Appendix C: TIFIA Project Summaries

C.0 Introduction

This appendix provides a profile for each of the eleven TIFIA projects. These profiles describe the projects' principal components, summarize funding sources and the amount and type of TIFIA credit assistance, and identify the revenue(s) pledged to repaying the TIFIA obligation. Where applicable, the profiles indicate the projects' financial performance with respect to TIFIA support. The profiles, including the financial data, are current per information available as of March 31, 2002. Accordingly, the projects' financial data, which provide the basis for analysis throughout this report, may differ from the original data in their TIFIA applications.

Each profile includes a calculation of the financial leveraging of the total Federal investment. Similar to the aggregate calculation in Chapter Four, this ratio compares total capital investment to the total budgetary cost of Federal credit and grant assistance for each project.

The profiles appear in the following order:

<u>Fiscal Year 1999 Approvals</u>

- Farley Penn Station (New York, NY)
- Miami Intermodal Center (Miami, FL)
- State Route 125 South (San Diego County, CA)
- Tren Urbano (San Juan, PR)
- Washington Metropolitan Transit Authority Capital Improvement Program (Washington, DC metropolitan area)

<u>Fiscal Year 2000 Approvals</u>

- Cooper River Bridge (Charleston, SC)
- Staten Island Ferries and Terminals (New York, NY)
- Tacoma Narrows Bridge (Tacoma, WA)

<u>Fiscal Year 2001 Approvals</u>

- Central Texas Turnpike (Austin-San Antonio Corridor, TX)
- Reno Transportation Rail Access Corridor (Reno, NV)

<u>Fiscal Year 2002 Approvals</u>

- San Francisco-Oakland Bay Bridge (San Francisco-Oakland, CA)

C.1 Farley Penn Station

New York, NY — Approved FY 1999

Description

This $795 million project will expand and refurbish the James A. Farley Post Office Building and portions of the existing Pennsylvania Station Complex as an intermodal transportation facility and commercial center. The facility will service commuter rail, subway, airport access, bus and taxi passengers, as well as the U.S. Postal Service.

Penn Station is presently the nation's busiest transportation facility, handling over 500,000 passengers daily and currently serving 40 percent of Amtrak's riders nationwide. The Farley Penn Station project will increase station capacity by 30 percent and double passenger circulation space.

Project Status

In March, 2001, PSRC awarded a contract to develop, operate, and maintain the new Farley Penn Station to Penn Station Ventures. Design of the facility is underway. The project is estimated to be complete by 2005.

Project Sponsor

Pennsylvania Station Redevelopment Corporation (PSRC), a subsidiary of New York's Empire State Development Corporation. Other participants include Amtrak and the U.S. Postal Service.

Funding Sources

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

• Federal grants:	$247.3	
• State funds	190.2	
• Local matching funds:	60.0	
• Senior bond proceeds:	153.5	(revenue bonds to be issued by PSRC)
• TIFIA loan:	140.0	
• Developer equity:	4.0	
Total:	$795.0	

In addition, the project received a $20 million TIFIA line of credit.

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loan: $140 million.

Line of credit: $20 million.

Date of credit agreement: November 6, 2000 (final funding agreements still being finalized).

The TIFIA loan is to be repaid from three revenue streams: lease payments from the Port Authority of New York and New Jersey, revenues from Amtrak, and rents paid from planned station retail facilities. The TIFIA obligation has a subordinate claim on all revenues. However, senior bondholders and the DOT will share a claim on the Port Authority lease payments on a pro rata basis (i.e., the DOT will be assured of some share of revenue from this source, albeit on a junior lien basis). The remaining revenues are to be treated as a single revenue stream on which the DOT would have a junior claim.

TIFIA Financial Performance

The DOT and the PSRC are currently negotiating the specific details of the loan funding agreement. Upon finalization of that agreement, loan funds will be available for disbursement.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 3.0.

C.2 Miami Intermodal Center

Miami, FL — Approved FY 1999

Description

The $1.35 billion Miami Intermodal Center project comprises a five-year program of ground access improvements to and within the Miami International Airport. Passenger traffic at the airport totaled 35 million in 1999, and it is projected that by 2020, the airport will serve 70 million passengers per year.

