



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

August 10, 2014

The Honorable John A. Boehner
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I am pleased to present the 2014 Report to Congress on the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), pursuant to the requirement of Moving Ahead for Progress in the 21st Century Act, Section 2002(h). The report summarizes the financial performance of projects assisted by TIFIA and discusses alternatives for achieving the program objectives in the future.

I have sent a similar letter to the President of the Senate.

Sincerely,

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Anthony R. Foxx

Enclosure



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

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Transportation Infrastructure Finance and Innovation Act
2014 Report to Congress

U.S. Department of Transportation

Introduction

History

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) and Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, P.L. 109-59). Section 1502 of TEA-21 states that “a Federal credit program for projects of national significance can complement existing funding resources by filling market gaps, thereby leveraging substantial private co-investment.” Codified in Sections 601 through 609 of Title 23, United States Code, the TIFIA program provides Federal credit assistance to surface transportation projects of national or regional significance in order to attract substantial non-Federal public and private co-investment. Private investment can be in the form of debt or equity. Debt can be in the form of bonds, sold as taxable or tax-exempt investments in the United States (U.S.) capital markets, or private bank loans.

Current Enabling Legislation

On July 6, 2012, Moving Ahead for Progress in the 21st Century Act (MAP-21, P.L. 112-141) 2012 reauthorized and amended the TIFIA credit program. Under MAP-21, Congress directed 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 (GSE) 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 sixth submission from the U.S. Department of Transportation (DOT). Copies of the earlier submissions are available on the Internet at http://www.fhwa.dot.gov/ipd/tifia/technical_resources/index.htm. Detailed background information regarding the TIFIA policy underpinnings, DOT’s implementation of the program, and its benefits for borrowers can be found in the initial 2002 report. In addition to the congressional requirements noted above, this 2014 report addresses changes to the program since the enactment of MAP-21, achievement of program goals and issues that have arisen since the 2012 report.

Program Description

The TIFIA program is intended to fill market gaps and leverage substantial private co-investment by providing flexible credit assistance to projects of national or regional significance. Through

TIFIA, DOT provides Federal credit assistance to surface transportation projects such as highway, transit, rail, and intermodal freight projects including seaports.

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 of a portion of project loans made by institutional investors. *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. Public or private highway, transit, rail and port projects are eligible to apply for TIFIA assistance, typically up to 33% of eligible project costs.

Identifying a constructive role for Federal credit assistance begins with the acknowledgement that, when compared to most investors, the Federal Government has a naturally longer-term investment horizon, which enables it to more readily absorb the relatively short-term risks of project financings.

Absent typical capital market investor concerns regarding return horizons and financial liquidity, the Federal Government can become the “patient investor” whose long-term view of asset returns enables the project’s non-Federal financial partners to meet their investment goals, allowing the borrower to receive a more favorable financing package. The program demonstrates that the Federal Government can perform a constructive role in supplementing, but not supplanting, existing markets for financing transportation infrastructure projects.

In order to be eligible for credit assistance, a project must have at least \$50 million in total costs (intelligent transportation systems (ITS) and rural infrastructure projects may have total of project costs of no less than \$15 million and \$25 million, respectively). In addition, the senior debt must be rated investment grade by two rating agencies, unless project cost is less than \$75 million, have a dedicated revenues for repayment, meet all applicable Federal requirements, including but not limited to Civil Rights, NEPA, Uniform Relocation, in Titles 23 and 49 as applicable.

Since the 2012 Report to Congress, TIFIA JPO has executed credit assistance agreements with 19 projects for a total of \$7.85 billion in credit assistance, supporting \$26.725 billion in total project costs. This marks a nearly 100% increase in total outstanding credit assistance since the 2012 Report.

Funding

The TIFIA Program is governed by the Federal Credit Reform Act of 1990, which requires the DOT to establish a capital reserve, or “subsidy amount,” sufficient to cover the estimated long-term cost to the Federal Government of a Federal credit instrument, including any expected credit losses, before the DOT can provide TIFIA credit assistance. Pursuant to MAP-21, the

DOT announced availability of funding authorized in the amount of \$1.75 billion (\$750 million in Federal Fiscal Year (FY) 2013 funds and \$1 billion in FY 2014 funds (and any funds that may be available from prior fiscal years) to provide TIFIA credit assistance for eligible projects. The FY 2013 and FY 2014 funds are subject to an annual obligation limitation that may be established in appropriations law, as well as annual reobligation requirements. Historically, each dollar of funding has allowed TIFIA to provide approximately \$10 in credit assistance. As a result, these funding levels could translate to potentially \$17 billion in TIFIA credit assistance.

Program Administration

Implementation of the TIFIA Program is the responsibility of the Secretary of Transportation (the Secretary). The DOT administers TIFIA via a Joint Program Office (JPO), located in the Federal Highway Administration's (FHWA) Office of Innovative Program Delivery. The Office of the Chief Financial Officer and Assistant Secretary for Budget and Programs oversees the TIFIA Program and the TIFIA Joint Program Office (JPO) on behalf of the Secretary, including the evaluation of individual projects, and provides overall policy direction and program decisions for the TIFIA Program.

A 13-member DOT Credit Council provides policy direction and makes recommendations to the Secretary regarding the selection of projects for credit assistance. The DOT Credit Council members include six representatives from the Office of the Secretary of Transportation (OST): the Deputy Secretary of Transportation (Chair), the Chief Financial Officer and Assistant Secretary for Budget and Programs (Vice-Chair), the Under Secretary of Transportation for Policy, the General Counsel, the Assistant Secretary for Transportation Policy, and the Director of the Office of Small and Disadvantaged Business Utilization. The Administrators of the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), and the Maritime Administration (MARAD) also sit on the DOT Credit Council. Additionally, at-large members to the DOT Credit Council (DOT employees designated by the Secretary) comprise the other three members.

The TIFIA JPO is organized by three key program areas: loan origination, credit analysis and budgeting, and portfolio monitoring. In addition, the program is supported by counsel in the Offices of the Chief Counsel of FHWA and FTA, and JPO leadership. DOT has implemented a staffing plan for the TIFIA office to support the growing loan portfolio and expanded funding level provided under MAP-21. This includes adding 16 additional staff members and supporting attorneys for a total of 25. As of May 2014, TIFIA has implemented this plan by hiring 10 new employees and in-house counsel and has plans to hire the remaining six in the near future.

Credit Application and Review Process under MAP-21

On July 31, 2012, DOT published a Notice of Funding Availability (NOFA) in the Federal Register that outlines the credit assistance review process and invites project sponsors to submit

a letter of interest (LOI) for TIFIA credit assistance on a rolling basis. The TIFIA JPO performs a project creditworthiness review and upon a positive evaluation, issues a formal invitation to apply for credit assistance. A decision on the assistance is rendered by the Secretary within 60 days after DOT notifies a project sponsor of application completeness.

The new, three-phase review process includes an initial screening of the LOI to ensure that the project has followed statutory and regulatory requirements and that it appears to be eligible. The intent of this process is to identify major hurdles that might delay a project early in the process. The TIFIA JPO works closely with project sponsors to resolve any such issues and, once resolved, moves the projects into a comprehensive credit evaluation. Upon successful completion of the credit evaluation we will invite a formal application, negotiate terms, and, finally, execute the credit agreement.

In order to increase transparency to stakeholders throughout the project review stage, DOT has posted on our website a tracking chart for the projects that have submitted letters of interest under MAP-21 explaining each phase of the TIFIA review process and providing indicative timeframes for completing each step, which is available publically on the TIFIA website at: http://www.fhwa.dot.gov/ipd/tifia/letters_interest_applications/tifia_review_process_chart.htm

The TIFIA JPO has worked to improve the expediency and clarity of the review process by making template documents available on the TIFIA website, including: (1) a newly revised program guide that provides information about eligibility, credit terms, the application and selection process, and typical monitoring and oversight requirements; and (2) a TIFIA Loan Agreement template that provides TIFIA's standard loan terms, gives project sponsors a clear idea of DOT's requirements, and provides an opportunity for sponsors who wish to move through the TIFIA process quickly the ability to streamline negotiations.

By providing this information in advance and better informing project sponsors about our expectations and requirements, projects will be able to move more expeditiously through the review process. It is important to note, however, that the speed by which projects advance through the TIFIA credit assistance process is dependent, in part, on the ability of project sponsors to provide required financial information and utilize TIFIA's standard loan terms. DOT's TIFIA program guide, standard loan agreement template, and sample term sheet will assist project sponsors in moving through the process.

DOT works closely with project sponsors to ensure that the requirements of each phase can be met in a timely and thorough manner while balancing the burden on project sponsors with the need to safeguard Federal resources.

After concluding its initial review of the Letter of Interest and upon making a determination that the project is reasonably likely to satisfy all of the eligibility requirements of the TIFIA Program as set forth in MAP-21, DOT will conduct an in-depth creditworthiness review of the project sponsor and the proposed revenue stream.

In connection with that review, DOT will ask the project sponsor to provide a preliminary rating opinion letter and funds (typically \$100,000) to enable DOT to hire outside financial and, as and when necessary, legal advisors to complete its review of the project. In addition, DOT will request that the potential applicant give an oral presentation to DOT followed by a question and answer session. As noted above, potential applicants will be invited to submit a formal application only once the DOT has satisfactorily completed its review of a project's eligibility, including a satisfactory review of the creditworthiness of the project. This includes a demonstrated capacity to repay the Federal credit assistance as well as a determination that the project has appropriate security features, such as appropriate coverage ratios, rate covenants and reserves, as applicable

As an integral part of the project review and selection process, DOT also relies on external financial and legal professionals to help DOT evaluate the proposed credit assistance terms and creditworthiness of the borrower. The TIFIA JPO has recently expanded the available pool of legal and financial advisors to ensure that the office can expeditiously perform needed reviews in a timely and thorough manner.

Pipeline of Potential Future Projects Utilizing TIFIA Assistance

As of May 2014, there are 27 projects requesting a total of \$7 billion in MAP-21 TIFIA credit assistance in various stages of the review process. This is in addition to the 10 MAP-21 projects, -totaling \$5 billion in TIFIA credit assistance that have reached financial close. DOT expects that the diverse array of projects that will enter the TIFIA portfolio as a result of increased support from the MAP-21 legislation will act as powerful a tool to demonstrate to future borrowers the uses and flexibility of TIFIA credit assistance.

The summary table below provides summary information on the letters of interest submitted since the enactment of MAP-21. There has been tremendous diversity in project type, credit assistance request amount, procurement method, and project location among the submissions. DOT has seen growing interest in credit assistance from States that had not previously used TIFIA credit assistance, including Delaware, Nevada, Kentucky, and Indiana. There has also been an increasing array of projects across urban, suburban, and rural communities.

**TIFIA Letters of Interest and Applications
Project Status Report
as of
May 31, 2014**

| Project | Sponsor, State | LOI Received | Initial Eligibility Review ⁽¹⁾ | Creditworthiness Review ⁽²⁾ | Application Review | Credit Agreement Executed |
|--------------------------------|---------------------------|---------------------|---|---|---------------------------|----------------------------------|
| Route 460 | VDOT, VA | 8/2/2012 | Permitting milestones to be completed | | | |
| I-77 | NCDOT, NC | 8/7/2012 | Review complete | Under review ⁽³⁾ | | |
| Knik Arm Crossing | KABATA, AK | 8/14/2012 | Legislative milestones to be completed | | | |
| Grand Parkway (SH 99) | TxDOT, TX | 8/22/2012 | Review complete | Review complete | Review complete | 2/6/2014 |
| IH 35 E | TxDOT, TX | 8/22/2012 | Review complete | Under review | | |
| SH 288 | TxDOT, TX | 8/22/2012 | Review complete | Documentation requested | | |
| Mid-Currituck Bridge | NCDOT, NC | 8/27/2012 | Environmental and permitting milestones to be completed | | | |
| New NY Bridge | NYS Thruway Authority, NY | 9/5/2012 | Review complete | Review complete | Review complete | 12/19/2013 |
| CDA ConRAC ATS | CDA, IL | 9/7/2012 | Review complete | Review complete | Review complete | 8/21/2013 |
| Northwest Corridor | GDOT, GA | 9/17/2012 | Review complete | Review complete | Review complete | 11/14/2013 |
| Riverwalk/Wacker Drive | Chicago DOT, IL | 9/24/2012 | Review complete | Review complete | Review complete | 6/12/2013 |
| Downtown Crossing (ORB) | KPTIA, KY | 9/27/2012 | Review complete | Review complete | Review complete | 12/12/2012 |
| Kansas City Streetcars | City of Kansas City, MO | 9/28/2012 | Review complete | Documentation requested | | |

| Project | Sponsor, State | LOI Received | Initial Eligibility Review ⁽¹⁾ | Creditworthiness Review ⁽²⁾ | Application Review | Credit Agreement Executed |
|------------------------------------|-----------------------------|--------------|--|--|--------------------|---------------------------|
| Iberville Redevelopment | City of New Orleans, LA | 9/28/2012 | Project scope milestones to be completed | | | |
| I-49 North | LADOTD, LA | 10/2/2012 | Withdrawn from LOI Process | | | |
| Dulles Metrorail | MWAA, VA | 10/5/2012 | Review complete | Review complete | Review complete | |
| LA 1 Toll Road | LADOTD, LA | 10/12/2012 | Review complete | Review complete | Review complete | 11/6/2013 |
| Southeastern Tour Bus | Southeastern Tours Inc., NC | 10/24/2012 | Not eligible | | | |
| Portsmouth Bypass | ODOT, OH | 11/2/2012 | Review complete | Under review ⁽³⁾ | | |
| South Padre Island Crossing | CCRMA, TX | 11/12/2012 | Procurement and Environmental milestones to be completed | | | |
| Westside Subway | LACMTA, CA | 11/21/2012 | Review complete | Review complete | Review complete | 5/21/2014 |
| Regional Connector | LACMTA, CA | 11/21/2012 | Review complete | Review complete | Review complete | 2/20/2014 |
| East Link | Sound Transit, WA | 12/5/2012 | Review complete | Under review | | |
| Southern Beltway | PTC, PA | 12/14/2012 | Legislative funding milestones to be completed | | | |
| US 301 | DelDOT, DE | 1/2/2013 | Review complete | Documentation requested | | |
| I-4 Ultimate Improvements | FDOT, FL | 1/16/2013 | Review complete | Under review ⁽³⁾ | | |
| Thomas Roads Improvements | City of Bakersfield, CA | 2/22/2013 | Procurement and Environmental milestones to be completed | | | |

| Project | Sponsor, State | LOI Received | Initial Eligibility Review ⁽¹⁾ | Creditworthiness Review ⁽²⁾ | Application Review | Credit Agreement Executed |
|-------------------------------------|---|---------------------------|--|--|--------------------|---------------------------|
| Advanced Driving | Telurex LLC, AZ | 4/19/2013 | Not eligible | | | |
| Purple Line | MDOT, MD | 8/9/2013 | Review complete | Under review ⁽³⁾ | | |
| CTA Railcars | CTA, IL | 8/19/2013 | Review complete | Documentation requested | | |
| Wekiva Parkway | Orlando-Orange Cnty Expressway Authority, FL | 8/13/2013 | Review complete | Under review | | |
| Project NEON | Nevada DOT, NV | 8/20/2013 | Review complete | Under review | | |
| Illiana Corridor - Illinois Portion | Illinois DOT, IL | 11/7/2013 | Review complete | Documentation requested | | |
| Illiana Corridor - Indiana Portion | Indiana Finance Authority, IN | 11/12/2013 | Review complete | Documentation requested | | |
| Gerald Desmond Bridge | Port of Long Beach, CA | 11/20/2013 | Review complete | Review complete | Under review | 5/21/2014 |
| SH 183 | TxDOT, TX | 12/29/2013 ⁽⁴⁾ | Feasibility study milestones to be completed | | | |
| Tampa ConRAC | Hillsborough Cnty Aviation Authority, FL | 2/14/2014 | Under review | | | |
| East End Crossing (ORB) | IFA, IN | 3/26/2014 ⁽⁴⁾ | Under review | Documentation requested | | |
| Chesapeake Bay Bridge Tunnel | Chesapeake Bay Bridge and Tunnel District, VA | 4/3/2014 | Under review | | | |
| 183 S | CTRMA, TX | 4/16/2014 ⁽⁴⁾ | Under review | | | |

(1) Milestones referenced under the initial eligibility review phase are independent of the TIFIA review and approval process.

