan |
| Transportation Corridor System | No | California | $4,900 | $1,100 | 22% | Direct Loan |
| Triangle Expressway | No | North Carolina | $967 | $319 | 33% | Direct Loan |
| US-460 | Yes | Virginia | $1,500 | $500 | 33% | Direct Loan |

### Active Applications:

The following provides a brief summary of projects for which the TIFIA JPO has received applications. The DOT is still reviewing the projects and they have not yet been approved by the Secretary of Transportation.

I-595 Corridor Roadway Improvements

The Florida Department of Transportation (FDOT) has submitted an application for a $500 million loan to execute the $1.5 billion I-595 project. The FDOT is developing I-595 through a public-private partnership. Specifically, pursuant to a concession agreement, a private entity (the concessionaire) will have the right and obligation to develop, design, construct, finance, operate, and maintain the project improvements. The FDOT will compensate the concessionaire on I-595 through availability payments. The project consists of the reconstruction of the I-595 mainline and all associated improvements to adjacent cross-roads, frontage roads, and ramps from the I-75/Sawgrass Expressway interchange to the I-595/I-95 interchange, for a total project length of approximately10.5 miles.

IH 635 (LBJ Freeway) Phase I

The Texas Department of Transportation (TxDOT) has submitted an application seeking a $146 million direct loan for the $1.3 billion IH 635 project. The TxDOT is advancing the project via a competitive process through which it will select a private concessionaire responsible for design, construction, financing, operation, and maintenance of the IH 635 Managed Lanes. The project will create new Managed Lanes (equivalent to High Occupancy/Toll Lanes) along 17 miles of the IH 635 (LBJ Freeway) and IH 35E corridors in Dallas County. The toll rates will

incorporate dynamic pricing, and thus will vary by time of day, level of congestion, vehicle type, and vehicle occupancy.

Knik Arm Crossing

The Knik Arm Bridge and Toll Authority (KABATA) has submitted an application seeking a $261 million direct loan for the $844 million Knik Arm Crossing project. The project will be a tolled bridge crossing the Cook Inlet, connecting the Municipality of Anchorage with the Matanuska-Susitna Borough (Mat-Su). The project is comprised of a total of nine sections. Project Section 1 includes realignment, leveling, and placement of a pavement course to the 9.6-mile unpaved rural road connecting the Port MacKenzie District to Burma Road. Project Sections 2–5 include the new two- to four-lane 8,180 foot toll bridge structure, a 3.95-mile bridge approach on the Mat-Su side connecting to Section 1 and a 1.95-mile bridge approach on the Anchorage side. Remaining Sections 6–9 will provide alternate access points to the Port of Anchorage and the Knik Arm Bridge. The bridge substructure will be designed and constructed to support six lanes. The timing of the expansions (e.g., from two to four lanes) will be left up to the private developer, provided the capacity performance requirements are met. KABATA intends, through a competitive procurement, to transfer to a private party the development, design, construction, financing, operation, and maintenance of Sections 2–5; design, construction, and limited financing will be transferred to the private party for Sections 6–9.

North Tarrant Express

The TxDOT has submitted an application seeking a $59 million direct loan for the $802 million North Tarrant Express project. The TxDOT intends to award a concession comprehensive development agreement for the design, construction, financing, operation, and maintenance of Segment 1 and potentially all or a portion of Segment 2 (Concession Facility) of the North Tarrant Express project to a private developer. The project consists of improvement and expansion of six distinct segments along more than 36 miles of IH 820, IH 35W, and SH-183 in North Tarrant County, in the vicinity of Fort Worth, Texas. The TIFIA application relates to the Concession Facility only. The project will include reconstruction and new construction of general purpose lanes, construction of managed toll lanes, reconstruction and new construction of frontage roads, installation of necessary tolling infrastructure, establishment of tolling operations, and maintenance and operation for all of the above.

