

Transit P3: What Can We Learn From Denver?

Rail~Volution 2017

Denver, Colorado

Jenny Barket
Office of General Counsel



DOT Encourages P3s!

- ❖ **FTA's 2007 Penta-P**
- ❖ **FHWA SEP-15**
- ❖ **Build America Bureau**
- ❖ **FTA's Private Investment Infrastructure Procedures - 82 FR 35500**

Eagle Lessons Learned - Penta-P

CI&G Rating – discounted equity contribution

LONP – Phase 1

Payment/Performance Bonds–state law

FFGA Reimbursement – Concessionaire’s costs

FTA’s New Starts submittals

FTA’s New Start structure

Requirement for a detailed scope

Timing of commercial close, financial close, FFGA



Why P3s Love TIFIA and RRIF...

- ✓ Long term, fixed cost, permanent, up-front financing
- ✓ Loan repayment source may be minimum credit quality (e.g., investment grade)
- ✓ Non recourse financing available —project cash flow supported
- ✓ Funds drawn as needed
- ✓ Flexible repayment schedule
- ✓ No pre-payment penalty
- ✓ Low interest rates

**Low Interest Rate -
Interest rate on 09/13/2017
was 2.77% for
a 35-year loan**

...and also PABs

- ❖ State or local governments issue **tax-exempt bonds** on behalf of a private entity
- ❖ Private entity/developer responsible for all PABs debt service (PABs are not a moral or legal obligation of a governmental issuer)
- ❖ Can be used in combination with TIFIA credit assistance
- ❖ Secretary of Transportation is authorized to allocate \$15 billion
- ❖ To date, over \$11 billion of PABs issued or allocated

Financial Plans Compared

Eagle P3

Project Cost = \$~2.3B

- ❖ TIFIA Loan to RTD = \$280m
- ❖ FTA (CIG) to RTD = \$1.03B
- ❖ Other Federal Grants to RTD = \$62m
- ❖ PABs to DTP = \$396m
- ❖ Equity from DTP (Fluor, John Laing, Aberdeen) = \$91m