Major project elements include construction of an intermodal center for transit, commuter rail, Amtrak and intercity bus services; an automated airport people mover; and highway improvements. The five-year program will also consolidate rental car operations at the airport, providing space for 10,000 cars at a new rental car facility. A subsequent project phase calls for a fixed rail connection to the Miami seaport.

Project Status

Right-of-way acquisition is underway; roadway construction contracts are expected to be let by mid-2003. Schematic design of the rental car facility is complete, with construction anticipated to occur in 2002 and 2003. Schematic design of the intermodal center's core is expected to begin in fall, 2002, with construction to take place in 2003 through 2005. The full project is estimated to be complete by 2006.

Project Sponsor

Florida Department of Transportation and Miami-Dade Aviation Department.

Funding Sources

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

• Federal funds:	$106.7
• State and local funds:	720.3
• TIFIA loan:	432.8
• Capitalized interest:	64.9
• SIB loan:	25.0
Total:	$1,349.7

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loans: $432.8 million, comprised of two separate obligations:

- General Program loan: $269 million; to be repaid from fuel tax revenues.
- Rental Car Facility loan: $164 million, to be repaid from fees levied on rental cars.

Date of credit agreement: The General Program loan closed on June 9, 2000. The Rental Car Facility loan is still being negotiated.

TIFIA Financial Performance

The DOT expects to disburse funds under the General Program loan beginning in FY 2002 and continuing through FY 2005.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 11.7.

C.3 State Route 125 South

San Diego County, CA Approved FY 1999

Description

The $455 million SR 125 South project will construct a new 9.5-mile toll highway alignment in San Diego County, California. This privately financed toll facility, extending from SR 905 near the U.S.-Mexico border northwards to SR 543, will be linked to the regional freeway network by a two-mile locally funded non-tolled segment, known as the San Miguel Connector.

The SR 125 alignment will complete a missing link in the San Diego freeway network and provide access to the Otay Mesa international border crossing, a key NAFTA port of entry. SR 125 will also relieve congestion on existing routes throughout the rapidly growing South Bay region of San Diego County.

Project Status

The full route is scheduled to open as a four-lane facility with six interchanges in mid-2005.

Project Sponsor

California Transportation Ventures, Inc. (CTV), which serves as managing partner of San Diego Expressway, Ltd. Partnership. Major investors include Parsons Brinckerhoff and Egis Projects.

Funding Sources

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

• Senior bond proceeds:	$247.2	(revenue bonds to be issued by CTV)
• TIFIA loan:	94.0	
• Development equity:	63.4	
• Interest earnings:	32.3	
• Donated right of way:	17.6	
Total:	$454.5	

In addition, the project received approval for a $33 million TIFIA line of credit.

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loan: $94 million.

Line of credit: $33 million.

The CTV and the DOT expect that a credit agreement will be signed in summer 2002.

Toll revenues to be levied on the facility are pledged to repay the TIFIA loan. Repayment of the TIFIA loan has second priority in the flow of funds, subordinate to the project's debt service payments to senior bondholders. Interest earnings on the debt service reserve fund and other accounts provide a secondary pledge to the TIFIA obligations.

TIFIA Financial Performance

A disbursement schedule will be negotiated as part of the final credit agreement.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 33.2.

C.4 Tren Urbano

San Juan, PR Approved FY 1999

Description

This $1.65 billion project will complete a 17-kilometer rapid rail line serving metropolitan San Juan. The system will have 16 stations, closely integrated with the local bus system, and provide approximately 100,000 trips per day in the first year of operation. The metropolitan San Juan area is home to 1.3 million residents, representing 37 percent of Puerto Rico's total population.

Project Status

The project is under construction and proceeding toward completion. The original date for substantial completion of the project was September 2003, but a revised substantial completion date is currently being developed.

Sponsor

Puerto Rico Highway and Transportation Authority.

Funding Sources

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

• Federal grants:	$715.8	
• Bond proceeds:	637.8	(revenue bonds issued by PR Highway and Transit Authority)
• TIFIA loan:	300.0	
Total:	$1,653.6	

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loan: $300 million.

Date of credit agreement: August 4, 2000.

The TIFIA obligation has a subordinate pledge of revenues to the Puerto Rico Highway and Transit Authority. These revenues include the proceeds of motor fuel taxes, tire taxes, and vehicle registration fees.

