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FDOT AND I-4 MOBILITY PARTNERS REACH COMMERCIAL AND FINANCIAL CLOSE FOR I-4 ULTIMATE PROJECT

ORLANDO —The Florida Department of Transportation (FDOT) has completed the commercial and financial close of the \$2.3 billion I-4 Ultimate project. A public-private partnership (P3) concession agreement was executed with I-4 Mobility Partners OpCo. LLC; the Concessionaire charged with designing, constructing, financing, maintaining and operating the project for 40 years.

FDOT Secretary Ananth Prasad said, “This is a monumental milestone for one of the most congested corridors of the state, which draws millions of tourists and is an important mid-point in Florida for commerce and commuters. The project gives us the opportunity to show how a successful Public-Private Partnership works, through construction and beyond, benefitting those who count on great infrastructure, which feeds a robust economy.”

The I-4 Ultimate project completely reconstructs 21 miles of I-4 from west of Kirkman Road in Orange County to east of State Road 434 in Seminole County. Along with making this a signature corridor with details on the aesthetics and landscaping, the I-4 Ultimate project will provide a choice to motorists by adding four variable tolled Express Lanes to I-4 while maintaining the existing free general use lanes. The design phase of the project will begin within the next month and FDOT anticipates construction will begin in early 2015. Through the P3 delivery model, the Concessionaire was able to provide significant technical enhancements, including direct connections from the Express Lanes to SR 408, additional auxiliary lanes and an additional pedestrian bridge along the facility, as compared to FDOT’s base scope requirements while still staying below FDOT’s affordability limit.

Congressman John Mica said, “As the author of the federal legislation that prohibits tolling free lanes in Central Florida and the rest of the United States, this project can serve as a model for increasing capacity and having those who use it pay for it, while reducing future congestion for everyone.”

Combining and accelerating construction of large complex projects using the P3 approach advances benefits of the project to the public sooner than traditional methods. FDOT retains ownership of the interstate while transferring cost overrun risks for construction, long-term upkeep of the facility, and responsibility for repayment of project debt to the Concessionaire. Under the concession agreement, the Concessionaire earns payments during the construction, once construction is complete and availability payments once the facility is open to traffic. The July 1, 2014 value of the availability payment is \$75 million per year and is subject to adjustments for performance standards that require keeping the facility open and maintained for travelers. Funding for the payments comes from state and federal funding as well as Central Florida Expressway Authority and Florida Turnpike Enterprise. Tolls from the Express Lanes will begin around 2020/2021. These provide significant funding for the project and will be set and retained by FDOT.

Congresswoman Corrine Brown said, “This critical infrastructure project will spur economic development and create thousands of jobs in central Florida and beyond. This project will also improve the region’s entire transportation system, helping move people, goods, and services in a more efficient manner.”

FDOT and I-4 Mobility Partners, comprised of Skanska and John Laing, have worked expeditiously towards financial close with lenders including a consortium of six commercial banks and the Federal Highway Administration through the TIFIA credit assistance program. This has allowed FDOT to benefit from the low interest rate environment which has resulted in a \$68.7 million (net present value in 2014 dollars) decrease when compared to the I-4 Mobility Partners financial proposal. I-4 Mobility Partners has invested \$104 million in the project and commercial banks and TIFIA are lending \$486 million and \$949 million, respectively to the project.

Cesar Souza, Chief Executive Officer of I-4 Mobility Partners said, “I-4 Mobility Partners is extremely proud to invest in and deliver this ‘signature corridor’ project, which is designed to reflect the needs of the communities it serves. The public will experience safety improvements, and modernization of the corridor and its many interchanges. Furthermore, the project will make a significant impact to the local economy through the substantial involvement of local, small and disadvantaged business enterprises.”

FDOT has developed a website, i4ultimate.com, to keep the public informed about how I-4 will be affected during this project. The website will be a one stop shop for an overview of the project, closure updates, details about construction activities, and how to contact the project team, including ways to sign up for project updates. The website also provides a link directly to members of the I-4 Mobility Partners team concerning opportunities to work with them on the project.

Congressman Daniel Webster said, “Transportation is the economic engine that fuels Florida’s economy. As a public private partnership, the I-4 Ultimate project will save hardworking taxpayers’ dollars while delivering the project nearly two decades sooner than could otherwise be expected. It will provide critical infrastructure that will enable us to continue to expand our business development, cultivate growth, and create jobs. This is a big win for Central Florida.”

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