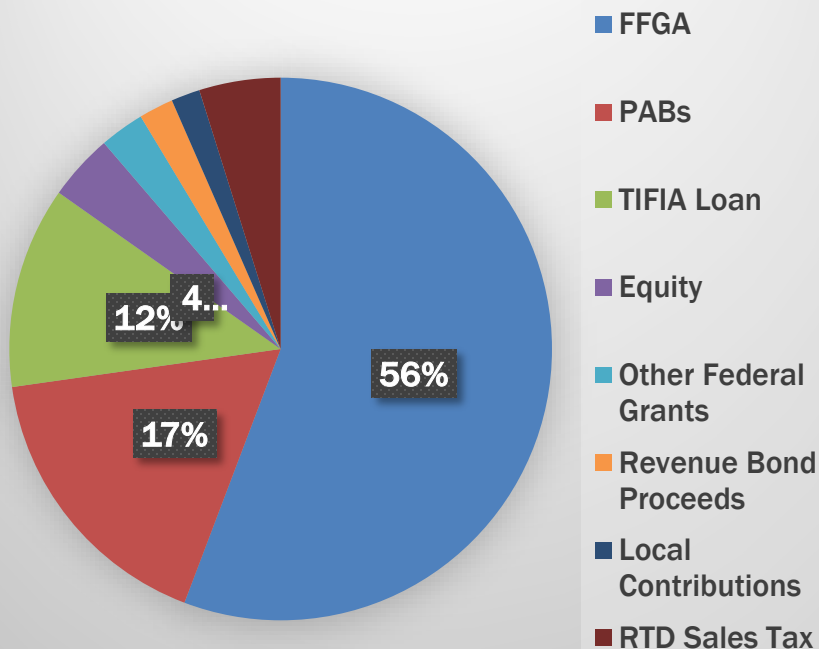
Purple Line

Project Cost: ~\$2.4B

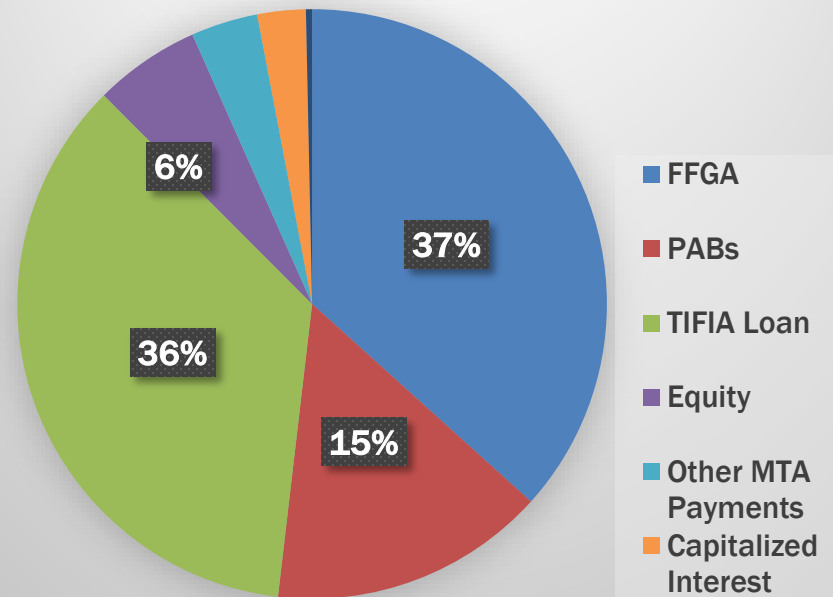
- ❖ TIFIA Secured Loan to PLTP ~\$875m
- ❖ TIFIA Capitalized Interest \$65
- ❖ Total PABs to PLTP ~\$372m
- ❖ Private Equity from PLPT (Fluor, Meridiam, Star America) ~\$143m
- ❖ FTA CIG to MTA \$900m
- ❖ Other MTA Payments - \$90m