(2) "Documentation requested" includes \$100,000 deposit for DOT expenses, indicative rating letter, financial plan and model, and revenue feasibility study, and any other necessary information.

(3) Projects are going through a P3 procurement process and the TIFIA office has engaged early with the public sponsor; because of the procurement timeline, these letters of interest will take more time to reach financial close.

(4) Resubmission and update of an earlier LOI

Rural Projects

The TIFIA JPO has been authorized to use up to 10 percent of budgetary authority in FY 2013 and FY 2014 to provide credit assistance to qualifying rural projects at ½ of the Treasury interest rate. However, it is worth noting that while beneficial, the subsidy cost for loans at ½ the Treasury rate is roughly four times as large as the subsidy cost for similar loans at the regular Treasury rate. Consequently, DOT has prioritized rural projects based on location outside an urban area as defined in 23 U.S.C. Section 101(a)(34), project cost, and readiness to proceed.

Twelve project sponsors have submitted LOIs requesting the reduced rate. The total requested credit assistance for these projects is \$5.33 billion.

As of May 2014, one such project has been invited to apply for TIFIA credit assistance at the rural project rate. Louisiana Transportation Authority has requested to refinance its existing TIFIA loan for the LA-1 project, which provides enhanced connectivity to key coastal tourist and oil industry sites in Southern Louisiana. The refinancing solution will save the State of Louisiana from having to dramatically raise tolls, which would be harmful to the local economy. The refinancing created additional capacity that the state will use to fund additional transportation investments elsewhere in the state.

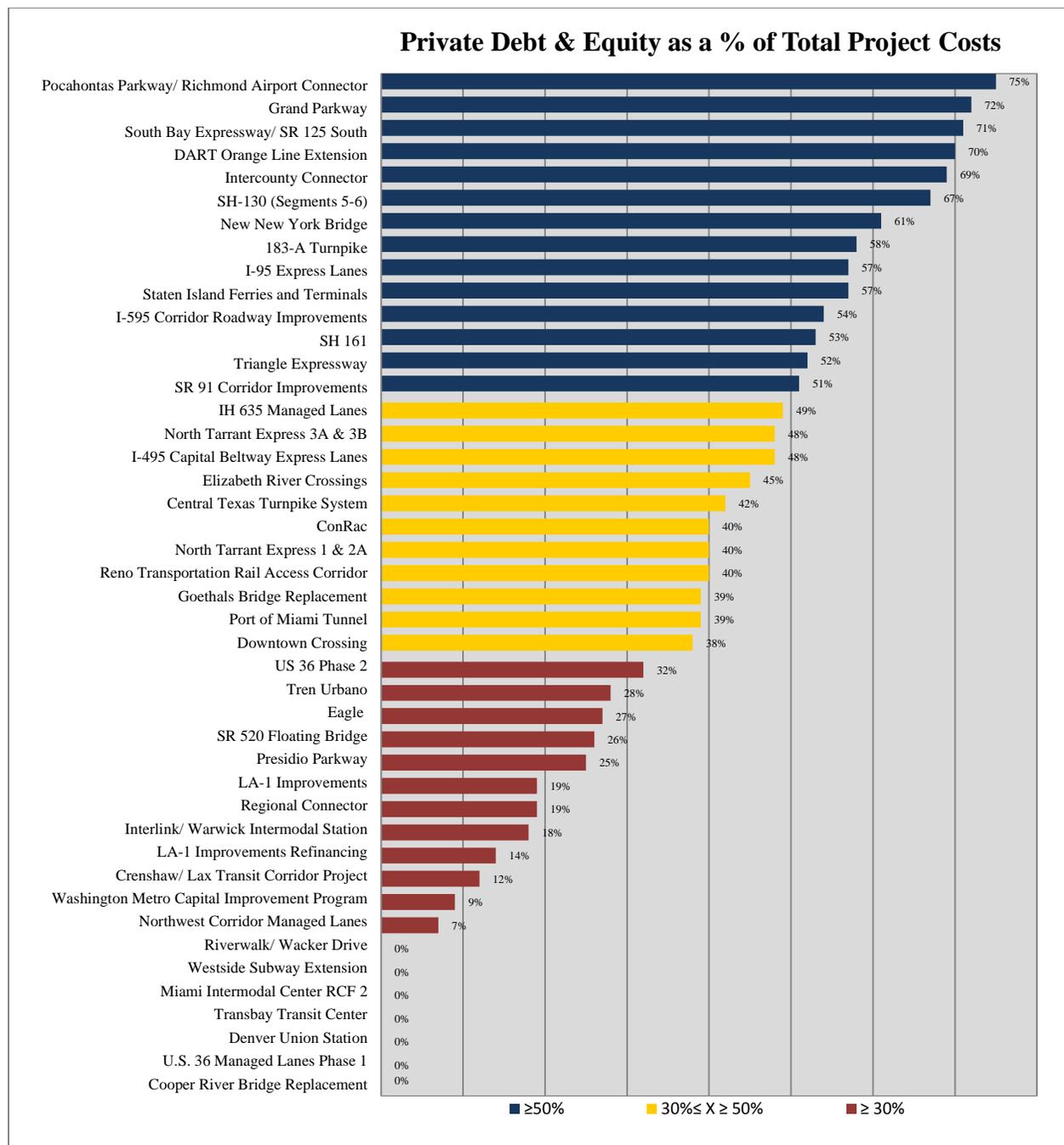
In addition to the LA-1 project, DOT has notified Ohio Department of Transportation that the Portsmouth Bypass project, which is currently in creditworthiness review, has been allocated FY 2014 TIFIA funding and if the application continues through the process and is approved, the project would receive TIFIA the rural interest rate.

The TIFIA JPO is closely working with other project sponsors to ensure that rural projects can proceed quickly through the review process.

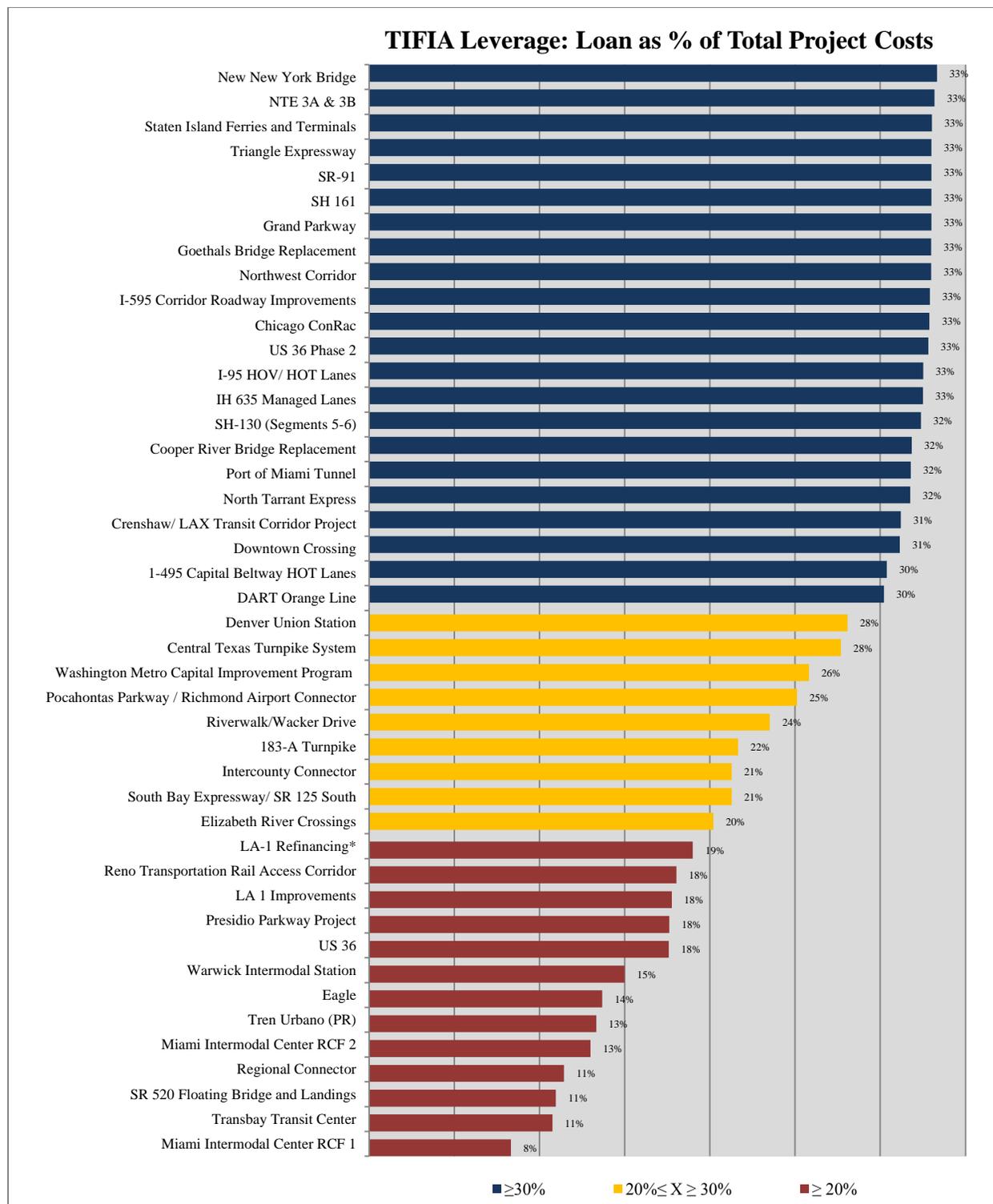
Attainment of Key Program Goals

Measuring the performance of the TIFIA program entails three key assessments: (a) reviewing the financial objectives of the TIFIA program, (b) identifying ways in which the selected projects benefit from TIFIA assistance, and (c) calculating the extent to which TIFIA assistance leverages investment by other parties in transportation infrastructure.

An explicit goal of the TIFIA program is to induce private investment in transportation infrastructure. In addition to offering another funding source, joint investment of private capital brings independent financial discipline from other sophisticated investors. A key program measure, therefore, is the extent to which TIFIA projects include private co-investment in the form of debt or equity capital. This measure is depicted in the chart below.



The TIFIA program promotes cost-effective use of Federal resources to encourage co-investment in transportation infrastructure. Federal grant funds that otherwise might be required to support these large projects can then be redirected toward smaller but critical infrastructure investments. Another key measure of program performance is the leverage each dollar of TIFIA financing produces. The chart below highlights TIFIA leverage as a percentage of total infrastructure investment:



The broad project eligibilities and flexible financial provisions in TIFIA have enabled the DOT to assist projects in meaningful ways other than facilitating market access. While some of have questioned the utility of providing TIFIA loans to projects with strong credit and access to

private capital, many of these projects have found that TIFIA assistance can reduce costs, coalesce support, and help remove other barriers in advancing projects.

Through a review of TIFIA applications, credit agreements, and project updates, as well as discussions with project sponsors, DOT has identified a number of specific benefits associated with TIFIA. These are described below:

- **Revenue Leverage.** TIFIA can help the project leverage a new or untested revenue stream that otherwise might not be marketable. This factor often benefits user-backed financings that involve start-up facilities with uncertain revenues expected to grow over time.
- **Senior Debt Enhancement.** TIFIA can be structured as junior-lien financing in order to enhance the creditworthiness of senior-lien capital markets financing through greater debt service coverage. This factor is highly correlated with revenue leverage, as projects often utilize subordinate debt to maximize the leveraging of project revenues that secure the debt financing.
- **Coverage Benefit.** TIFIA can increase leveraging potential and improve financing efficiency by accepting lower ratios of projected revenues to total debt service. This factor, relating to the required coverage levels on combined senior and junior debt service, may allow for senior debt enhancement. If the TIFIA coverage requirement is lower than that for conventional funding sources, it enables the project to raise more proceeds.
- **Public Co-investment.** TIFIA can attract or accompany public co-investment in the form of governmental grants or loans. TIFIA assistance can be a cost-effective way for the Federal Government to help a project complete its plan of finance (in lieu of more grants).
- **Private Co-investment.** TIFIA can attract or accompany private co-investment in the form of debt or equity financing. The participation of at-risk private investors is a key objective of the TIFIA program. Six TIFIA financings include private co-investment exceeding 15 percent of their capital costs. Three of the financings receive the majority of their funding from private sources, while two have significant equity contributions.
- **Interest Cost Savings.** TIFIA's interest rate can result in cost savings compared to the likely rates on alternative financing instruments. For projects that must access the taxable debt markets, borrowing rates are based on a credit spread above the benchmark U.S. Treasury yield curve. The fact that DOT lends its funds at the U.S. Treasury's borrowing rate makes TIFIA an attractive and cost-effective option, even for those projects able to access the tax-exempt municipal market.
- **Transaction Cost Savings.** In cases where TIFIA is the only source of debt, its use can help the project avoid significant transaction costs that otherwise would be incurred.

These include underwriter fees, bond counsel expenses, and other "soft costs" associated with issuing project debt, as well as the "negative carry" (excess of borrowing cost over investment return) of bond proceeds during construction. While typically not prohibitive, these costs can be significant for large transactions involving debt financing. Many projects find TIFIA to be a relatively efficient, cost-effective financing vehicle since the DOT does not charge significant fees for its credit instruments.

- **Payment Flexibility.** TIFIA can significantly benefit the project financing through its flexible payment features. TIFIA provisions aim to facilitate financings by allowing debt service to be structured according to project cash flows. Often this entails deferral of interest not only during construction but also during the project's ramp-up of operations, which private investors may be hesitant to accept. In addition, the TIFIA program allows borrowers to prepay at any time without penalty. To obtain this same flexibility through the municipal bond market could add significantly to borrowing costs, depending on market conditions.
- **Community Support.** TIFIA can solidify community support for the project by helping induce other public or private investors to participate. In some cases, Federal financial support for the project can ease the way in securing commitments from other funding partners. A Federal credit commitment can also help assure other potential investors that the project will benefit from appropriate oversight.
- **Project Acceleration.** Ultimately, the most beneficial impact of TIFIA may be its ability to accelerate delivery of transportation infrastructure due to the many benefits listed above. TIFIA can expedite the financing and accelerate the delivery of a project which may otherwise not be built until years into the future. In some cases, TIFIA assistance is essential to the viability of a project's financial plan. For example, without the interest cost savings or flexible repayment terms of a TIFIA loan, a given revenue stream may be insufficient to support a given project. In other cases, a public project sponsor may have access to adequate revenue and private capital markets to finance the project, but TIFIA assistance helps advance the project more quickly and at a lower cost, freeing up resources to tackle other infrastructure projects.

Program Recommendation

Each TIFIA Report to Congress must recommend the governance structure that best serves the objectives of TIFIA by either (i) continuing the program under the authority of the Secretary, (ii) establishing a government corporation or a GSE to administer the program, or (iii) phasing out the program and relying on the capital markets to fund the types of infrastructure investments assisted by TIFIA without Federal participation.

Continuing the program under the authority of the Secretary

TIFIA's current governance structure within DOT provides policymakers discretion to adapt Federal credit assistance to the demands of new and traditional transportation infrastructure owners and investors, while subjecting the program to congressional and executive oversight.