TIFIA Financial Performance

The DOT disbursed the $300 million loan in its entirety on August 7, 2000. Interest payments as of the end of 2001 totaled $24.136 million, as scheduled. The loan is projected to be fully repaid by 2035.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 2.3.

C.5 Washington Metropolitan Area Transit Authority Capital Improvement Program

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

Description

The Washington Metropolitan Area Transit Authority (WMATA) operates a rail and bus system serving a 1,500-square mile area in the greater Washington, DC, area. WMATA is the fourth largest overall transit system in the U.S. and the "Metro" is the second largest rail transit system in the nation, spanning 103 miles and incorporating 83 stations. The number of weekday trips averages 613,900 per day on the rail system and 516,600 per day on Metro buses.

The $2.3 billion capital improvement program (CIP) will replace vehicles and rehabilitate facilities and equipment on the $10 billion Metrorail 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. Contracts are outstanding for track work, rolling stock acquisitions, facilities upgrades, and equipment upgrades. A design contest has been held for outdoor station canopies. Substantial completion of the CIP is anticipated for mid-2009.

Project Sponsor

Washington Metropolitan Area Transit Authority.

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 shown above, WMATA has the ability to draw on a $600 million line of credit made available by Lehman Commercial Paper, Inc. and guaranteed under TIFIA. This line of credit permits WMATA to demonstrate adequate fiscal capacity under the terms of an interjurisdictional funding agreement.

TIFIA Credit Assistance and Date Closed (if applicable)

Loan guarantee: $600 million.

Date of credit agreement: January 28, 2001.

The TIFIA loan guarantee permitted WMATA to obtain the commercial line of credit at no cost. The TIFIA guarantee backs repayments to Lehman Commercial Paper, Inc. in the event that the project sponsor ultimately draws on its line of credit. In this case, revenues securing the draw on the line of credit and thus the guarantee would include the system's gross revenues as well as payments provided by local area governments to support the capital improvement program.

TIFIA Financial Performance

WMATA has not drawn funds under its $600 million line of credit.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 1.5.

C.6 Cooper River Bridge

Charleston, SC Approved FY 2000

Description

This $668 million project will construct a new 2.5-mile bridge to replace two existing, structurally deficient bridges on U.S. 17 – a designated national defense highway, connecting the cities of Charleston and Mount Pleasant, South Carolina. The Port of Charleston is now 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

By July 2001, all permits had been secured and the South Carolina Department of Transportation had signed a $531 million design/build contract with Palmetto Bridge Constructors. The project is estimated to be complete by 2006.

Project Sponsor

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

Funding Sources

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

- Federal grants: $127.5
- TIFIA direct loan: 215.0
- Bond proceeds: 325.0 (revenue bonds to be issued by the S.C. Transportation Infrastructure Bank)

Total: $667.5

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loan: $215 million.

Date of credit agreement: July 11, 2001.

The loan is 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 will be available as a third source of repayment.

TIFIA Financial Performance

Under the current financing plan it is expected that TIFIA loan funds will be drawn down over a three-year period beginning in 2003, with repayment of principal an interest commencing in 2004.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 5.0.

C.7 Staten Island Ferries and Terminals

New York, NY Approved FY 2000

Description

The $482 million Staten Island Ferries and Terminals project consists of construction and acquisition of three ferry boats (estimated cost, $137 million) 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 multi-modal 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 will accommodate 4,400 passengers each, 25 percent more than current capacity.

Project Status

Design of the ferry boats was completed in July, 2000 and notice to proceed with construction was granted in January, 2002. Construction on the St. George Terminal was begun in November, 2001. Under an aggressive "early milestone" schedule, substantial completion of the entire project is projected for May, 2004. Under the standard schedule, substantial completion is projected for December, 2004.

Project Sponsor

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

Funding Sources

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

• Bond proceeds:	$274.3	(general obligation bonds issued by City of New York)
• TIFIA loan:	159.1	
• Federal grants:	47.0	
• State grants:	1.8	
Total:	$482.2	

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loan: $159 million.

Date of credit agreement: December 19, 2001.

The TIFIA loan is secured by Tobacco Settlement Revenues due to TSASC, Inc. under the Master Settlement Agreement with participating tobacco companies. This agreement requires that the participating companies make annual payments to beneficiaries, including TSASC, in perpetuity. TIFIA has a parity lien with the senior bondholders of TSASC's $750 million in outstanding bonds for repayment of the loan (note that the proceeds of these bonds are available for other purposes; the Staten Island Ferries and Terminals project itself is not assuming any debt obligations other than the TIFIA loan).

