

Amended Sixth Annual Financial Plan Update November 2009

Federal Highway Administration Outstanding Comments

FHWA Major Projects Team
Review of the MIC Program Annual Update, dated March 31, 2008

November 4, 2009 FHWA Comments:

Based on further discussion with the major projects team we need the following modifications made to satisfy the finance plan requirements. At this time we have no comments from the TIFIA team. The TIFIA team has committed to respond by COB Friday so you'll have their comments by Monday.

1. The plan does not consistently show the MIC as fully funded with a matching revised construction schedule out to 2017. Page 2 of cover letter says it's fully funded by delaying until 2015, Page 7 says it is not fully funded, Page 8 shows completion in 2012, and they do not agree with the tables on page 10.

Since the applied for ARRA TIGER Discretionary funding cannot be used as secured funding, the FDOT incremental funding thru 2015 plan will need to be shown as secured funding and the schedule shown that matches that availability. This then puts completion (schedule on page 8) out to 2017 (also need to show estimated month).

Both the answer to this comment and the new completion date, need to be incorporated into the update.

Response: The body of the report, the schedule and the tables have been revised accordingly.

Of course, the funding shown is to be based on the TIP/STIP or LRTP if outside the TIP window.

Response: The recent programming changes made by FDOT to fully fund the Central Station have been included in FDOT's tentative work program. The tentative work program will be presented to the Miami MPO in December 2009 for approval, which will incorporate the changes into the MPO TIP. The Central Station is included in the MPO LRTP.

2. Page 5 - MIC Central Station. The footnote on page 5 was expanded. Was this funding (\$260 million) added into the total cost of \$1.664 B? It needs to be in order to show total cost.

Response: The footnote on page 5 has been expanded further to confirm that the \$260M is included in the total MIC program cost.

3. Remember to include a signed certification letter on page 1.

As soon as you can make these then we'll send them forward, so if TIFIA has no additional comments we are good to approve it.

As for the next update, we can't roll the 2008 update forward to 2009 since it is based on the financial snapshot for 2008. So we'll need the 2009 update, as scheduled, based on 2009 financial data. It's due by Dec 30, 2009., but if you delay to not past Feb 2010 to capture the TIGER if successful, we all agreed that will be ok.

July 2009 FHWA Comments:

Comment: Pages 2 and 10 – TIFIA Loan

The TIFIA loan amounts are inconsistent in the Update. On page 2, in the next to last bullet, the Update states that the TIFIA loan for the RCF is \$270 million. However, on page 10, the TIFIA loan is shown as \$334.976 million.

Response: See revised narrative on page 2 and an expanded footnote to accompany the table on page 10.

Comment: On page 2, in the last bullet, the initial TIFIA loan for the RCF is shown as \$164 million, not \$170 million as shown in the bullet above. The difference may be the capitalized interest costs but that needs to be fully explained in the Update.

Response: See revised narrative on page 2.

Comment: Page 5 – MIC Central Station

The footnote at the bottom of the page says: “The MIC Earlington Heights Extension of Metrorail came onto the MIC program with its own funding sources.” The Update needs to identify those sources and amounts.

Response: See expanded footnote on page 5.

Comment: Page 6 – MIC Central Station

In the second sentence of the first paragraph, the Update states that for the MIC Central Station: “The full build out cost of \$170 M is not fully funded or programmed in the current MIC work program.” However, on pages 9 and 10, the MIC is shown as fully funded. All work must be fully funded.

Response: As stated on page 6 of this amended annual report,

“The estimated cost to complete the remaining elements of the Central Station is approximately \$170 million, which includes primarily accommodations for Tri-Rail, AMTRAK, Greyhound and the connecting elevated concourse. The full build out cost of \$170 million is not fully funded or programmed in the current MIC work program. At the request of FDOT, a Value Engineering (VE) and Risk Assessment analysis was recently completed for the Central Station. The study identified upwards of \$85 million in potential cost savings, inclusive of construction phasing schemes based on user demand. The VE analysis is currently under review by FDOT, along with alternative funding options and financing techniques to arrive at a Central Station concept that can be built in the short term.”