The TIFIA program is administered under the policy guidance of the DOT Credit Council, chaired by the Deputy Secretary, with the Chief Financial Officer and Assistant Secretary for Budget and Programs as vice-chair and consisting of the Administrators of the FHWA, the Federal Transit Administration, the Federal Railroad Administration, the Maritime Administration, and other senior officials from the Office of the Secretary.

The Office of the Chief Financial Officer and Assistant Secretary for Budget and Programs oversees the TIFIA Program on behalf of the Secretary, including the evaluation of individual projects, and provides overall policy direction and program decisions for the TIFIA Program. The program's operations are administered via a Joint Program Office (JPO) within the FHWA Office of Innovative Program Delivery. Final approval of TIFIA credit assistance is reserved for the Secretary.

DOT has moved aggressively to implement new provisions to the TIFIA loan program under MAP-21. These program enhancements, including a significant increase in budgetary authority, changes to the eligibility and creditworthiness review process and introduction of new forms of assistance such as master credit agreements have been quickly put in into practice by the TIFIA JPO.

DOT is also working on a broader effort to educate and engage project sponsors on the innovative financing tools available to them, including TIFIA, but also Private Activity Bonds, and the Railroad Rehabilitation and Improvement program (RRIF). DOT understands that pursuing a TIFIA loan requires significant support for many potential project sponsors who are not familiar with project financing or public-private partnerships. In an effort to attract additional public and private investment in infrastructure through all available means, DOT is undertaking a new, multimodal initiative, the Build America Transportation Infrastructure Center, to build capacity, expertise, and familiarity with innovative financing approaches to delivering infrastructure.

The strong utilization of TIFIA credit assistance for the wide array of projects described in this report demonstrates the significant importance of the program to advance infrastructure investments across the United States while ensuring private sector engagement in infrastructure financing. In addition, DOT's success in carrying out MAP-21 program enhancements further highlights that that the program's governance provides the responsiveness needed to serve the evolving demands of transportation finance. DOT therefore recommends continuing the TIFIA credit program under the authority of the Secretary.

Establishing a Federal corporation or federal 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 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).

Although a government sponsored enterprise may have the ability to provide many forms of credit assistance, the credit terms that it could likely offer its borrowers would not be able to match the lower interest and issuance costs of the U.S. Treasury.

Phasing out the program and relying on the capital markets to fund the types of infrastructure investments assisted by this chapter (other than section 610) without Federal participation.

The flexibility and favorable terms of TIFIA credit assistance are not typically available to project sponsors through capital markets. Sole reliance on capital markets to finance infrastructure investments may result in deferred projects and/ or higher overall project delivery costs due to the inherent inability of project sponsors to access capital markets at costs as favorable as the U.S. Treasury rate.

For project sponsors that have utilized innovative procurement strategies such as public-private partnerships to deliver new facilities, TIFIA has proved an instrumental delivery tool. As of writing, almost all large-scale P3 highway and transit projects delivered in the United States have utilized TIFIA financing. TIFIA, when combined with another source of tax-exempt debt such as Private-Activity Bonds (PABs) provides borrowers with access to low-cost capital. For these

projects, the low-cost capital not only reduces the long-term costs of project delivery, it provides project sponsors the flexibility of utilizing innovative delivery methods that would otherwise be prohibitively expensive utilizing taxable long-term debt.

Federal participation through the TIFIA Credit Program is therefore critical to ensure that project sponsors have the flexibility to choose the project delivery method that best achieves their transportation goals in a cost-effective manner.

Portfolio Overview

The TIFIA portfolio comprises 38 active and 8 retired projects for a combined total of more than \$17 billion in TIFIA credit assistance supporting \$63.61 billion in total project costs spread over eighteen states. Projects currently receiving TIFIA credit assistance include 27 highway projects, 7 transit projects and 4 intermodal projects while there are 8 retired projects that received TIFIA credit assistance¹, including 4 highway projects, 2 transit projects and 2 intermodal projects.

There has also been an increasing array of projects across urban, suburban, and rural communities and diversity of public and private borrowers. In addition, TIFIA has seen significantly varied repayment sources such as farebox revenues and dynamically priced managed lane tolls, reflecting the innovative ways project sponsors can leverage TIFIA credit assistance through creative funding sources. Finally, TIFIA has proved critical to public-private partnership (P3) projects in the US. The current portfolio includes 14 TIFIA loans to P3 projects, a number expected to grow considerably based on projects in the TIFIA pipeline. The chart below provides an overview of the portfolio as of May 2014.

¹ The Miami Intermodal Center is treated as one project for purposes of this report. While the original LA-1 loan has been retired as a part of a refinancing, the project is still considered active due to the new TIFIA credit assistance.

**Active TIFIA Credit Agreements
as of
May 31, 2014**

| Project Name | Location | Project Type | Project Cost (in millions) | Credit Amount (in millions) | Disbursed Amount (in millions) | Percent Disbursed | Instrument Type | Primary Revenue Pledge | Substantial Completion | Interest Rate (Percent) |
|---|----------------|--------------|----------------------------|-----------------------------|--------------------------------|-------------------|-----------------|---------------------------------------|------------------------|-------------------------|
| Miami Intermodal Center RCF 1 | Florida | Intermodal | \$2,043 | \$170 | \$170 | 100% | Direct Loan | Customer Facility Charges | July 2010 | 4.52% |
| Central Texas Turnpike System | Texas | Highway | \$3,250 | \$900 | \$900 | 100% | Direct Loan | Tolls | September 2007 | 5.51% |
| South Bay Expressway¹ (formerly SR 125 South) | California | Highway | \$658 | \$140 | \$140 | 100% | Direct Loan | Tolls | November 2007 | 4.46% |
| Warwick Intermodal Station | Rhode Island | Intermodal | \$280 | \$42 | 40.58 | 97% | Direct Loan | Customer Facility Charges | October 2010 | 5.26% |
| Miami Intermodal Center RCF 2² | Florida | Intermodal | \$- | \$100 | \$100 | 100% | Direct Loan | Customer Facility Charges | July 2010 | 4.86% |
| Intercounty Connector | Maryland | Highway | \$2,245 | \$516 | \$383.97 | 74% | Direct Loan | Tolls | July 2014 | 2.56% |
| I-495 Capital Beltway HOT Lanes | Virginia | Highway | \$1,938 | \$588.9 | \$588.82 | 99% | Direct Loan | Tolls | November 2012 | 4.45% |
| SH-130 (Segments 5-6) | Texas | Highway | \$1,327.9 | \$430 | \$430 | 100% | Direct Loan | Tolls | October 2012 | 4.46% |
| I-595 Corridor Roadway Improvements | Florida | Highway | \$1,833.6 | \$603.4 | \$573.6 | \$95% | Direct Loan | Availability Payments | March 2014 | 3.64% |
| Triangle Expressway | North Carolina | Highway | \$1,171.7 | \$ 386.6 | \$372.76 | 96% | Direct Loan | Tolls | December 2012 | 4.25% |
| Denver Union Station | Colorado | Transit | \$518.6 | \$145.6 | \$140.323 | 96% | Direct Loan | Sales Taxes/Real Estate Tax Increment | Expected 2014 | 3.99% |
| IH 635 | Texas | Highway | \$2,615 | \$850 | \$797.51 | 91% | Direct Loan | Tolls | Expected 2015 | 4.22% |
| North Tarrant Express 1 & 2a | Texas | Highway | \$2,047 | \$650 | \$498.74 | 77% | Direct Loan | Tolls | Expected 2015 | 4.52% |

| Project Name | Location | Project Type | Project Cost (in millions) | Credit Amount (in millions) | Disbursed Amount (in millions) | Percent Disbursed | Instrument Type | Primary Revenue Pledge | Substantial Completion | Interest Rate (Percent) |
|---|-------------------------|--------------|----------------------------|-----------------------------|--------------------------------|-------------------|-----------------|---------------------------|------------------------|--------------------------|
| Port of Miami Tunnel | Florida | Highway | \$1,072.9 | \$341 | \$312.60 | 92% | Direct Loan | Availability Payments | Expected 2014 | 4.31% |
| Transbay Transit Center | California | Transit | \$1,589 | \$171 | \$0 | 0% | Direct Loan | Real Estate Tax Increment | Expected 2017 | 4.57% |
| SH 161 | Texas | Highway | \$1,268 | \$418.4 | \$399.968 | 96% | Direct Loan | Tolls | October 2012 | 4.51% |
| US 36 Phase 1 | Colorado | Highway | \$307 | \$54 | \$17.80 | 33% | Direct Loan | Tolls | Expected 2015 | 3.58% |
| Eagle | Colorado | Transit | \$2,046.5 | \$280 | \$205 | 73% | Direct Loan | Sales Taxes | Expected 2016 | 3.14% |
| Elizabeth River Crossings | Virginia | Highway | \$2,089 | \$422 | \$142.78 | 34% | Direct Loan | Tolls | Expected 2016 | 3.18% |
| Presidio Parkway Project³ | California | Highway | \$851.6 | \$150 | \$72.71 | 48% | Direct Loan | Availability Payments | Expected 2015 | 0.46%/2.71% ² |
| Crenshaw/ LAX Transit Corridor Project | California | Transit | \$1,749 | \$545.90 | \$0 | 0% | Direct Loan | Sales Taxes | Expected 2019 | 2.43% |
| SR 520 Floating Bridge | Washington | Highway | \$2,736 | \$300 | \$0 | 0% | Direct Loan | Tolls | Expected 2016 | 2.99% |
| I-95 HOV/ HOT Lanes | Virginia | Highway | \$922.6 | \$300 | \$166.28 | 18% | Direct Loan | Tolls | Expected 2015 | 2.77% |
| DART Orange Line | Texas | Transit | \$397 | \$119.90 | \$95 | 79% | Direct Loan | Sales Taxes | Expected 2014 | 2.91% |
| Riverwalk/Wacker Drive | Illinois | Highway | \$419.4 | \$98.60 | \$2.55 | 3% | Direct Loan | Motor Fuels Taxes | Expected 2015 | 3.33% |
| SR-91 | California | Highway | \$1,275.9 | \$421 | \$0 | 0% | Direct Loan | Tolls | Expected 2017 | 3.47% |
| Chicago ConRac | Illinois | Intermodal | \$876 | \$288.10 | \$0 | 0% | Direct Loan | Customer Facility Charges | Expected 2016 | 3.86% |
| NTE 3a & 3b | Texas | Highway | \$1,600 | \$531 | \$0 | 0 % | Direct Loan | Tolls | Expected 2018 | 3.84% |
| Goethals Bridge Replacement | New York/ New Jersey | Highway | \$1,436 | \$473.60 | \$0 | 0% | Direct Loan | Availability Payments | Expected 2017 | 3.71% |

| Project Name | Location | Project Type | Project Cost (in millions) | Credit Amount (in millions) | Disbursed Amount (in millions) | Percent Disbursed | Instrument Type | Primary Revenue Pledge | Substantial Completion | Interest Rate (Percent) |
|-------------------------------------|----------------------|--------------|----------------------------|-----------------------------|--------------------------------|-------------------|-----------------|------------------------|------------------------|--------------------------|
| LA-1 Refinancing⁴ | Louisiana | Highway | \$- | \$122 | \$122 | 100% | Direct Loan | State Appropriations | Not Applicable | 1.89%/3.71% ³ |
| Northwest Corridor | Georgia | Highway | \$833.7 | \$275 | \$0 | 0% | Direct Loan | Tolls | Expected 2018 | 3.46% |
| Downtown Crossing | Kentucky/ Indiana | Highway | \$1,451.7 | \$452.20 | \$0 | 0 % | Direct Loan | Tolls | Expected 2016 | 3.88% |
| New New York Bridge | New York | Highway | \$4,800 | \$1,600 | \$0 | 0% | Direct Loan | Tolls | Expected 2018 | 3.89% |
| Grand Parkway | Texas | Highway | \$2,547.7 | \$840.60 | \$0 | 0% | Direct Loan | Tolls | Expected 2015 | 3.65% |
| Regional Connector | California | Transit | \$1,399 | \$160 | \$0 | 0% | Direct Loan | Sales Taxes | Expected 2019 | 3.50% |
| US 36 Phase 2 | Colorado | Highway | \$182.8 | \$60 | \$0 | 0% | Direct Loan | Tolls | Expected 2016 | 3.68% |
| CTA 95 Street Terminal | Illinois | Transit | \$242 | \$80 | \$0 | 0% | Direct Loan | Farebox Revenues | Expected 2016 | 3.43% |
| Gerald Desmond Bridge | California | Highway | \$1,288 | \$325 | \$0 | 0% | Direct Loan | Port Revenues | Expected 2016 | 3.21% |
| Westside Subway Extension | California | Transit | \$2,568 | \$856 | \$0 | 0% | Direct Loan | Sales Taxes | Expected 2023 | 3.21% |
| TOTAL: | | | \$55,876 | \$15,208 | \$6,672 | 44% | | | | |

¹ SBX is in three notes: Tranche A in the amount of \$59,100,809.63, Tranche B in the amount of \$32,341,804.28, and Tranche D in the amount of \$2,740,895.56.

² Miami Intermodal Center RCF 2 project costs are included in RCF 1.

³ Presidio project costs (\$852 million) include Phases 1 and 2 and credit amount is based on two tranches of TIFIA debt.

⁴ LA-1 refinancing is in two notes: Tranche A in the amount of \$78,000,000 at the rural interest rate and Tranche B in the amount of \$44,000,000 at the conventional interest rate. Original project costs are reflected in the retired loan.

Miami Intermodal Center - Miami, Florida

In Fiscal Year (FY) 1999, the Florida Department of Transportation (FDOT) and the Miami-Dade Aviation Department (MDAD) were approved for a two-tranche Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) direct loan for the \$2.0 billion Miami International Center (MIC) project, a multiyear program of ground access improvements to and within Miami International Airport (MIA). Major project elements include: the Miami Central Station (MCS) - intermodal center for transit (Metrorail), commuter rail (Tri-Rail), Amtrak, and intercity bus services; Rental Car Facility (RCF) - new RCF consolidating rental car operations at the airport and providing space for 10,000 cars; MIA Mover - automated airport people mover to connect MIA to the MCS and RCF; and various roadway improvements to improve airport access. The project employs an innovative Construction Management at Risk project delivery method that provides the opportunity to begin construction prior to design completion, centralizes risk and responsibility under one contract, and guarantees completion of the project at a negotiated price. Furthermore, a Joint Development program for the MIC is in-place to capture the economic development potential in the area and enhance the functionality of the MIC by encouraging use of public transit. Construction of the RCF began in July 2007, and reached substantial completion in July 2011. Construction of the Miami Mover component began in 2009 and this portion of the project opened in December 2011. The MCS was completed in September 2013, though this segment is not funded with TIFIA proceeds.

The original TIFIA commitment includes up to \$539 million in two separate obligations. First, the \$269 million FDOT Program Elements has been repaid and retired as detailed below. The second obligation is the RCF loan, originally for \$170 million (closed on April 29, 2005) and later amended (on August 1, 2007) to increase the loan amount to \$270 million; the loan is being repaid from fees levied on rental car users. Repayment of the TIFIA loan began in October 2012. The final maturity of the TIFIA loan is October 2044. In addition to the \$270 million TIFIA loan (and \$46 million in capitalized interest), this project is funded with Federal grants (\$6 million), a State Transportation Trust Fund loan (\$245 million), a Florida State Infrastructure Bank loan (\$70 million), other State funds totaling \$1 billion, MDAD funding (\$155 million), toll revenue (\$86 million), and dedicated and ancillary revenues that include customer facility charges, rent, etc. (\$117 million).