TIFIA Financial Performance

In December 2001, the DOT disbursed approximately $41.2 million to the City of New York to fund construction activities and create a TIFIA Reserve Fund. An additional $2.7 million was disbursed in January 2002; disbursements are projected to continue until the full amount is drawn down in March 2004. The planned amortization schedule calls for the first scheduled interest payment, of approximately $1.3 million, to be made in July 2002 and the loan to be fully repaid by July, 2032.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 10.2.

C.8 Tacoma Narrows Bridge

Tacoma, WA | Approved FY 2000

Description

The $835 million Tacoma Narrows Bridge project consists of improvements to an existing suspension bridge and construction of a new parallel span. The new span will permit each bridge to accommodate one-way traffic on two general purpose lanes and one HOV lane, for a total of four general purpose and two HOV lanes. With seismic upgrades to the existing bridge and capacity improvements that will permit all lanes to meet current highway design standards, the project will improve safety on the corridor. Additional project elements include roadway improvements, new interchanges, and a new toll plaza.

Current rush hour traffic levels are substantially greater than the existing bridge's capacity. Each day, 85,000 to 90,000 vehicles use the corridor, and use is estimated to increase to 120,000 vehicles per day by 2020. The corridor provides critical access between Tacoma and Gig Harbor, Washington and is designated a Priority 1 military corridor by the U.S. Department of Defense.

Project Status

On March 22, 2002, Washington State Governor Gary Locke signed a bill that would eliminate private financing from the Narrows Bridge project. The State of Washington now will have sole responsibility for arranging financing for this project. It is not yet known whether the state's borrowing will include a TIFIA component. United Infrastructure Washington (UIW) completed design work prior to the legislative decision, and will be compensated for all completed work. Improvements to the existing span and construction of the new span is estimated to be complete by early 2007.

Project Sponsor

Washington State Department of Transportation and United Infrastructure Washington, Inc.

Funding Sources

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

• Senior bond proceeds:	$506.0
• TIFIA loan proceeds:	240.0
• State funds:	39.0
• Interest income:	50.0
Total:	$835.0

In addition, the project received approval for a $30 million TIFIA line of credit.

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loan: $240 million.

Line of credit: $30 million.

Toll revenues and ancillary income, net of maintenance and operating expense, secure repayment of the loan and, if necessary, the line of credit. The Federal Government has a subordinate lien on these revenues with respect to debt service due to senior bondholders.

TIFIA Financial Performance

The date of the first disbursement, if any, will not be known until Washington State finalizes the project's plan of finance.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 34.1.

C.9 Central Texas Turnpike

Austin – San Antonio Corridor, TX Approved FY 2001

Description

The $3.2 billion Central Texas Turnpike project involves construction of a new 122-mile contiguous turnpike facility to serve the Austin – San Antonio corridor. This new toll facility comprises four distinct segments, each of which is on the National Highway System. The new facility will serve as a key freight corridor, with 75 percent of Laredo port traffic passing through the area. The metropolitan Austin area is the third fastest growing area in the country.

Project Status

Financing is anticipated to close in the summer of 2002. Under the current financing scenario, substantial completion of the entire system is projected to occur in 2009.

Project Sponsor

Texas Turnpike Authority, a division of the Texas Department of Transportation.

Funding Sources

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

- Senior bond proceeds: $1,211 (revenue bonds to be issued by Texas Transportation Commission)
- TIFIA loan: 800
- State funds: 700
- Local grants: 255
- Investment income: 255

Total: $3,221

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loan: $800 million.

Gross toll revenues on the full 122-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, junior lien bonds, and, potentially, developer notes. Financial support from Texas DOT will permit operations and maintenance expense to be subordinate to repayment of the TIFIA obligation. Receipts from telecommunications, corporate naming, and franchise rights may provide a secondary revenue source to repay the TIFIA loan.

TIFIA Financial Performance

The date of the first disbursement will not be known until the DOT signs a credit agreement with the project sponsor. Payments of principal and interest are currently expected to begin in 2009. The final maturity of the loan is projected for 2041.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 36.2.