Port of Miami Tunnel

The Port of Miami Tunnel project is being led by FDOT in partnership with Miami-Dade County and the city of Miami. The tunnel will connect Watson Island to the Port of Miami-Dade and remove thousands of heavy truck and bus trips each year from downtown Miami streets. In May 2007, FDOT selected a consortium led by Babcock & Brown and Bouyges Travaux Publics under a Design-Build-Finance-Maintain-Operate concession for 30 years plus a maximum of 5 years for construction. The concessionaire will be paid by FDOT through availability payments during the operation period. Estimated project costs are $822 million, and FDOT's maximum annual availability payments during the concession period would be approximately $33 million.

**Potential Applications:**

The following provides a brief summary of projects for which the TIFIA JPO anticipates receiving applications before the next report to Congress is due in 2010.

281 North Toll Project

The Alamo Regional Mobility Authority (Alamo RMA) is seeking to advance the $522 million 281 toll project in northern San Antonio, Texas. The project consists of the reconstruction of approximately 7.9 miles of existing US 281 from a four-lane at-grade highway to a six-lane controlled access tolled expressway with frontage roads. The Alamo RMA anticipates selection of a best value design/build team in the second quarter of 2008 with financial close in summer 2008.

I-95/395 HOT Lanes

The Virginia Department of Transportation (VDOT) is partnering with Fluor-Transurban in the development of a high-occupancy toll (HOT) lane project for Interstates 95/395. The VDOT is also partnering with Flour-Transurban on the Capital Beltway HOT Lanes project, which closed a $589 million TIFIA loan on December 20, 2007. The I-95/395 project, estimated to cost approximately $900 million, will expand the existing reversible high occupancy vehicle (HOV) lanes on I-95/395 from two to three lanes and extend two new lanes south to Massaponax from Eads Street near the Pentagon. The new I-95/395 lanes will be reversible, meaning traffic operations personnel will use them to move traffic into the region during peak in-bound commute times, and out of the region during out-bound peak periods, like the HOV lanes are used today. The Capital Beltway HOV/Bus/HOT lanes will operate in both directions. The VDOT is currently working with the Federal Highway Administration to complete the project's required Federal environmental review, while the private-partner, Fluor-Transurban, moves forward with preliminary engineering, operations plans, and traffic and revenue studies.

Bart Oakland Airport Connector

The Oakland Airport Connector light rail project will connect San Francisco's Oakland airport to the city's East Bay area. Estimated project costs are $435 million. This public-private partnership is being procured on a Design-Build-Finance-Operate basis with a 35-year concession period. The 3.2-mile automated system would include two end terminal stations – at the Coliseum Bay Area Rapid Transit Station and the proposed airport terminal – and allow for future construction of an intermediate stop near the intersection of Doolittle Drive and Hegenberger Road. Two of the three consortia originally pre-qualified to bid on the concession have withdrawn. The remaining bidder is a consortium comprised of Merrill Lynch, Granite Construction, Parsons Transportation, Bombardier, and Babcock & Brown.

First Coast Outer Beltway

The First Coast Outer Beltway, estimated to cost approximately $2.0 billion, is a proposed four-lane limited access toll facility that includes the St. Johns River Crossing Corridor in St. Johns and Clay Counties and the Branan Field-Chaffee Road (SR 23) project in Clay and Duval Counties in Florida. The project will provide a connecting roadway, outside of the

existing I-295 loop, between I-95 in St. Johns County and I-10 in Duval County. A total of 13 new interchanges and a major bridge structure across the St. Johns River are also proposed. The total length of the proposed roadway is approximately 46.5 miles. The FDOT will be developing the project under a public-private partnership and anticipates selecting a concessionaire in fall 2008. However, that date may be pushed back as the FDOT recently postponed the RFQ process to allow the department to resolve property tax issues and allow for the completion of the project's environmental study. The FDOT will be continuing the preliminary design, environmental studies, property acquisition and other project development activities despite the delay.

Las Vegas Monorail Extension

The Las Vegas Monorail Company is planning an extension of the existing monorail to McCarran International Airport Terminals 1 and 3. The Las Vegas Monorail extension, estimated to cost $650 million, will connect to the existing Las Vegas Monorail system by tying into the tail track located on MGM Grand Hotel & Casino property immediately adjacent to the north side of Tropicana Avenue. This will provide a seamless connection between the proposed extension and the existing monorail system. The approximate total distance from the MGM connection to the end-of-line, which will be an operations center on airport property, is three miles, with two new stations at the airport. The proposed plan to finance the extension includes private sources, including the resort companies, TIFIA, and restructuring or repayment of existing debt.