Central Texas Turnpike System - Austin, Texas

In FY 2001, the Texas Department of Transportation (TxDOT) received a TIFIA direct loan of \$900 million for the Central Texas Turnpike System project. The project consists of three contiguous toll highways serving the Austin metropolitan region and the Austin-San Antonio corridor: (i) State Highway (SH) 45 North - 13 miles, four to six lanes; (ii) Loop 1 - 3-mile extension from Parmer Lane to SH 45 North; and (iii) SH 130 (Segments 1-4) - a new, 49-mile, four-lane tollway. The SH 130 (Segments 1-4) was procured through Texas' first application of

its Exclusive Development Agreement (later Comprehensive Development Agreement) provision, (contractual arrangements equivalent to public-private partnerships) and partnered with Lone Star Infrastructure (joint venture of Fluor Corporation, Balfour Beatty Construction and T.J. Lambrecht Co.). In addition to the TIFIA loan, funding sources for this \$3.3 billion project include \$1.4 billion in proceeds from first tier revenue bonds/notes, \$520.1 million in State funding, \$286.5 million in local contributions/commission funds for right of way, \$185.2 million in interest earnings.

The DOT has a subordinate lien on gross revenues (i.e., prior to operations and maintenance costs) and the trust estate. The TIFIA credit agreement was signed July 25, 2002. Of the approximately \$2.2 billion in capital market debt, \$900 million is in the form of low interest Bond Anticipation Notes (BANs) maturing in 2007 and 2008. In June 2007, TxDOT used its first draw on TIFIA loan proceeds in the amount of \$124.9 million to retire the 2007 BANs, and has subsequently retired \$77.15 million in 2008 BANs with a second draw of TIFIA loan proceeds in June 2008. The TIFIA program has been collecting payments since February 2010. The final maturity of the TIFIA instrument is August 2042. By using innovative financing and a fixed-price, lump-sum design-build contract for SH 130 Segments 1-4, the project was completed 25 years sooner than conventional pay-as-you-go financing would have allowed and the final cost is less than the original 2002 cost estimate.

South Bay Expressway - San Diego, California

The SBX Project (formerly SR 125 South in San Diego, California) is a privately developed, 9-mile toll road advanced through a partnership between the California Department of Transportation (Caltrans) and South Bay Expressway LP (SBX LP), pursuant to a Development Franchise Agreement that granted SBX a 35-year concession for the SBX Project. The SBX LP received a \$140 million TIFIA loan in May 2003. In addition to the TIFIA loan, the \$658 million project was financed with private equity (\$130 million); senior bank debt (\$340 million provided by a syndicate of 10 banks); and donated right-of-way (\$48 million). With accrued interest, the outstanding balance of the TIFIA loan was \$172 million as of March 2010.

On March 22, 2010, SBX LP, filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The first bankruptcy in the history of the TIFIA program, the filing was the immediate result of the burden of claims by the contractor that built the SBX Project, particularly the ongoing litigation costs. The project's financial prospects, however, were also impacted by lower than anticipated revenues. Through the end of 2009, toll collections were approximately 40 percent below the original projections. Some of this under performance was due to the overall economic downturn, especially in the San Diego region. As part of the plan of reorganization (the Plan) under the bankruptcy, the loan was restructured. Pursuant to TIFIA's statutory requirements, TIFIA's debt became on par with that of the senior banks' upon SBX LP's bankruptcy filing. The DOT worked with the Bank Lenders and SBX LP on the restructuring of

the debt so that the company could emerge from bankruptcy as quickly and efficiently as possible. The Department of Justice represented DOT in all legal matters related to the bankruptcy.

On December 30, 2010, SBX LP filed the Plan with the U.S. Bankruptcy Court, pursuant to which SBX LP was converted to a Delaware limited liability company, South Bay Expressway, LLC, (SBX LLC) and the debt of the Bank Lenders and TIFIA was restructured. The Bankruptcy Court confirmed the Plan on April 14, 2011. Under the Plan, TIFIA's secured claim was \$99 million, of which approximately \$93 million was debt (the new loan amount) and \$6 million was equity. The unsecured claim was \$73 million, or 42 percent of the \$172 million outstanding balance. All future revenues were to be shared pro rata between TIFIA (32 percent) and the Bank Lenders (68 percent). The Bank Lenders and TIFIA held 100 percent of the restructured debt and owned all of the equity in the reorganized company. The reorganized company, SBX LLC, emerged from bankruptcy on April 28, 2011, concurrent with the financial close of the restructured loans. The TIFIA program has been collecting interest payments since the project emerged from bankruptcy in April 2011.

On July 22, 2011, the San Diego Association of Governments (SANDAG) , the Bank Lenders and TIFIA reached an agreement in principle for the purchase of the SBX Project for \$344.5 million in cash and debt (excluding cash on hand and non-core assets). On December 21, 2011, SANDAG purchased the SBX Project from TIFIA and the Bank Lenders, with TIFIA issuing a note to SANDAG for a restated loan in the amount of \$94.1 million. In addition, as consideration for the sale of the project, TIFIA received a cash distribution of \$15.4 million and holds a subordinated note from SANDAG in the amount of \$1.4 million. The basis for allocations between the Bank Lenders (68 percent) and TIFIA (32 percent) was the pro rata share of the outstanding debt as of the bankruptcy filing.

The TIFIA note has a senior lien on the SBX Project revenues and is structured into three tranches that will bear interest at the same rates as in the Plan. The Tranche A rate is 6 percent with periodic step-ups; Tranche B is 9 percent; and Tranche C is 10 percent, each of which are substantially higher than the 4.46 percent rate for TIFIA's original loan for the SBX Project. The TIFIA program also has a separate subordinate note, which compensates TIFIA in part for its equity portion and has a rate of 14 percent. Fitch Ratings has assigned an investment grade rating to the TIFIA debt. Now that substantially all of the assets (i.e. the SBX Project) of SBX LLC have been sold to SANDAG, TIFIA and the Bank Lenders are in the process of liquidating and winding down SBX LLC.

The bankruptcy was the first time the TIFIA non-subordination clause was tested and the clause and was never challenged by senior lenders or the Bankruptcy Court. In this regard, the SBX bankruptcy establishes a strong precedent for future restructurings. The ultimate recoveries associated with the TIFIA loan default depend on ongoing performance of the toll road.

However, the credit quality of the cash flow stream has been improved significantly through the sale of the toll road to SANDAG. Although the principal amount of the original DOT loan was reduced, based on the credit attributes of the restructured loan and the higher interest rates (compared to the 4.46 percent rate in the original loan), the TIFIA program is positioned to realize 100 percent of the original loan balance. Traffic and revenue figures have continued to show strong growth under SANDAG operation and are exceeding targets outlined in the restructuring.

Additionally, the toll road has at all times remained open to traffic, operating as an important segment of the San Diego freeway network.

LA-1 - Leeville, Louisiana

The LA-1 project in coastal Louisiana received a \$66 million TIFIA loan in 2005 for the first phase of a plan to replace an existing highway in need of repair due to subsidence, erosion, and frequent storm damage with a new tolled limited-access elevated facility. LA-1 is the only access route to Grand Isle, Louisiana's only inhabited barrier island, and Port Fourchon. This highway directly connects the leading supply hub to the oil and gas platforms in the Gulf of Mexico and is the lifeline for support of 16-18% of the nation's total oil and gas supply. LA-1 also serves as the main route for the transport of a quarter of Louisiana's seafood production and is the primary means of hurricane evacuation for thousands of oilfield workers and residents.

In addition to the TIFIA loan, the \$371.6 million project utilized \$70.4 million in senior revenue bonds, \$124.6 in Federal funds, \$12.9 million from the Louisiana Transportation Trust Fund, \$63 million from the State General Fund Surplus, and \$35 million in Coastal Impact Assistance Program funds and \$60 thousand in State General Obligation Bonds. Phase 1 one of the project opened to traffic in December 2011. All project debt was originally to be repaid from toll revenues collected from the Project.

Due to certain unforeseen circumstances, such as hurricanes, the downturn in the national economy, the BP oil spill, and moratoriums on deep-water drilling, the project realized significantly less traffic and revenue than originally projected. The TIFIA JPO was informed by Louisiana Transportation Authority that (i) the Project would not be able to meet the coverage ratios required under the Master Trust Indenture with respect to the senior lien bonds and the 2005 TIFIA Loan, and (ii) unless a restructure occurs, the Borrower will likely default on the senior bonds by 2018, and will default on the 2005 TIFIA Loan on December 1, 2013. In light of these impending defaults by the Borrower, the 2005 TIFIA Loan was downgraded by both Fitch Ratings and by Standard & Poor's to "CCC."

Following months of negotiations between the TIFIA JPO and the Borrower, the parties executed two new TIFIA loans on November 6, 2013 which refinanced all of the exiting LA-1 debt as follows: (i) issue a \$78 million TIFIA loan at the rural rate of one-half the 30-year US Treasury

rate to refinance the existing 2005 TIFIA Loan; (ii) issue an additional \$44 million TIFIA loan at the full 30-year US Treasury rate to refinance a portion of the senior debt. The borrower also issued \$54 million in State bonds in the public debt markets to refinance the remaining senior debt. Under the refinancing, all three tranches of debt will be enhanced with a State Cooperative Endeavor Agreement (“CEA”). The CEA will establish a direct annual state debt service appropriation. Toll revenues in excess of the debt service on the three tranches of debt will be swept and used to prepay TIFIA. The TIFIA debt will be on parity with the state bonds to be issued by the Borrower concurrently with the financial close of the new TIFIA loans. The total TIFIA debt of \$122 million is sized at 33% of the eligible project costs for the construction of the Project. The loan’s rural portion has a maturity of 2046 while the conventional rate loan has a maturity date of 2033.

Louisiana has frequently used CEA structures to support appropriation backed-debt with over \$965 million in such CEA-supported debt currently outstanding. While CEA-backed debt is not backed by the full faith and credit of the State, and failure to appropriate will not constitute an event of default under the CEA, to date there have been no such failures to, or delays in, appropriation. Moreover, given the amount of CEA-backed debt outstanding, such a failure would likely have a significant adverse impact on the State’s borrowing rate. The loan agreement will nonetheless contain provisions allowing TIFIA to access toll revenues as a source of repayment in the event of a failure to appropriate. Louisiana carries general obligation ratings of AA/Aa2/AA (S&P, Moody’s and Fitch), with CEA-backed debt rated at a notch lower. The new TIFIA loans have received an indicative rating of “Aa3” by Moody’s.

According to LTA, the refinancing will result in approximately \$34 million (net present value) of increased funding capacity which will be utilized towards the construction Segment K, the southernmost and last segment of I-49 between Arkansas and Louisiana. Construction activity related to Segment K commenced in December of 2013 when the contracts for clearing, grubbing and utility relocation are let. Construction completion is scheduled for 2018. To ensure the timely construction and completion of the I-49 Segment K project using the increased funding capacity created by the refinance, the TIFIA JPO included loan covenants specific to the I-49 project.

Interlink (formerly Warwick Intermodal Station) - Warwick, Rhode Island

The Interlink (formerly Warwick Intermodal Station) project is a \$280.2 million intermodal project connecting air, rail, bus, automobiles, and rental cars at T.F. Green Airport in Warwick, Rhode Island, that serves the Providence area and Southern Massachusetts. The intermodal facility serves Massachusetts Bay Transportation Authority commuter trains traveling between Warwick, Providence, and Boston, utilizing Amtrak rails and Wickford Junction in North Kingstown, Rhode Island. The rail platform is integrated with a consolidated rental car facility that houses all airport rental car operations. The six-level parking garage includes up to 1,800

spaces for rental car operators and up to 700 for rail commuters. This garage includes the first elevated fueling platforms in the country. A 1,200-foot, elevated and enclosed walkway with moving sidewalks connects passengers to and from the airport terminal. Additionally, the station incorporates opportunities for local and intercity bus service connections. The station is located on a chemical distribution Brownfield site and the clean-up efforts are substantially complete for transportation use. The Station is the closest rail connection to a major airport terminal in the country.

The Rhode Island Airport Corporation (RIAC) and Rhode Island Department of Transportation closed the TIFIA loan of \$40.1 million in 2006. The TIFIA loan is secured by customer facility charges imposed by RIAC on people renting cars at the airport as well as payments by the rental car companies for tenant improvements in the Intermodal Facility. In addition to the TIFIA loan, funding for this project includes \$124.3 million in Federal grants, \$50.3 million in special facility revenue bond proceeds, \$29.5 million in proceeds from customer facility charges, \$31.1 million in State grants, and \$4.9 million from interest earnings on bond proceeds. Construction of the project began in fall 2007 and substantial completion of the project was reached in October 2010. The project had up to 1 year, post substantial completion, to draw down the full amount of the TIFIA loan; however, they decided to draw down only 95 percent of the loan. The first TIFIA payment was made in January 2012. The final maturity date of the loan is July 2042.

I-495 Capital Beltway HOT Lanes - Fairfax County, Virginia

In FY 2008, VDOT was approved for a \$589 million TIFIA direct loan to help fund the \$1.9 billion I-495 Capital Beltway High Occupancy Toll (HOT) Lanes project. The project spans from the Springfield Interchange (south) to just north of the Dulles Toll Road, and includes four lanes in each direction on I-495 with 14 miles of two new lanes in each direction. In addition to the TIFIA loan, VDOT received \$589 million in proceeds from Private Activity Bonds (PABs), a \$409 million grant from the Commonwealth of Virginia, and \$350 million in private equity contributions. 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. The TIFIA debt repayments are scheduled to begin in 2018. The final maturity date of the loan is December 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; the following 15 years of the loan repayment includes current interest only, followed by 15 years of interest plus principal. The project he facility opened to traffic on November 17, 2012 and the total length of the concession is 85 years (5 years of construction and 80 years of operation).

The I-495 Capital Beltway HOT Lanes project employs a toll collection system that is fully electronic, using transponder technology and dynamic tolling based on real-time traffic conditions. This project is the first HOT lane implemented in the Commonwealth of Virginia

and the largest financing of a HOT lanes project in the country. Additionally, this is the first time a PAB was used for transportation infrastructure project.

Due to a slower than expected ramp-up period, the project concessionaire and senior lenders announced a change in the project's debt structure that includes 60% reduction of senior debt and associated commitments funded by a \$280 million private equity investment and \$150 million in existing project reserves. The change improves the credit structure of the borrower and strengthens the creditworthiness of the TIFIA loan by reducing the project's debt load. The additional equity investment reflects recognition of the continued value of the project to stakeholders. The agreement was finalized in May 2014 and the original terms of TIFIA loan agreement remain in effect.

SH 130 (Segments 5-6) - Austin, Texas

On March 7, 2008, TIFIA executed a credit agreement with the SH 130 Concession Company, LLC for a TIFIA direct loan of \$430 million to support financing of SH 130 (Segments 5-6) in Austin, Texas. The Texas Department of Transportation signed a Comprehensive Development Agreement - a form of public-private partnerships used by the State of Texas - with the SH 130 Concession Company in March 2007 to finance, design, construct, operate, and maintain this 40-mile extension of SH 130 (Segments 5 and 6) under a 50-year concession from the date of opening in November 2012. SH 130 Segments 5 and 6 is the final link completing a four-lane, 91-mile toll road east and south of Austin designed to relieve congestion on Interstate Highway (IH)-35, the primary north-south route through Central Texas. The extension follows the current US 183 alignment from north of Mustang Ridge to north of Lockhart and extend southwest to IH-10 northeast of Seguin. SH 130 is the first, privately developed and operated open toll road facility in Texas.

The project has a total cost of \$1.3 billion and is funded with senior bank loans (\$685.8 million), private equity contributions (\$209.8 million), and interest income (\$2.3 million), in addition to the TIFIA loan. The TIFIA loan is secured by a lien on project revenues subordinate to the lien securing the bank loans, and is senior to the equity provided by investors. The TIFIA debt repayments are scheduled to begin in 2017. The final maturity date of the TIFIA instrument is December 2046. These dates are tied to substantial completion and are subject to change. A bank liquidity facility and contingent equity is 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. The concession company will share excess toll revenues with both the State and TIFIA.