Financial Plans Compared

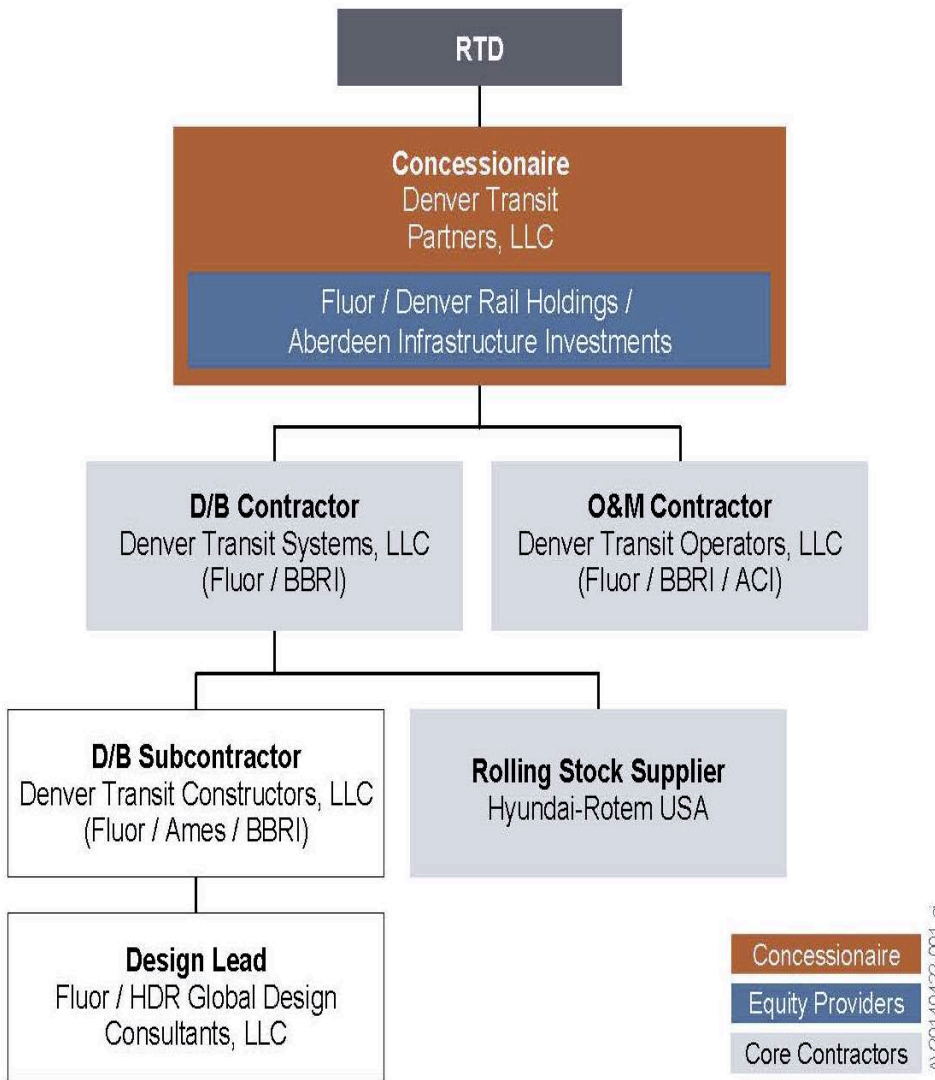
Eagle P3



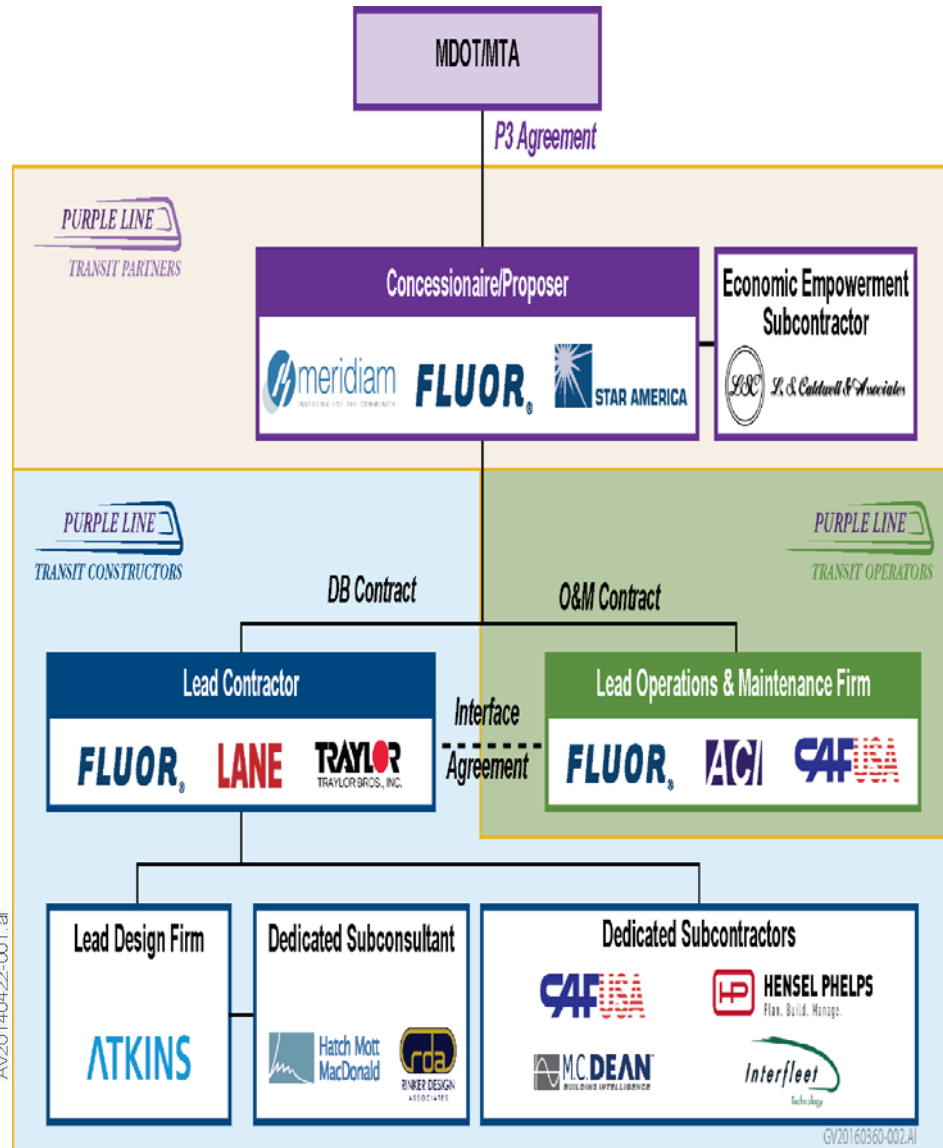
Purple Line P3



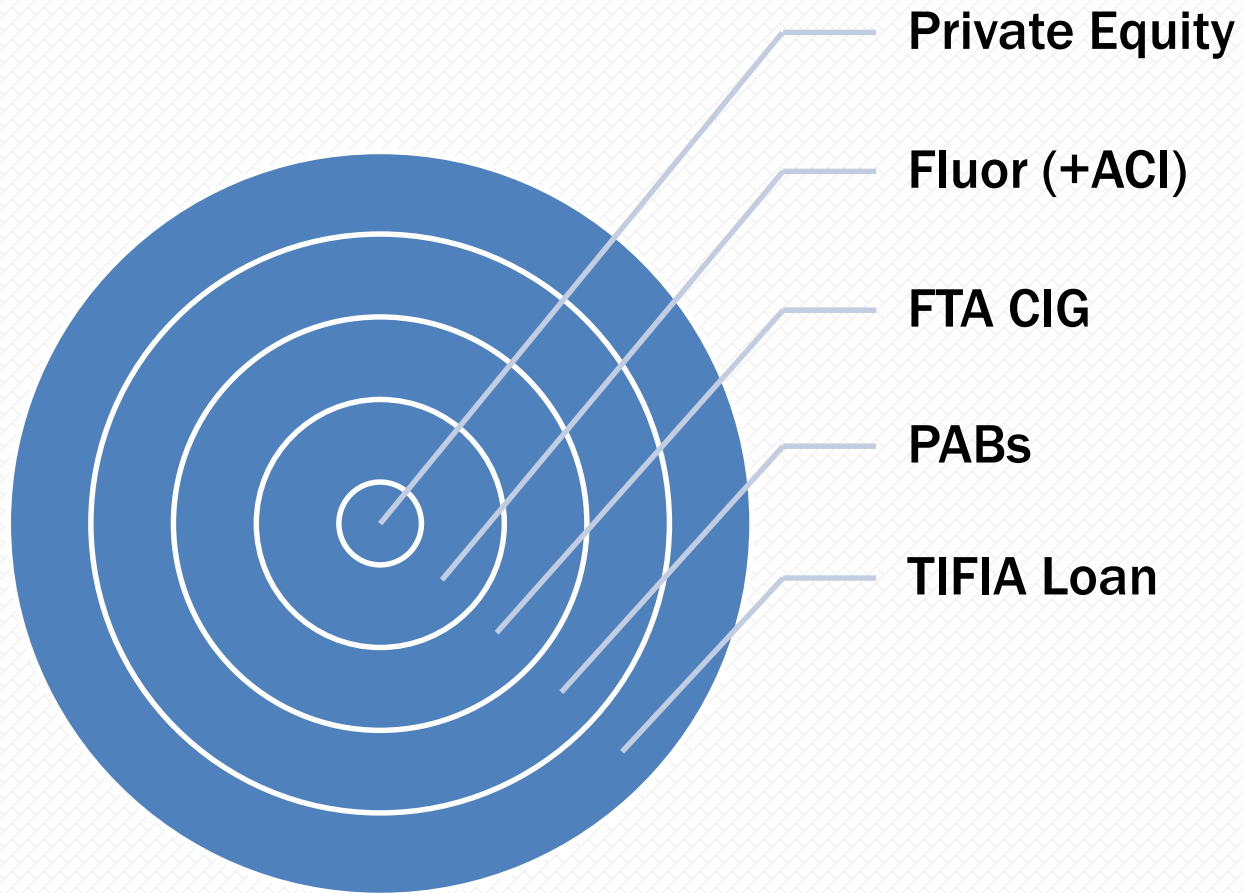
Denver Transit Partners



Purple Line Transit Partners



Common Themes



Notable Differences

EAGLE P3		Purple Line
RTD	TIFIA Loan	PLPT
Loan NOT part of FFGA financial plan	FFGA	Loan part of FFGA financial plan
RTD	PABs Conduit Issuer	MD Eco. Dev. Corp.
RFP – Comm'l Close – FFGA – PABs/Fin. Close – NTP – TIFIA loan	Timing	RFP – Comm'l Close – TIFIA loan – PABS/Fin. Close – FFGA – NTP

Interesting Differences

EAGLE P3		Purple Line
John Laing & Aberdeen	Concessionaire Partners	Meridiam
DTP -> Fluor/BBRI -> design/build JV	D/B Contracting	PLPT -> design/build JV
DTP -> Fluor/BBRI -> Hyundai	Rolling Stock	PLPT -> Fluor/ACI/CAF JV
TABOR	State Law?	Balanced Budget Amendment



The biggest difference!