Airport Parkway Project

The Airport Parkway Project is being advanced by the Mississippi Department of Transportation (MDOT) to address the growth and resulting congestion in the Jackson metropolitan area. The proposed new, 12-mile toll road is located just east of downtown Jackson and extends eastward to the suburbs of Jackson and Jackson International Airport. The project consists of an access-controlled, high-speed toll road to be constructed on new alignments. The proposed alignment will start at I-55 in the west, extend to the east into the cities of Flowood and Pearl, and, after diverging at the proposed West Rankin Parkway, will terminate at MS 25 north of the airport and at MS 475 to the south of the airport. The MDOT's current construction cost estimate for the project is approximately $345 - $500 million (in 2008 dollars), depending on the design of the project improvements. The MDOT intends to develop the project through a public-private partnership and plans to issue the request for proposals in July 2008 with financial close currently scheduled for April 2009.

Transbay Terminal/Caltrain Extension

The Transbay project, estimated at nearly $2.1 billion, will replace the existing Transbay terminal at 1st and Mission Streets in San Francisco, CA with a new intermodal Transit Center. The project will extend Caltrain 1.3 miles underground from its current terminus at 4th and Townsend Streets to the new downtown Transit Center, which will also serve as the San Francisco station for the future California High Speed Rail. A third component of the project is transit oriented development. The Redevelopment Plan, covering over 40 acres of underutilized government-owned land will facilitate the development of nearly 3,400 new homes (35 percent of which will be affordable), 1.2 million square feet of new office, hotel, and commercial space and 60,000 square feet of retail, not including retail in the Transit Center.

Transportation Corridor System

The Transportation Corridor System (TCS), a joint powers agency whose members include the San Joaquin Hills Transportation Corridor Agency (SJHTCA) and the Foothill/Eastern Transportation Corridor Agency (FETCA) is seeking a $1.1 billion TIFIA loan to pay a portion of the purchase price for the acquisition of the San Joaquin Hills Toll Road, the Foothill Toll Road, and the Eastern Toll Road (collectively, the System) and to defease all of the outstanding indebtedness of the SJHTCA and the FETCA incurred in connection with the acquisition, construction, and refinancing of the System. The estimated cost of the project is $4.9 billion. The TCS was created in 2003 for the purpose of acquiring the toll road assets of SJHTCA and FETCA, taking responsibility for the operation and maintenance of the System, and constructing additional capital improvements to the System. The proposed refinancing would provide additional capacity to construct an additional southern segment to the Foothill Transportation Corridor (Foothill South) in Orange County, CA.

Triangle Expressway

The North Carolina Turnpike Authority (NCTA) is seeking to advance the $967 million Triangle Expressway project. The proposed 18.8-mile Triangle Expressway is comprised of three sections. Triangle Parkway will extend from NC 147 at I-40 south 3.4 miles, terminating at the interchange with the Outer Wake Expressway. Northern Wake Expressway (NC 540) is the portion of the Outer Wake Expressway that extends from NC 54 to NC 55. This 2.8-mile segment, which recently opened to traffic and was constructed by DOT with Statewide Transportation Improvement Program (STIP) funds, is being transferred to NCTA in support of the project. This section will enable Triangle Parkway and Western Wake Freeway to function as a contiguous toll facility. Western Wake Freeway connects with Northern Wake Expressway and will extend from a northern junction with NC 55 near Research Triangle Park to a southern junction with NC 55 Bypass near Holly Springs, covering a distance of 12.6 miles.

US 460

The $1.5 billion project currently contemplated will include a 58-mile, limited access, four-lane, divided highway. The project extends from I-295 in Prince George County, Virginia to the Suffolk Bypass (US 58) in Suffolk, Virginia. It is anticipated that VDOT will pursue a public-private partnership to design, build, operate, and finance the US 460 project. The current VDOT schedule calls for submission of detailed proposals in fall 2008 with a comprehensive or interim agreement in early 2009.