The TIFIA JPO is closely monitoring the traffic volumes and toll revenues generated by the project, which are considerably lower than the forecast in 2005, and are working with the

concessionaire and other lenders to evaluate the impact of these developments which will ultimately likely require financial restructuring of the project.

Intercounty Connector - Montgomery and Prince George's Counties, Maryland

On December 19, 2008, a \$516 million TIFIA loan agreement was signed by the Maryland Transportation Authority (MdTA) and State Highway Administration for the Intercounty Connector (ICC) project in Montgomery and Prince George's Counties, Maryland. The \$2.6 billion project includes an 18-mile, six-lane toll highway that will link existing and proposed development areas between the I-270/I-370 and I-95/US 1 corridors in central and eastern Montgomery County and northwestern Prince George's County. The ICC project has been the focus of various studies and debates since the 1950s and started construction in 2007. A 7-mile initial section of the project opened in February 2011 (Contract A) and the remaining mainline road (Contracts B & C) opened to traffic in November 2011. Contracts D and E were combined and modified and are expected to open in the early fall of 2014.

The TIFIA loan will be repaid using net toll revenues from the MdTA. The TIFIA debt repayments are scheduled to begin in 2018. The TIFIA loan matures in October 2044. These dates are tied to substantial completion and are subject to change. Federal funding sources include: \$750 million in proceeds from Grant Anticipation Revenue Vehicles (GARVEE) bonds (backed by future Federal-aid receipts), \$19 million in special Federal funds (National Corridor Planning and Border Infrastructure Program funding, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), National Corridor Improvement Program, and high priority project funding), and additional funds from GARVEE sale, totaling \$17 million. State funding includes: \$716 million of MdTA Toll Revenue bonds proceeds, \$180 million from the State of Maryland Trust Fund (motor fuel tax receipts, motor vehicle excise taxes, motor vehicle fees, corporate income taxes, operating revenues), and \$265 million from the State of Maryland General Fund. Additionally, future anticipated funding is estimated at \$103 million. Debt is secured by revenues from tolls on the ICC and the seven other existing toll facilities operated by MdTA.

I-595 Corridor Roadway Improvements - Broward County, Florida

The FDOT was approved for a \$603 million TIFIA direct loan for the I-595 Corridor Roadway Improvements project. The \$1.8 billion project includes the reconstruction and widening of the I-595 mainline and all associated improvements to frontage roads and ramps from the I-75/Sawgrass Expressway interchange to the I-595/I-95 interchange, for a total project length of approximately 10.5 miles. The project is structured as a public-private partnership between FDOT and a private concessionaire, I-595 Express, LLC (ACS Infrastructure Development) to design, build, finance, operate, and maintain the roadway for a 35-year term. The ACS Infrastructure Development and TIAA College Retirement Equities Fund are the equity sponsors

for the project and have split the equity portion equally. State and Federal resources will be used to support FDOT's final acceptance payments (\$686 million year of expenditure) and availability payments (\$65.9 million annual Maximum Availability Payment in 2009 dollars) made to I-595 Express, LLC.

Aside from the TIFIA loan, the concessionaire's financing sources for repayment includes senior bank debt of \$781.1 million, \$207.7 million in equity, and \$232 million in FDOT qualifying development funds. The U.S. Department of Transportation has a subordinate lien on availability payments made by FDOT to I-595 Express, LLC. The first TIFIA payment is scheduled for December 2014. The final maturity on the TIFIA instrument is December 2042. These dates are tied to substantial completion and are subject to change. A 6-month debt service reserve based on senior debt and TIFIA interest and principal is available until the final maturity of the TIFIA loan. Furthermore, a \$9 million contingency reserve is available until 6 months after scheduled substantial completion to cover construction cost overruns and help maintain target minimum debt service coverage ratios. This project represents the first U.S. application of availability payments to a transportation project, where I-595 Express, LLC will not receive any compensation from FDOT until the facility is fully operational. The project opened to traffic on schedule and within budget on March 26, 2014.

Triangle Expressway - Raleigh-Durham, North Carolina

The North Carolina Turnpike Authority was approved for a \$386.7 million TIFIA loan to support development of the \$1.2 billion Triangle Expressway project. The project is an 18.8-mile toll highway that provides near-term congestion relief on existing north-south routes serving the Research Triangle Park (RTP) region, including I-40 between Raleigh and Durham, as well as improves commuter mobility, accessibility, and connectivity to the RTP employment center. The tolled highway is comprised of three sections: (i) Triangle Expressway extends from NC 147 at I-40 south 3.4 miles and reached substantial completion in December 2011; (ii) Northern Wake Expressway (NC 540), a 2.8-mile segment, which opened to traffic in 2007 and was constructed by the North Carolina Department of Transportation with Surface Transportation Funds; and (iii) Western Wake Freeway, which connects with Northern Wake Expressway, covers a distance of 12.6 miles, and reached substantial completion in late 2012. Completion of these elements has enabled Triangle Parkway and Western Wake Freeway to function as a contiguous toll facility to serve the rapidly growing Research Triangle area.

The TIFIA loan was issued on a subordinate basis to the senior lien toll revenue bonds. The TIFIA debt payments are scheduled to begin in 2015. The final maturity date on the TIFIA loan is June 2043. These dates are tied to substantial completion and are subject to change. Debt service reserve funds are in place for both the senior bonds and the TIFIA loan. In addition to the TIFIA loan, additional project funding sources include \$266.1 million in toll revenue bond proceeds, \$343.3 million in State-backed bond proceeds and \$175.6 million in State and Federal

funds. The Triangle Expressway is notable for being the most expensive public works project in North Carolina history and for implementing innovative all-electronic, cashless/video tolling.

Port of Miami Tunnel - Miami, Florida

The FDOT, Miami-Dade County and the city of Miami, entered into a public-private partnership with Miami Access Tunnel, LLC (MAT), to develop the Port of Miami Tunnel project, which includes a tunnel under Government Cut, roadway work on Dodge and Watson Islands, and MacArthur Causeway Bridge widening. Twin tubes, each 3,900 feet long and 41 feet in diameter, will reach a depth of 120 feet below the water. The State has agreed to pay for approximately 50 percent of the capital costs (design and construction) and all operations and maintenance, while the remaining 50 percent of the capital costs will be provided by the local governments. Under the concession agreement, FDOT will pay milestone payments to MAT at various stages of project development. Payments of varying amounts summing to \$100 million were made during construction between 2010 and 2013, followed by a \$350 million final acceptance payment after construction is completed. In addition, FDOT will provide availability payments to the concessionaire that begin at the completion of construction and will occur annually for 30 years. The Maximum Availability Payment is nearly \$32.5 million annually based on the availability of the road. The Tunnel Boring Machine commenced drilling in November 2011 and the project reached substantial completion in 2014; final acceptance is expected by the end of 2014. The TIFIA debt repayment is scheduled to begin in 2015. The final maturity date of the TIFIA loan is December 2043.

The total cost of this project is \$1.1 billion. The TIFIA loan agreement for \$341 million was executed on October 15, 2009. Other funding sources include: \$341.5 million of senior bank debt proceeds, \$80.3 million in equity contributions, FDOT milestone payments during construction totaling \$100 million, and FDOT development funds totaling \$209.8 million. The TIFIA loan holds a second priority security interest in project revenues after senior obligations and is secured by a pledge of availability payments. The project's senior debt obligations will be fully amortized prior to commencement of TIFIA debt payments, providing TIFIA with a sole claim on project cash flows available for debt service. This was the second U.S. application of availability payments to finance a transportation project.

North Tarrant Express 1&2a - Dallas-Fort Worth, Texas

On June 23, 2009, the Texas Department of Transportation awarded two Comprehensive Development Agreements (CDAs) - a form of public-private partnerships used by the State of Texas - for the North Tarrant Express (NTE) project to NTE Mobility Partners. The 52-year, Phase I Concession CDA includes design, development, construction, finance, maintenance, and operation of 13 miles along IH 820 and SH 121/SH 183 from IH 35W to SH 121, from north of Fort Worth to just southwest of Dallas-Fort Worth International Airport. The existing highway

includes two general purpose lanes in each direction. Proposed improvements include three general purpose lanes and two managed lanes in each direction for a total of 10 lanes with frontage roads for future traffic volumes.

A TIFIA direct loan for \$650 million was approved for Phase I, which is estimated to cost more than \$2.0 billion; the loan agreement was executed on December 16, 2009, with the financial close of the senior obligations on December 17, 2009. The TIFIA loan will be repaid with project revenues, which include all income, tolls, revenues, rates, fees, charges, rentals, or other receipts derived by or related to the operation of the Project. In addition to the TIFIA loan, additional project funds came from PAB proceeds (\$398 million), public funds (\$573 million) and equity contribution (\$426 million). Total funding sources do not include TIFIA capitalized interest of \$54 million. The TIFIA debt repayment is scheduled to begin in 2015. The TIFIA loan matures in 2050. These dates are tied to substantial completion and are subject to change.

When completed, this project will have a state-of-the-art ETC system with open architecture, ensuring a seamless, free flow operation of the managed lanes. Furthermore, the project uses an innovative financing package, including PABs and TIFIA credit assistance. It is the second transportation PAB issuance and it is the first transportation infrastructure project in the U.S. to reach financial close with direct investment by a pension fund.

Transbay Transit Center - San Francisco, California

In FY 2010, the Transbay Joint Powers Authority was approved for a TIFIA loan of \$171 million to support financing of the Transbay Transit Center project (Phase 1) in San Francisco, California. The Transbay Transit Center Project is a new multimodal transportation center, centralizing the region's transportation network by accommodating nine transportation systems under one roof. Located at First and Mission Streets, this project replaces the current Transbay Terminal that serves local, regional, and intercity bus transit with a modern, Leadership in Energy and Environmental Design certified regional transit hub, one day connecting eight counties in the Bay Area and the State of California. The project is being developed in two phases. Phase 1 includes the Transit Center building and will also include the Caltrain and high-speed extension rail foundation for Phase 2. Phase 2 includes the remaining rail component. Demolition of the original bus terminal is completed and the project is currently operating at a temporary bus terminal. The project received \$400 million in American Recovery and Reinvestment Act of 2009 funding via the Federal Railroad Administration for Phase 1 to build the train box below ground. Total project cost of Phase 1 is \$1.189 billion and the substantial completion date is 2017.

In addition to the TIFIA loan, Phase 1 project funding includes various local, regional, State, and Federal sources. Local funding sources include \$97.8 million from San Francisco Proposition K sales tax proceeds, \$7.3 million from San Mateo County Measure A sales tax proceeds, \$38.5

million in Alameda-Contra Costa Transit capital contribution, and \$7.6 million in other local contributions. Regional project funding sources include \$54.4 million from Regional Measure 1 Bay Area toll bridge revenue, \$142 million from Regional Measure 2 Bay Area toll bridge revenue, and \$150 million from AB 1171 (Bay Area toll bridge seismic retrofitting legislation). State funding for the project included \$28.3 million and \$429.5 million in land sales. Lastly, Federal funding included an \$8.8 million TEA-21 earmark and \$53.8 million in SAFETEA-LU earmarks. The TIFIA loan is secured by a senior lien on project revenues, which include dedicated tax increment revenues from land sold and developed in the State-owned parcels surrounding the Transit Center, and a commitment of passenger facilities charges from the Transit Center's initial primary tenant, AC Transit. The TIFIA debt repayment is scheduled to begin in 2016. The final maturity date of the TIFIA loan is February 2049.

This is the first TIFIA loan secured by value capture revenues from real estate taxes on surrounding transit oriented development. Additionally, the new transit center, with its sustainable and green building features, will make public transit a convenient option, thereby decreasing congestion and pollution.

Since the loan agreement was executed, earnings from land sales have proceeded slower than anticipated and construction costs have been higher than expected due to unforeseen changes in scope. DOT is working with stakeholders to address the impact of these changes and move the project forward.

IH 635 Managed Lanes - Dallas-Fort Worth, Texas

The LBJ Infrastructure Group, LLC was approved for a TIFIA direct loan of \$850 million for the IH-635 Managed Lanes project in Dallas-Fort Worth Metroplex, Texas. The TIFIA Loan Agreement was executed on June 21, 2010. The project involves reconstruction of the main lanes and frontage roads along IH-635, the addition of six managed lanes (mostly subsurface) along IH-635 from IH-35E to US 75 and four managed lanes west and east of that stretch, and the addition of six elevated managed lanes along IH-35E from Loop 12 to the IH-35E/IH-635 interchange. The \$2.6 billion project is being built under a Comprehensive Development Agreement - a form of public-private partnerships used by the State of Texas - between TxDOT and the LBJ Infrastructure Group, which will operate and maintain the facility for 52 years. Construction is expected to take 5 years. The managed lanes will be dynamically priced after 6 months of an introductory fixed-price schedule. The HOV2+ users will receive a 50 percent discount during peak operating periods and tolls will be collected by the North Texas Tollway Authority.

In addition to the TIFIA loan, the project is funded from the following sources: \$606 million in proceeds from PABs, equity contribution of \$672 million, \$17 million in toll revenues and \$490 million in public funds. Total funding sources do not include TIFIA capitalized interest of \$126

million and interest income. The TIFIA loan will be repaid with project revenues, which include all income, tolls, revenues, rates, fees, charges, rentals, or other receipts derived by or related to the operation of the project. The TIFIA debt repayment is scheduled to begin in 2015. The TIFIA loan matures in 2050. These dates are tied to substantial completion and are subject to change.

Innovative financing used by this project includes PABs, in addition to TIFIA credit assistance. Once completed, this project will have one of the most comprehensive managed HOT lane systems in the country, deploying Automatic Vehicle Identification technology capable of reading the transponders of passing vehicles.

Denver Union Station - Denver Metro Area, Colorado

This project is implemented by the Denver Union Station Project Authority, a non-profit public benefit entity. The Denver Union Station project in lower downtown Denver, Colorado, includes design, development, and construction of a new light rail station, an underground bus facility, a passenger rail station that will serve both Amtrak and Denver Regional Transportation District (RTD) trains, as well as public spaces to integrate the transportation components. As the hub of the RTD FasTracks project, the Denver Union Station project involves a major expansion of the existing transit system.

The Denver Union Station project is another project that utilizes value capture to repay debt. The TIFIA loan for this project closed on July 23, 2010. Approximately \$519 million in total project costs is being financed with a combination of a TIFIA loan of \$145.6 million and a loan from the Federal Railroad Administration's Railroad Rehabilitation and Improvement Financing (RRIF) program. This is the first time the Department has used both of these programs to finance a single project. Other funding sources include Federal Transit Administration (\$9.5 million), Federal Highway Administration (\$45.3 million) grants, Colorado State Senate Bill-1 Funds (\$17.4 million), American Recovery and Reinvestment Act of 2009 grant (\$28.4 million), funds from the Denver Regional Council of Governments (\$2.5 million), a contribution from the RTD (\$40.0 million), land sales totaling \$17.4 million, and pledged revenues collected during construction (\$57.5 million). The TIFIA and RRIF loans are secured by liens on pledged revenues comprised of an annual payment of \$12 million from the RTD and real estate development-related income generated by the project area, including tax increment revenue, a levy on property tax revenues, and lodger's tax revenue. The RTD's annual payment is funded from the 0.4 percent FasTracks sales and use tax, approved by voters in 2004. The TIFIA program began collecting interest payments in December 2010. The final maturity date of the TIFIA loan is June 2040.