C.10 Reno Transportation Rail Access Corridor

Reno, NV Approved FY 2001

Description

This $280 million project will construct a 2.25-mile below-grade rail freight corridor with two mainline tracks. The project also involves construction of an access road, replacement of 10 at-grade rail crossings with bridges, and construction of one new bridge. During construction, a "shoofly" track will serve as a temporary bypass route.

Reno is a critical corridor linking west coast ports, including the Port of Oakland, to inland destinations. The merger of Union Pacific and Southern Pacific is expected to increase train traffic through central Reno from 14 trains to 24 or more trains per day. The project is anticipated eventually to permit Union Pacific to improve freight capacity by increasing train lengths to 8,000 feet and transport double-stacked containers.

Project Status

The Federal Highway Administration issued the project's Record of Decision in February 2001. The City selected a project management consultant in July 2001, and it is anticipated that a design/build contractor will be selected in July 2002. The project is estimated to be complete by 2006.

Project Sponsor

City of Reno, Nevada.

Funding Sources

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

• Senior bond proceeds:	$111.5	(revenue bonds to be issued by City of Reno)
• TIFIA direct loans:	73.5	
• Federal grants:	21.3	
• Railroad payment:	17.0	
• Other:	56.6	(includes cash on hand and interest earnings)
Total:	$279.9	

The sources shown above include funds intended to pay financing expenses. The expected cost to construct the project is $254.2 million.

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loans: $73.5 million, comprised of three separate obligations:

- Sales and room tax loan: $50.5 million; to be repaid from county sales and city hotel room taxes.
- Lease-backed loan: $5 million, to be repaid from lease income from property donated by Union Pacific.
- Assessment district loan: $18 million, to be repaid from tax assessments on real property in a downtown business district.

The first two TIFIA loans occupy a subordinate position with respect to senior bonds being repaid with the same revenue sources. The assessment district loan has the only lien on payments from the downtown business district.

TIFIA Financial Performance

Under the current financing plan it is expected that the sales and room tax loan will be disbursed over four years (2003 through 2006) and fully repaid by 2041. The lease-backed loan is expected to be drawn down in 2007 and fully repaid by 2033. The assessment district loan is expected to be disbursed in 2006 and fully repaid by 2026.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 10.0.

C.11. San Francisco – Oakland Bay Bridge

San Francisco – Oakland, CA Approved FY 2002

Description

The $3.3 billion Bay Bridge project consists of replacement of the East Span of the 8.5-mile San Francisco-Oakland Bay Bridge and completion of the seismic retrofit of the West Span. The bridge currently handles more than 272,000 vehicles per day, the highest auto and truck traffic of any of the Bay Area toll bridges. As a component of Interstate 80, the bridge serves as a major international trade corridor serving the ports of Oakland and San Francisco. The bridge has also been designated as a post-earthquake “lifeline” connection, enabling access for emergency response.

Project Status

The West Span retrofit is underway and expected to be complete in September 2003. The environmental record of decision for the East Span was issued in July, 2001; as of early 2002, detailed design and engineering for the project was 90% complete and construction had just begun. The estimated date for substantial completion of the East Span is April, 2007.

Project Sponsor

California Department of Transportation.

Funding Sources

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

- State funds: $1,739
- Senior bond proceeds: 890 (revenue bonds issued by California Infrastructure and Development Bank)
- TIFIA loan: 450
- Federal bridge funds: 213
- Other: 13

Total: $3,305

TIFIA Credit Assistance and Date Closed (if applicable)

Direct loan: $450 million.

The primary revenue source available to repay the TIFIA loan is a $1.00 surcharge currently levied on seven local toll bridges. Repayment of the TIFIA loan has second priority in the flow of funds, subordinate to the project’s debt service on an estimated $890 million in bonds to be issued in the next few years.

TIFIA Financial Performance

The DOT has not yet disbursed TIFIA funds for this project. Negotiation and execution of the TIFIA credit agreement depends on California DOT’s schedule for issuing other project debt, currently planned for 2003. The financial plan projects loan disbursements over a three-year period, from 2003 through 2005. Interest-only payments would follow, from 2005 through 2007, with principal payments commencing in 2008 for the first disbursement. The final maturity is projected for 2027.

Financial Leveraging of Federal Investment

The total project investment divided by the cost of Federal grants (if any) and the TIFIA credit subsidy equals 15.4.