President George Bush Turnpike Western Extension (SH 161) - Dallas-Fort Worth, Texas

In FY 2011, the North Texas Tollway Authority (NTTA) was approved for a TIFIA loan of \$418.4 million for the President George Bush Turnpike Western Extension (SH 161) project in Dallas, Texas. In April 2008, TxDOT agreed to a concession with NTTA in perpetuity (with revenue and capital improvement cost sharing after 52 years) to own, operate, and complete the project's construction. The project has a total cost of \$1.2 billion and provides an approximately 11.5 mile link between SH 183, I-30, and I-20 as part of a western loop around Dallas. This project proposes to reduce congestion along adjacent corridors and improve the travel experience in surrounding communities. The project is comprised of four phases: (i) Interchange with SH 183 and service roads from North Carrier Parkway to I-20 (opened August 2009); (ii) Two toll lanes in each direction from SH 183 to Egyptian Way (opened August 2009); (iii) Service roads and a third toll lane in each direction from Conflans Road to North Carrier Parkway (opened April 2010); and (iv) Two toll lanes in each direction from North Carrier Parkway to I-20 with interchanges at I-30 and I-20 opened in the fourth quarter 2012.

In addition to the TIFIA loan, project funding sources included \$674.3 million in Special Projects System Revenue Bonds, a TIGER I TIFIA payment of \$9.1 million (for subsidy/administrative costs) and a \$72.5 million equity contribution. The TIFIA credit agreement was executed on April 15, 2011 and the financial close for the Special Projects System Revenue Bonds occurred on April 21, 2011. Upon completion, this project will be part of the NTTA's Special Projects System, where the toll revenue bonds issued under the Special Project System Trust Agreement (including the TIFIA loan) is being secured additionally by the Toll Equity Loan Agreement (TELA) between NTTA and TxDOT. Under the TELA, TxDOT has agreed to lend to the project from the State Highway Fund 006 (motor fuel tax revenues) a negotiated amount each year if revenues are insufficient to cover operations and maintenance, including the debt service. The TIFIA debt payments are scheduled to begin in 2017. The loan matures in 2047.

Eagle Project - Denver Metro Area, Colorado

The RTD was approved for a TIFIA loan of \$280 million in FY 2011 for the Eagle Project in the Denver metropolitan area. The \$2.0 billion Eagle Project is part of RTD's FasTracks initiative, a voter-approved program to expand rail and bus transit throughout the Denver metropolitan region. This project is being procured through a concession agreement between the RTD and Denver Transit Partners to design, build, finance, operate, and maintain the project's components for 34 years. The RTD will retain ownership of all assets at all times, set fares and fare policies, retain all project revenues, and make availability payments to the concessionaire based on established performance metrics. The project is comprised of three sections: (i) A 22.8-mile commuter rail line from Denver Union Station (DUS) east to Denver International Airport, with five intermediate stations; (ii) An 11.2 mile commuter rail line, the first 3.7 miles of which are

shared with the Northwest Line (Segment 1) from DUS north and west to Wheat Ridge, with six intermediate stations; and (iii) A Commuter Rail Maintenance Facility located adjacent to the Gold and Northwest Lines.

In addition to the TIFIA loan, project funding sources include \$396.1 million in PABs, FTA New Starts Full Funding Grant Agreement of \$1.0 billion, other Federal grants of \$62.1 million, \$114.3 million in RTD sales tax revenue, revenue bond proceeds of \$48.2 million, \$40.3 million in local/Colorado Department of Transportation (CDOT)/other contributions, \$91.7 million in equity, and \$16.6 million in Net GARVEE proceeds. The RTD entered into a public-private partnership contract with Denver Transit Partners, Denver Transit Constructors, and other private partners to complete this project. The commercial and financial close with Denver Transit Partner occurred in August 2010 and the TIFIA credit agreement was executed on December 1, 2011. This project is expected to be completed during 2016. The TIFIA debt repayment begins in 2021, and the TIFIA loan matures in 2045.

U.S. 36 Managed Lanes Project: Phases 1 and 2 - Denver Metro Area, Colorado

In FY 2011, the Colorado High Performance Enterprise (HPTE) was approved for a TIFIA loan of \$54 million for the US 36 Managed Lanes Project: Phase 1. The project is being developed by the HPTE in partnership with CDOT and the RTD. US 36 is a congested four-lane divided highway that connects the city of Boulder to Denver at its intersection with I-25. This \$307 million project is the initial phase of approximately \$1.3 billion of identified improvements along the 18 miles of roadways between Boulder and Denver. Project improvements include a managed HOT lane in each direction from Pecos Street to the Interlocken Loop interchange (approximately 10 miles), reconstruction of general purpose lanes, bridge replacements, and Bus Rapid Transit (BRT) accommodations at stations located on ramps and adjacent park-n-ride facilities.

In addition to the TIFIA loan, project funding sources included \$38 million in CDOT Federal and State grants, \$46 million in CDOT bridge enterprise funds, \$44 million in regional Federal funds, \$120 million in RTD sales tax revenue, and \$4.8 million of the TIGER Challenge grant (the remaining portion of the \$10 million TIGER TIFIA Challenge Grant funded the TIFIA subsidy cost). The TIFIA credit agreement was executed on September 1, 2011. The TIFIA loan was issued within a Master Trust Indenture that provides certain credit protections to mitigate project risk, including reserves, additional bonds test, and a rate covenant. Toll revenues collected on the project will secure the TIFIA loan. This phase of the project is expected to be open to traffic by July 2015, and a future project (Segment 3) will extend the reconstruction and addition of HOT lanes to Table Mesa Drive in Boulder. The design-build was awarded on February 29, 2012.

On February 25, 2014, Plenary Roads Denver Ltd. (PRD) received a \$60 million TIFIA direct loan for US 36 Phase 2 as the winning concessionaire selected by HPTE to deliver the project as a design, build, finance, operate, and manage public-private partnership (P3). The project will extend the 10-mile Phase 1 work five miles further northwest to Boulder completing improvements to the entire U.S. 36 corridor between Denver and Boulder. PRD will finance, design, and construct Phase 2, and operate and provide routine maintenance and life cycle maintenance on the Phase 1, Phase 2 and the existing I-25 Express Lanes under a 50-year agreement.

The \$208.4 million Phase 2 project will be funded with a \$49.7 million HPTE capital payment, \$8.2 million in State of Colorado funds, \$2.6 million in federal funds, \$14.8 million from local sources, \$20 million in PABs, \$20.6 million in private equity, \$20.6 million in subordinated debt, \$8.6 million in pay-as-you-go toll revenues and \$3.4 million from other sources. As part of the Phase 2 TIFIA loan agreement, PRD assumed the Phase 1 TIFIA loan from HPTE.

The Phase 1 TIFIA debt repayment is scheduled to begin in 2017 with Phase 2 scheduled to begin in December 2020. The final maturity date of the TIFIA loan Phase 1 is July 2049 while Phase 2 TIFIA debt is fully repaid by December 2050. These dates are tied to substantial completion and are subject to change.

Downtown Tunnel / Midtown Tunnel / MLK Extension- Hampton Roads, Virginia

Elizabeth River Crossings Opco, LLC (ERC) was approved for a TIFIA direct loan of \$422 million for the three facilities in the project: the Downtown Tunnel / Midtown Tunnel / MLK Extension project in the Cities of Norfolk and Portsmouth, Virginia. The TIFIA Loan Agreement was executed on April 12, 2012. The Midtown Tunnel portion consists of a new two-lane tolled tunnel under the Elizabeth River parallel to the existing Midtown Tunnel connecting the Cities of Norfolk and Portsmouth. Modifications to the Midtown Tunnel will provide increased capacity for east-west travel linking Route 58 and I-264 in Portsmouth to the interchange at Brambleton Avenue/Hampton Boulevard in Norfolk. Planned improvements to the Downtown Tunnel will make it compliant with current fire and life safety standards. The MLK Extension proposes an approximate 0.8 mile extension of U.S. Route 58 south from London Boulevard, to I-264 with an interchange at High Street. The \$2.1 billion project will be built on a design, build, finance, operate, and maintain concession basis by ERC. ERC will operate the concession for 58 years and is comprised of Skanska Infrastructure Development and Macquarie Group.

In addition to the TIFIA loan, the project is funded from the following sources: \$675 million in proceeds from Private Activity Bonds, equity contribution of \$272 million, \$309 million in public funds, \$368 million in toll revenues, and \$43 million in TIFIA capitalized interest. The TIFIA loan will be repaid with toll revenues derived from the existing Midtown and Downtown

Tunnels. Toll revenues began in February of 2014. Construction began in 2013 and is estimated to be over 90 percent completed by 2017, with the refurbishing improvements to the existing Downtown Tunnel completed in 2018. Innovative financing used by this project includes the Virginia Commonwealth Transportation Board's first issuance of GARVEE bonds under the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes Act of 2011. These funds will provide the public subsidy to support the project's private financing structure.

Presidio Parkway - San Francisco, California

Golden Link Concessionaire, LLC (GLC), a private developer selected by the California Department of Transportation (Caltrans), received \$150 million in TIFIA credit assistance for Phase II of the Presidio Parkway project. The credit assistance is in the form of two direct loans (a short-term loan and a long-term loan). This \$851.6 million project consists of a 1.6-mile, six-lane roadway connecting the Golden Gate Bridge and the City of San Francisco, replacing the existing Doyle Drive. The TIFIA loans will finance the \$364.7 million Phase II project. The purpose of the project is to improve the seismic, structural, and traffic safety of the existing Doyle Drive, while being sensitive to the Presidio of San Francisco and its purpose as a National Park. This project is being advanced pursuant to a public-private partnership (P3) agreement between Caltrans and GLC. Commencement of Phase II construction began in late 2012 and substantial completion is scheduled for September 2015. GLC will design, finance, and construct Phase II of the project and operate and maintain the facility for 30 years upon substantial completion. The P3 agreement with GLC was executed on January 3, 2011 and the project's financial close was on June 14, 2012. Caltrans will provide GLC with milestone payments to be received approximately 45 days after Phase II substantial completion and quarterly availability payments commencing thereafter.

Given the different sources of funds for repayment and the limits of the state and local funding commitments, TIFIA credit assistance is separated into two tranches. The \$89.8 million short-term loan (Tranche A) is to be repaid fully following substantial completion in the form of a milestone payment. The \$60.2 million long-term loan (Tranche B) is to be repaid using the non-Federal portion of the quarterly availability payments to GLC during a 28 year period. In addition to the TIFIA loans, funding sources for this project include a \$166.6 million bank loan, parent company contribution of \$2.6 million, \$43 million in equity/developer contribution, \$2.4 million in capitalized interest, and interest earnings of \$36,000.

Crenshaw/ LAX Transit Corridor Project- Los Angeles, California

Los Angeles County Metropolitan Transportation Authority received a \$545.9 million TIFIA direct loan in FY 2012 to build the Crenshaw/Los Angeles International Airport (LAX) Transit Corridor Project. Located in Southwest Los Angeles, the project consists of the construction of

an 8.5-mile light rail transit (LRT) line including a minimum of six transit stations (with off-street parking), the procurement of a minimum of 20 light rail vehicles, and the construction of a full service maintenance facility. The Crenshaw/LAX Line will extend between the Exposition Line (currently under commissioning) at the intersection of Exposition Boulevard and Crenshaw Boulevard and the Metro Green Line near the existing Aviation/LAX Station. It will connect downtown and the Westside region of the City of Los Angeles (via the Exposition Line) with the South Bay region of Los Angeles County. An interim intermodal transit connection to LAX will also be constructed at the Aviation/Century Station.

The project is funded by a diverse collection of sources including \$8.3 million in Section 5309 and 5339 funds, a \$13.9 TIGER II grant, \$89.6 million in other federal funds, \$201.2 million in Proposition 1B general obligation bonds, \$36.7 million in other state funds, \$661.1 million in Measure R sales tax, \$135.0 in Proposition C sales tax, \$52.4 million in Local agency funds and \$4.8 in Proposition A sales tax revenue bonds. The FTA Record of Decision was received in December 2011, construction began in July 2012 and is expected to enter Revenue service in 2019. The TIFIA credit assistance will be repaid with local sales tax revenues beginning in 2020 with final repayment scheduled for June 2034.

SR 520 Floating Bridge - Seattle, Washington

Washington State Department of Transportation (WSDOT) received a \$300 million TIFIA direct loan on October 25, 2012 to replace the SR 520 Floating Bridge in metropolitan Seattle, Washington. The project, which includes construction of a new six-lane floating bridge across Lake Washington, improvements to the bridge's approaches and completion of an transit/HOV lane in each direction, will significantly ease congestion and enhance connections between major population and employment centers between Seattle and the region's eastern suburbs, including Bellevue and Redmond. Substantial completion is expected in October 2016.

In addition to the TIFIA credit assistance, the \$2.722 billion project is funded with \$715 million in toll revenue bonds, \$74 million in toll receipts, \$144 million in state and local sales tax deferrals, \$547 million in state fuel taxes, \$819 million in Direct GARVEE bonds, and \$124 million federal formula funds. The Washington State Legislature authorized the collection of tolls on the existing Floating Bridge beginning in December 2011 to help fund and finance the construction of its replacement, including repayment of the TIFIA loan. Tolls will also be collected on the new bridge and contribute to its operations and maintenance. Toll collection is all-electronic and toll rates vary by day and time of travel.

I-95 HOV/ HOT Lanes – Fairfax/ Prince William County, Virginia

95 Express Lanes LLC was selected by the Virginia Department of Transportation as concessionaire to develop and operate the I-95 Express Lanes project in northern Virginia. The

project received \$300 million in TIFIA credit assistance on November 20, 2012, utilizing a TIGER III grant awarded to the Virginia Department of Transportation on behalf of the concessionaire to pay the subsidy cost of the TIFIA direct loan to the federal government. The I-95 Express Lanes will be the second major step in creating a regional network of tolled managed lanes in Northern Virginia. The project consists of the development, design, finance, construction, maintenance and operation of 29.4 miles of High Occupancy Vehicle (HOV)/High Occupancy Toll (HOT) Lanes along I-95 and I-395 which will provide congestion relief and trip time reliability to auto and transit users travelling to and from major employment centers in Northern Virginia, such as Tysons Corner and Washington, D.C., and five major military sites.

In addition to the TIFIA loan, the \$922.6 million project is funded by \$252.6 million in private activity bonds (PABs), \$280.4 million in private equity, \$82.6 million in grant funding from the Commonwealth of Virginia, with the balance coming from TIFIA capitalized interest and interest earnings on PABs. The project began construction in August 2012 and will open to traffic in early 2015. The TIFIA credit assistance will be repaid with dynamically priced toll revenues derived from single-occupancy vehicles using the facility with final maturity in December 2047.

DART Orange Line - Dallas-Fort Worth, Texas

Dallas Area Rapid Transit received a \$120 million TIFIA direct loan to advance the Orange Line Extension project on December 13, 2012. The 14.5 mile, three-phase project provides a new light rail transit link from Downtown Dallas to DFW Airport while also providing access over five stations to growing destinations in the corridor such as the Las Colinas Urban Center and the newly constructed Irving Convention Center. The TIFIA loan for this project will advance construction on the third phase of its light rail Orange Line extension project, which is scheduled to open in late 2014.

Phases 1 and 2, which opened in 2012, were funded by \$789 million in revenue bond proceeds and cash backed by 1.0% sales tax and farebox revenues in conjunction with a \$60.6 million ARRA grant and in \$50.4 million Congestion Mitigation and Air Quality funding. In addition to the TIFIA loan, Phase 3 utilized \$276.5 million in revenue bond proceeds and cash backed by 1.0% sales tax and farebox revenues and \$600,000 in Section 5307 funds. The TIFIA loan subsidy cost for this project was funded through a TIGER III grant and began repayment in June 2013 and will reach final maturity in December 2047.

Riverwalk/Wacker Drive - Chicago, Illinois

The Riverwalk/ Wacker Drive Reconstruction Project is a major initiative to improve transportation along Wacker Drive, strengthen intermodal links, and establish a continuous pedestrian walkway along the south bank of the Chicago River. The Chicago Department of

Transportation (CDOT) was awarded a \$98.6 million TIFIA direct loan on June 12, 2013 to help finance the remaining two phases of the project.

CDOT has been working on the Riverwalk/Wacker Drive Reconstruction project since the 1990s, which includes a new roadway configuration to accommodate the expansion of the adjacent pedestrian walkway, currently used by 150,000 pedestrians on an average weekday. TIFIA credit assistance allowed CDOT to accelerate delivery of the remaining phases of project from State Street to Lake Street.

Although each block will be separated by an existing bridge that crosses the Chicago River, the blocks will be connected by at-grade under-bridge connections, providing six continuous blocks of pedestrian walkway along the river. Each block will feature a distinct theme. Design elements include bicycle and pedestrian facilities, ADA-compliant access, public seating, sustainable native plant landscaping, and recreational spaces. Landscaping will replace the industrial seawall and provide habitat protection and restoration of the Chicago River. T

In addition to the TIFIA loan, the project has utilized \$232 million in federal funds in conjunction with \$88 million in state and local funds. Construction on the remaining portion of the project began in early 2014 and will reach substantial completion in 2016. The TIFIA credit assistance will begin repayment in July 2015 and reach final maturity in January 2048.

SR-91 - Riverside County, California

Riverside County Transportation Commission received a \$421.1 million TIFIA direct loan in FY 2013 to finance SR 91 Corridor Improvement project. SR 91 currently includes two tolled express lanes in each direction in Orange County from the Riverside County line 10 miles west to Anaheim. They are managed by the Orange County Transportation Authority. The SR 91 Corridor Improvement Project will extend the tolled express lanes west into Riverside County from the Orange County line to I-15, a distance of approximately eight miles, replacing the existing HOV lanes. The project will also add one general purpose in each direction and make improvements to bridges and interchanges, including the addition of auxiliary or merge lanes for improved access. Direct connectors to/from the express lanes to I-15 south of SR 91 are also included.

The project's non-TIFIA funding includes \$174.2 million in senior toll revenue bonds, \$500.5 million in Measure A sales tax bonds, \$208.1 million in Measure sales tax revenues and \$7.8 million in interest and other sources. The TIFIA loan will be repaid with toll revenues generated from the express lanes, which began construction in early 2014 and will reach substantial completion in 2017. TIFIA debt service will begin repayment in December of 2021 and will be repaid in June 2051.

Chicago ConRac – Chicago, Illinois

A \$288.1 million TIFIA credit agreement with the City of Chicago Department of Aviation was executed on August 21, 2013 to finance construction of the Chicago O’Hare International Airport Consolidated Joint Use Facility Project. The \$876 million project will include the relocation and consolidation of rental car operations and public parking into a multi-use facility at O’Hare International Airport. As part of the overall project, the existing Airport Transit System, a 24-hour rail system that serves terminals and parking structures, will be extended to serve the new facility and a new ATS station connected to the consolidated rental car facilities (CRCF) will be constructed. In addition, a new bus plaza accommodating bus services, off-airport hotel, and other commercial shuttles will be directly connected with the CRCF.

The project is funded using \$95.6 million in airport revenue bonds, \$250.5 million in customer facility charge (CFC) senior lien revenue bonds, \$62.4 million in airport development funds, \$141.7 million in CFC pay-as-you-go funds, \$37.7 million in passenger facility charge revenue, and the TIFIA direct loan. Construction is scheduled to begin in the summer of 2014 and will conclude in December 2016. The TIFIA financing will be repaid with CFCs; interest payments begin in 2017 and the final maturity of the TIFIA loan is 2035.

NTE 3a & 3b – Dallas-Fort Worth Metro, Texas

On March 1, 2013, Texas Department of Transportation (TxDOT) and NTE Mobility Partners executed a concession agreement to design, build, finance, operate, and maintain Segment 3A and operate and maintain Segment 3B of the North Tarrant Express (NTE) in the Dallas-Fort Worth Metroplex. These two segments comprise 12 miles of highway and managed lane improvements to I-35W as part of the overall 36-mile NTE network. NTE Segments 1 and 2A, the first two segments of the six-segment network of managed lanes to be advanced, have been under construction since 2010 under a separate concession agreement with NTE Mobility Partners.

NTE Mobility Partners received a \$524.4 million TIFIA direct loan on September 18, 2013 for Segment 3A. Other funding for Segment 3A included \$270.6 million in private activity bonds (PABs), \$412.9 million in equity and \$163.8 million in state and local funds. Segment 3B, which will be constructed by TxDOT and delivered to NTE Mobility Partners for operations is funded with \$100 million in Proposition 12 bonds, \$150.2 million in state and federal funds, \$3.4 million in PABs with an additional \$6.6 million TIFIA direct loan. Construction on both segments will begin in summer 2014 with Segment 3B reaching substantial completion in 2017 and Segment 3A reaching completion in 2018. The TIFIA loan will be repaid with project revenues, which include all income, tolls, revenues, rates, fees, charges, rentals, or other receipts derived by or related to the operation of the project.

With the Project, the IH 35W corridor will become a "Smart Corridor", using active traffic management technology to dynamically control traffic based on real-time roadway conditions, to provide information to the traveling public, to improve transit travel times, and allow transportation and law enforcement officials to better detect and respond to incidents in a timely manner. The technology will provide real-time information for congestion pricing in the managed lanes to maintain 50 mph travel. This also marks the third transportation infrastructure project in the US to reach financial close with direct investment by a pension fund.

Goethals Bridge Replacement – New York Metro Area, NY/NJ

The Goethals Bridge carries I-278 over the Arthur Kill, connecting Staten Island to New Jersey and providing critical access for commuters and freight carriers between New Jersey and New York. The project replaces the existing 85-year-old bridge, which is functionally obsolete, with a new six-lane, cable-stayed bridge directly south of the existing bridge. The replacement bridge will consist of six, 12-foot travel lanes, 12-foot outer shoulders, and 5-foot inner shoulders, as well as a 10-foot bike/pedestrian path along the northern edge of the New Jersey-bound side. The bridge design also includes a central area between the eastbound and westbound roadways to accommodate future transit service. The replacement bridge is being delivered as a design-build-finance-maintain (DBFM) P3 under a 40-year concession with NYNJ Link Partnership, a first for the Port Authority of New York and New Jersey (PANYNJ).

NYNJ Link Partnership executed a TIFIA credit agreement with DOT on November 5, 2013 for a \$473.7 million direct loan which will be repaid through availability payments made by the PANYNJ to the concessionaire. Other sources of funding include \$453.3 million in private activity bonds, \$106.8 million in private equity, \$125 million in milestone payments from PANYNJ. \$300.2 million in pre-developments were also funded by PANYNJ. Construction on the project began in late 2013 and will reach substantial completion in 2018.

The Goethals Bridge Replacement is the first surface transportation P3 project in the Northeast U.S. that includes project finance and long-term maintenance funded by availability payments made by the project sponsor.

Northwest Corridor – Atlanta Metro Area, Georgia

The Northwest Corridor project will create managed lanes along 29.7 miles of I-75 and I-575 in metro Atlanta, providing reliable travel times through the use of dynamic, congestion-based tolling to maintain vehicle speeds above 45 miles per hour. Registered transit vehicles, including vanpools and buses, will not be charged a toll to use the managed lanes. The \$833.7 million project is collaboration between Georgia Department of Transportation (GDOT) and the State Road and Tollway Authority (SRTA). GDOT is overseeing the design and construction of the facility and will be responsible for the long-term operation and maintenance of the highway.

SRTA, the TIFIA borrower, will be responsible for the tolling operations, tolling gantries and equipment, and communicating with customers about tolls.

The project is being delivered as a Design-Build-Finance (DBF) agreement between a private developer and SRTA, the first in Georgia. The project is funded by a \$275 million TIFIA direct loan, \$232.9 million in state motor fuel taxes, \$265.9 million in GDOT program funds and \$59.9 million in developer equity to be repaid by the state with \$10.0 million in toll revenue bonds and motor fuel tax revenues. Construction will begin in October 2014 and will open to traffic in December 2016. The TIFIA loan will be secured by a gross pledge of toll revenues and will be fully repaid in January 2053.

Ohio River Bridges/Downtown Crossing - Louisville, Kentucky

On December 12, 2013, Kentucky Public Transportation Infrastructure Authority received a \$452 million TIFIA direct loan for the Ohio River Bridges Downtown Crossing in Louisville, Kentucky. This project includes a new bridge facility across the Ohio River and the adjacent existing will be rehabilitated and reconfigured to carry six lanes of I-65 southbound. The project also includes improved connections between I-65, I-64, and I-71 in downtown Louisville to eliminate design deficiencies and safety hazards. The Downtown Crossing is part of the Ohio River Bridges project, which also includes the East End Crossing eight miles to the east. Together, the Louisville and Southern Indiana Bridges Authority, a bi-state agency, has been responsible for the financing of the \$2.6 billion Ohio River Bridges. Kentucky is delivering the Downtown Crossing through a more traditional design-build contract, while Indiana has chosen to finance the East End Crossing through an availability-payment, public-private partnership. These innovative delivery approaches have combined significant cost savings.

In addition to the TIFIA credit assistance, the project is utilizing \$335 million in GARVEE bonds, \$272 million in toll revenue bonds, \$41 million Bond Anticipation Notes (premium), \$276 million in federal funds and \$76 million in state road funds. Construction began on June 18, 2013 and is expected to reach substantial completion in December 2016. TIFIA credit assistance is secured by revenues of the Ohio River Bridges System and will begin repayment in January 2018 and reach final maturity in July 2051.

New New York Bridge – Westchester/ Rockland County, New York

The New York State Thruway Authority (NYSTA) is replacing the nearly 60-year-old Tappan Zee Bridge, with a new facility called the "New NY Bridge," carrying I-87/287 over the Hudson River between Westchester and Rockland Counties, approximately 20 miles north of New York City. The new tolled bridge is a dual-span twin bridge with eight lanes, four emergency lanes, a dedicated commuter bus lane, and a bicycle/pedestrian path. The bridge is also being designed to accommodate future transit plans—bus rapid transit, light rail, or commuter rail. The

environmental approval process was conducted on an expedited basis, being completed in 10 months.

On December 19, 2013, DOT closed on a \$1.6 billion TIFIA direct loan marking the program's largest credit assistance to date. In addition to the TIFIA loan, the \$4.979 billion project is funded through \$3.047 billion in toll revenue bonds and notes, \$42 million from the NYSTA capital program and \$290 in pay-as-you-go toll revenues during construction. The TIFIA credit assistance, secured by NYSTA system revenues, will begin interest payments in December 2022 and will reach maturity in December 2052. Dredging for the new bridge began in August 2013 and both spans are expected to be completed in 2018.

Grand Parkway – Houston Metro Area, Texas

The Texas Department of Transportation (TxDOT) received an \$840.645 million TIFIA direct loan on February 6, 2014 for the Grand Parkway, SH 99 D–G, a 53-mile segment of the planned 180-mile circumferential Grand Parkway toll highway around the Greater Houston Metropolitan Region. The project includes five segments (a portion of segment D and segments E, F-1, F-2, and G in full) which are situated along the northwest portion of the parkway from just south of I-10 to I-69/US 59N (Eastex Freeway). Construction began in early 2013 and is scheduled to be completed in 2015.

In addition to the TIFIA credit assistance, the \$2.9 billion project is funded with \$200 million in first tier toll revenue bonds, \$1.9 billion in subordinate tier toll revenue bonds supported by a toll equity loan agreement (TELA) with TxDOT. TIFIA assistance will be repaid with toll revenues from the Grand Parkway System beginning in October 2020 with final repayment in October 2050. The new highway will provide more transportation options that may help reduce a one-way trip by 10–20 minutes.

Regional Connector – Los Angeles Metro Area, California

The Regional Connector Transit Corridor Project (Regional Connector) is a 1.9-mile underground light rail connection between the Little Tokyo/Arts District Station to the 7th Street/Metro Center Station in downtown Los Angeles. The existing Metro Gold Line will traverse this new section from the Little Tokyo/Art District and continue along the existing and future Metro Expo Line to Santa Monica, California. Similarly, the Metro Blue Line will continue beyond its current terminus at 7th Street/Metro Center along this new section and beyond to the existing and future Metro Gold Line to Pasadena. The reduction in the need for transfers can reduce a one-way trip by 10–20 minutes.

To advance the project, the Los Angeles County Metropolitan Transportation Authority executed a TIFIA direct loan with DOT on February 20, 2014 for \$160 million. Other sources of funding

include \$669.9 million in FTA New Starts grant, \$64 million in Congestion Mitigation and Air Quality funds, \$114.9 million Prop 1A HSR General Obligation Bonds, \$149.5 million Prop 1B General Obligation Bonds, \$2.6 million in other state funds, \$132.8 million in Metro funds, \$64.2 in Metro lease revenues and \$41.6 million from the City of Los Angeles. Construction will begin in summer 2014 with substantial completion expected in 2020. The TIFIA loan will be repaid with Measure R local retail sales tax revenue with final repayment scheduled in June 2037.

CTA 95 Street Terminal – Chicago, Illinois

On April 24, 2014, DOT executed a TIFIA direct loan with the Chicago Transit Authority (CTA) for \$79 million to reconstruct and expand the Red Line 95th Street Terminal. The project will create a new terminal building, expanded platforms for additional space and ease of flow for passengers, wider bus lanes, bus bays and sidewalks and waiting areas to reduce congestion and delays. The project is a critical piece of the nation's trade infrastructure with early 15 percent of the nation's waterborne cargo trucked across the bridge.

In addition to the TIFIA loan, the project utilized \$47.6 million in CTA funds, \$50,000 from Illinois DOT, \$10 million in federal Bus Livability grants, \$35 million in Regional Transit Authority bonds and \$ 18.19 million in TIGER grant proceeds. The TIFIA loan, which will begin repayment in December 2020 and reach maturity in late 2050, is secured by a senior lien on CTA system-wide farebox revenues. Construction will commence in summer 2014 and reach substantial completion in 2016.

Gerald Desmond Bridge Replacement – Long Beach, CA

In FY 2014, the Port of Long Beach received a \$325 million to replace 42 year-old obsolete Gerald Desmond Bridge with a new six-lane cable-stayed bridge. The new bridge will address the current facility's inadequate clearance over a key shipping channel, will provide new emergency lanes to serve the heavy truck traffic and access for bicyclists and pedestrians. Once the project is substantially completed in 2017, the facility will be transferred to the California Department of Transportation.

The \$1.288 billion project is funded with \$153.7 million in California state funds, \$675.2 million in federal funds, \$117 million in Port of Long Beach Funds and \$17.3 million in Los Angeles County Prop C funds as well as TIFIA credit assistance. The TIFIA credit assistance will be repaid from Port of Long Beach revenues beginning in May 2018 with final maturity in 2051.

Westside Purple Line Subway Extension – Los Angeles Metro Area, California

The Westside Purple Line Extension comprises a three phase, 8.9 mile station-to-station subway heavy rail line that would operate as an extension of the LA Metro’s existing Purple Line from its current terminus at Wilshire/Western Station to a new western terminus in West Los Angeles near the Veterans Affairs (VA) Hospital in Westwood. Section 1 will extend the Purple Line 3.9 miles from Wilshire/Western to Wilshire/La Cienega and includes three stations. Section 1 is being procured as a design-build, and will be financed through federal, state, and local sources, including a TIFIA loan and an FTA New Starts Full Funding Grant Agreement.

Los Angeles County Metropolitan Transportation Authority received an \$856 million TIFIA direct loan in FY 2014 that will be used in conjunction with a \$1.25 billion FTA New Starts grant, \$12 million in Congestion Mitigation and Air Quality funds, \$366 million in Measure R funds, \$77 million from the City of Los Angeles, \$44 million from Metro lease revenues, and \$6 million from other state local sources to fund the project. Approximately 32 percent of the Project budget is funded from voter-approved sales tax measures devoted to transit projects, which will be used to repay the TIFIA loan. Substantial completion is expected in 2024 with final repayment of the TIFIA loan in 2037.

Retired Credit Agreements

The chart below identifies all projects that have retired TIFIA credit assistance. Since the 2012 TIFIA Report to Congress, a \$66 million direct loan to the Central Texas Regional Mobility Authority for the 183-A Turnpike in Austin, Texas and a \$66 million direct loan to the Louisiana Transportation Authority for the LA-1 Project in Leesville, Louisiana have been retired.

**Retired TIFIA Credit Agreements
as of
May 31, 2014**

| Project Name | Location | Project Type | Project Cost (in millions) | Credit Amount (in millions) | Amount Disbursed (in millions) | Percent Disbursed | Instrument Type | Primary Revenue Pledge | Substantial Completion | Interest Rate (Percent) |
|--|-----------------------|--------------|----------------------------|-----------------------------|--------------------------------|-------------------|-----------------|-------------------------------|------------------------|-------------------------|
| Miami Intermodal Center | Florida | Intermodal | \$- | \$269 | \$15 | 5.58% | Direct Loan | Customer facility charges | May 2008 | 5.89% |
| Washington Metro Capital Improvement Program* | Washington Metro area | Transit | \$2,324 | \$600 | - | 0.00% | Guarantee | State/local funding agreement | June 2009 | N/A |
| Tren Urbano (PR) | Puerto Rico | Transit | \$2,250 | \$300 | \$300 | 100% | Direct Loan | Tax revenue | June 2005 | 4.97% |
| Cooper River Bridge Replacement | South Carolina | Highway | \$675 | \$214 | - | 0.00% | Direct Loan | State infrastructure bank | June 2005 | 5.52% |
| Staten Island Ferries and Terminals | New York City | Transit | \$482 | \$159.2 | \$159.1 | 99.6% | Direct Loan | Tobacco settlement revenue | April 2006 | 5.52% |
| Reno Transportation Rail Access Corridor | Nevada | Intermodal | \$280 | \$50.5 | \$50.5 | 100% | Direct Loan | Room and sales tax | Spring 2006 | 5.66% |
| 183-A Turnpike | Texas | Highway | \$304.7 | \$66 | \$66 | 100% | Direct Loan | Toll road | March 2007 | 4.75% |
| LA-1¹ | Louisiana | Highway | \$371.6 | \$66 | \$66 | 100% | Direct Loan | Toll Road | December 2011 | 4.45% |
| Pocahontas Parkway / Richmond Airport Connector | Virginia | Highway | \$597.4 | \$150 | \$146.10 | 97% | Direct Loan | Tolls | January 2011 | 5.16% |
| TOTAL: | | | \$7,284.7 | \$1,875 | \$802.7 | 43% | | | | |

¹Original LA-1 direct loan was repaid in conjunction with the project refinancing on November 6, 2013. See "LA-1 Toll Road" discussion in the Project Issues section for a detailed discussion of the transaction.

Retired Credit Agreements

Washington Metropolitan Area Transit Authority Capital Improvement Program - Washington, DC, Metro

On January 28, 2001, a credit agreement for a TIFIA loan guarantee of up to \$600 million was executed in support of the Washington Metropolitan Area Transit Authority (WMATA) Capital Improvement Program (CIP), a \$2.3 billion project. The WMATA operates a rail and bus system serving the National Capital area. The fourth largest transit system in the U.S. , WMATA is the Nation's second largest rail transit system, spanning 103 miles and incorporating 83 stations. The WMATA CIP replaced vehicles and rehabilitated 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.

In addition to the TIFIA loan guarantee, funding sources include \$1.5 billion in Federal grants, \$560 million in local matching funds, and \$217 million in Grant Anticipation Notes. This project was the first TIFIA project to utilize a loan guarantee to support a TIFIA project and employed a funding agreement with local jurisdictions. The WMATA successfully completed the CIP without drawing on the loan guarantee intended to help finance total project costs from a program designed to deal with deferred maintenance and to undertake improvements to the existing system over a series of subsequent years. However, this loan commitment permitted WMATA to demonstrate adequate fiscal capacity under the terms of its funding agreement with local jurisdictions. With the expiration of the loan agreement in January 2010 this loan guarantee was retired.

Tren Urbano - San Juan, Puerto Rico

The Puerto Rico Highway and Transportation Authority (PRHTA) was approved for a TIFIA loan of \$300 million in FY 1999 for the Tren Urbano project in San Juan, Puerto Rico, with private partner Siemens AG. Tren Urbano is a single-line, 10.7-mile fixed-guideway rapid transit system that serves the municipalities of San Juan, Bayamón, and Guaynabo in Puerto Rico. It opened in December 2004, and began revenue service in June 2005. The project includes 16 stations, a vehicle maintenance and storage facility, 74 rail cars, operations control center, traction power, train control, and communications systems. Most of the system is elevated with a 1.1-mile tunnel section in the Rio Piedras district. This \$2.3 billion project was implemented to provide a solution to the continually rising vehicle traffic levels and to bring a new mode of transportation to the most congested sections of the San Juan metropolitan area. The project

employed a Systems and Test Track Turnkey procurement approach for one section of alignment, rail systems, and rolling stock.

In addition to the TIFIA loan, Tren Urbano was financed by \$828.8 million in Federal grants, \$637.8 million in bond proceeds and \$483.4 million from other sources. 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. The DOT disbursed the \$300 million loan in its entirety on August 7, 2000. Taking advantage of the low interest rate environment at the time, PRHTA refinanced the loan with tax-exempt debt in April 2003, fully prepaying TIFIA 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.

Cooper River Bridge Replacement (Arthur Ravenel Jr. Bridge) - Charleston, South Carolina

The South Carolina Transportation Infrastructure Bank (SCTIB) and the South Carolina Department of Transportation (SCDOT) were approved for a TIFIA direct loan of \$215 million in FY 2000 (later refinanced in 2004) for the \$675.2 million Cooper River Bridge Replacement project. Renamed the Arthur Ravenel Jr. Bridge, the single bridge replaced two functionally obsolete bridges - the Grace Memorial and Pearman Bridges, which ran along U.S. 17 over the Cooper River, connecting the cities of Charleston and Mount Pleasant. The TIFIA loan was secured by two primary sources: (i) payments from SCDOT (\$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. In addition to the TIFIA loan, funding sources for the project include: an SCTIB Grant of \$325 million (backed by motor fuel tax, truck registration fees, local taxes, tolls), and Federal/State funding of \$135.2 million.

Retirement of the TIFIA loan marked a successful milestone, as the Federal credit commitment enabled project construction to get underway and to be replaced entirely by private investment after only 3 years. DOT and SCTIB terminated the loan agreement so 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 SCTIB had yet to draw. This project marked the largest contract in SCDOT history and part of SCDOT's innovative [27-in-7 program](#). This program, a statewide effort from 1999 to 2008, accelerated the implementation of 200 highway improvement projects worth over \$5.0 billion from 27 to 7 years.

Staten Island Ferries and Terminals - New York, New York

The New York City Department of Transportation, New York City Economic Development Corporation, and TSASC, Inc. (a special not-for-profit corporation authorized to issue bonds secured by tobacco settlement revenues) executed a TIFIA credit agreement on December 19, 2001, for a direct loan in the amount of \$159.2 million to support financing of the Staten Island Ferries and Ferry Terminals project. 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 TIFIA loan held a parity lien, with senior bondholders, of \$750 million in outstanding TSASC bonds, the proceeds of which were available for other purposes. 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 principal payment. In addition to the TIFIA loan, this \$482.2 million project was funded with \$274.3 million of bond proceeds, \$47 million of Federal grants, and \$1.8 million in State grants.

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 multi-modal connections to taxis and transit. The ferry system operates an eight-vessel fleet, serving 70,000 passengers per day on the 5-mile, 25-minute ride between Staten Island and Manhattan. The three new ferries accommodate 4,400 passengers each, 25 percent more than previous capacity. This project introduced the structure of scheduled and mandatory debt service to transportation finance. It was the first time such a structure was used for a transportation project and has since become a standard provision of many TIFIA loans that have uncertain revenues pledged, such as toll road revenue.

Reno Transportation Rail Access Corridor (ReTRAC) - Reno, Nevada

In FY 2001, the city of Reno and Union Pacific Railroad were approved for a TIFIA loan of \$50.5 million for the Reno Transportation Rail Access Corridor in Reno, Nevada. The project has a total cost of \$279.9 million and involved replacement of 10 at-grade street crossings with bridges and construction of one new bridge over the trench, minimizing emergency vehicle delay, vehicular delay, impacts from pedestrian conflicts, whistle warning noise, and air quality conflicts. The project also increased property tax revenues by raising residential, commercial, and industrial property values along the corridor. The project allows Union Pacific to improve freight capacity by increasing train lengths to 8,000 feet with double-stacked containers.

In addition to the TIFIA loan, project funding sources include \$111.5 million from city of Reno bond proceeds (backed by hotel room and sales taxes), \$17 million from Union Pacific Railroad, \$21.3 million in Federal grants, and \$79.6 million in cash, interest earnings and other income. The original TIFIA commitment amounted to \$73.5 million, comprised of three separate obligations: \$50.5 million, secured by county sales and city hotel room taxes; \$5 million, secured by lease income from property contributed by Union Pacific; and \$18.5 million, secured by tax assessments on real property in a downtown business district. 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. The city elected not to proceed with either of the two smaller loans and repaid the original \$50.5 million loan with interest in May 2006. The project's innovative design-build structure (versus design-bid-build) allowed an estimated 18 months in schedule saving.

Miami Intermodal Center - Miami, Florida

As noted above, in FY 1999, FDOT and MDAD were approved for a two-tranche TIFIA direct loan for the \$2.0 billion MIC project. Major project elements include: the MCS - Metrorail, Tri-Rail, Amtrak, and intercity bus services; RCF - new RCF consolidating rental car operations at the airport and providing space for 10,000 cars; MIA Mover - automated airport people mover to connect MIA to the MCS and RCF; and various roadway improvements to improve airport access. The \$269 million FDOT Program Elements loan closed June 9, 2000; only \$15 million was drawn down before FDOT replaced it with a more competitive internal loan through the State Transportation Trust Fund. The loan was repaid in full on July 3, 2006, in the amount of \$17.1 million, including interest, 24 years ahead of the scheduled maturity date.

183-A Turnpike - Austin, Texas

On March 2, 2005, the Central Texas Regional Mobility Authority (CTRMA) executed a credit agreement with DOT for a TIFIA direct loan of \$66 million to support development of the 183-A Turnpike project, an 11.6-mile, north-south toll highway in northwest Austin, Texas, which opened to traffic in March 2007. The project has a total cost of \$304.7 million (not including \$32 million of capitalized interest). In addition to the TIFIA loan, CTRMA's funding sources include: proceeds from a senior lien revenue bond (\$177.8 million); a State of Texas funding grant (\$64.7 million); a local right of way contribution (\$18.6 million), and investment earning/accrued interest (\$9.5 million). Along with the senior bonds issued at loan closing, CTRMA issued \$66 million of low interest BANs, which reached maturity in January 2008. The CTRMA had the option of retiring the BANs (with draws on the TIFIA loan, additional bonds, or other funds available); CTRMA chose to draw the full amount of the TIFIA loan to retire the BANs. Net toll revenues on the full 11.6-mile system secure the loan; the Federal Government has a subordinate lien on these revenues that to date, have been higher than originally projected. Principal and interest payments began on the TIFIA note in January 2012. The CTRMA

partnered with Hill Country Constructors (joint venture of Granite Construction Company and J.D. Abrams, LP) for this initiative. The CTRMA is Texas' first Regional Mobility Authority and was authorized to form at the county level in 2001 and its powers were expanded in 2003 to include the issuance of toll revenue bonds. The first toll road developed by a Texas Regional Mobility Authority, the 183-A Turnpike project was the recipient of *The Bond Buyer* "Deal of the Year" award in 2005.

The loan agreement was retired early when the project sponsor prepaid the loan on June 5, 2013, 29 years early.

LA-1 - Leeville, Louisiana

The LA-1 project in coastal Louisiana received a \$66 million TIFIA loan in 2005 for the first phase of a plan to replace an existing highway in need of repair due to subsidence, erosion, and frequent storm damage with a new tolled limited-access elevated facility. The \$66 million loan was refinanced on November 6, 2013. For a detailed discussion of the transaction, reference "LA-1" profile under active credit agreements.

Pocahontas Parkway/ Richmond Airport Connect – Richmond, Virginia

The Pocahontas Parkway project is an 8.8-mile toll road in southeast area of Richmond, VA, linking Interstate 95 with Interstate 295 to create a southern bypass of the City of Richmond; the project includes the Richmond Airport Connector (RAC) which links the mainline Parkway to the city's airport. The Project was constructed using funds generated by bonds issued by the Pocahontas Parkway Association (PPA) in 1998 under Virginia's Public Private Transportation Act of 1995. The PPA was established for the sole purpose of financing the construction of the Parkway. The Parkway's total development costs were funded through tax-exempt revenue bonds (\$354 million) issued by PPA, a State Infrastructure Bank loan (\$18 million) and Federal funding for roadway design (\$9 million). The initial mainline facility opened to traffic in 2002.

After 18 months of negotiation between the Virginia Department of Transportation (VDOT) and Transurban (USA), a private Australian toll road operator with subsidiaries in the U.S., Transurban executed an Asset Purchase Agreement with the Pocahontas Parkway Association, a 63-20 nonprofit corporation, and entered into the Amended and Restated Comprehensive Agreement (ARCA) with VDOT on June 29, 2006.

Under the terms of those agreements, Transurban acquired the sole rights to enhance, manage, operate, maintain, and collect tolls on the Parkway for a period of 99 years. Transurban also defeased all of PPA's underlying debt and was obligated to construct the Richmond Airport Connector (RAC), a 1.58-mile, four-lane extension of the toll road to Richmond International Airport. The size of the TIFIA loan was determined through a cost-benefit analysis that showed that \$150 million for construction and refinancing was the minimum amount required to

incentivize Transurban to assume the risk of constructing a much needed airport connector roadway that is not economically feasible otherwise.

In addition to the \$150 million TIFIA loan, the Project's long-term lease was financed via \$420 million in senior bank debt, \$55 million in subordinated debt and \$141 million in equity from Transurban. The facility was turned over to Transurban in late 2006 and the RAC reached substantial completion in January 2011.

Significant local real estate developments, including a 3,200 unit residential project directly west of the project were indefinitely delayed due to the economic recession. In addition, a decline in utilization of the Richmond Airport significantly hampered commercial development in the corridor. The compounded impact of these events resulted in revenues falling below debt-service costs and the concessionaire began negotiations with lenders to restructure the project.

Concurrently with the restructuring discussions, one of the Project's bank lenders, UniCredit, sold its loan to a fund of Texas Pacific Group (TPG)/Citibank at approximately 30.75% of its face value. Subsequently, TPG/Citibank also offered to purchase the TIFIA loan from DOT. After carefully considering its options, DOT sold the TIFIA loan to TPG/Citibank as a part of a restructuring plan. TPG/Citi paid DOT \$60.6 million which is roughly 41.5% of the initial TIFIA direct loan amount. This discount reflects the acknowledgment that given the Project's financial position, any option for restructuring the debt will have a significant cost to the federal government.

The sale of the TIFIA loan allows DOT recoup a share of its investment and exit the Project; the alternative to the sale would be a lengthy and costly bankruptcy process with an uncertain outcome with little potential for DOT to recover a larger portion of its investment. The restructuring requires all parties to share the effects of the Project's financial challenges. Senior lenders are expected to have the value of their loans reduced considerably.