FDOT has completed its review of the VE analysis and has finalized the scope for the remaining elements of the MIC Central Station. The current cost to complete the remaining elements is estimated at \$114.4 million, inclusive of demolition of existing structures, environmental remediation, direct construction costs, construction contingency, CEI, and post design services. The revised scope continues to accommodate the intended tenant modes of Tri-Rail, AMTRAK, and Greyhound, including the connecting elevated concourse for access to these modes, the Earlington Heights Extension of Metrorail (including the Metrobus plaza), and the MIA Mover.

FDOT has \$114.4 million in its work program through 2015, including \$2.3 million in previously awarded ARRA grants for the intercity bus (Greyhound) component of the MIC Central Station. However, FDOT submitted an application for an ARRA TIGER Discretionary Grant for \$96.5 million which, if awarded, would advance the project completion date substantially. The TIGER grant application can be found at the following link: <http://www.dot.state.fl.us/planning/economicstimulus/MIC/MIC-Application.pdf>. To the extent the requested TIGER Grant is awarded, the Central Station will proceed to construction without delay and be completed in a coordinated fashion with the other tenant modes, i.e., Earlington Heights Extension of Metrorail and MIA Mover.

Alternatively, if FDOT does not receive all or a portion of the requested TIGER Discretionary Grant, it has already added the requisite funding to its work program. Please see the table below for the specific years the funding is programmed. Accordingly, it will take until FY 2015 for FDOT to incrementally add and accumulate sufficient state funding in its work program to fully fund the Central Station. Add to that a 28-month construction schedule, and a fully operational intermodal transportation passenger hub would be available to the public in FY 2017.

| MIC Central Station Sources of Funds | | | | | | | | |
|--------------------------------------|------------------|------------|-----------|-----------|------|------------|------------|-------------|
| FM# | | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | TOTAL |
| 406800-1, Phase 4B | State | 3,500,000 | | | | | | 3,500,000 |
| 406800-2, Phase 52 | Local | 6,010,947 | | | | | | 6,010,947 |
| | State | 4,923,976 | | | | 20,000,000 | 63,500,000 | 88,423,976 |
| | Federal | | 7,500,000 | 6,665,077 | | | | 14,165,077 |
| 426386-1 & 2, Phases 52, 62, 94 | Federal Stimulus | 2,300,000 | | | | | | 2,300,000 |
| TOTAL \$ | | 16,734,923 | 7,500,000 | 6,665,077 | 0 | 20,000,000 | 63,500,000 | 114,400,000 |
| Programming as of 9.29.2009 | | | | | | | | |

The funding scenario shown above is FDOT's fallback position. Depending on its success in receiving a TIGER Discretionary Grant, every effort will be made to match project cash flow requirements with available funds. Innovative finance and project delivery strategies will be explored to minimize any delay in completing the MIC Central Station.

Clearly, FDOT is committed to seeing the MIC program, including the Central Station, through to its completion. As of September 30, 2009, FDOT has expended \$1.1 billion on the program's various components.

Importantly, it should be recognized that, unlike an individual "major project," the MIC Program is a collection of individual projects, each with its own independent utility. As noted below, the MIC Roadways Improvements are complete and open to traffic, providing greatly improved access to MIA. The RCF is nearly complete; when it opens it will function independent of the Central Station. Likewise, when the MIA Mover is completed, it will transport airport-bound passengers to/from the RCF and the MIA terminal. When the MIC Earlington Heights Extension of Metrorail is completed, the requisite connections will be in place to transport Metrorail and Metrobus passengers to/from the MIA terminal via the MIA Mover -- even if completion of the Central Station is delayed due to funding constraints.

Comment: Pages 9 and 10 – Sept – 01 and Sept – 02 Work Program amounts

The Sept 01 and 02 Work Program Columns on the MIC Uses of Funds by Activity (second table) do not match the same column in the first table (MIC Uses of Funds by Program Element) or the third table (MIC Sources of Funds). Each column is off by \$1,069. Is Note 4 intended to explain this discrepancy? If so, the note needs more explanation to identify that \$1,069 million difference.

Response: When the 2003 annual update was prepared, the TIFIA related finance costs were adjusted to reflect the differences between the TIFIA application, the respective term sheets, the updated estimate of RCF loan costs, and the costs at closing of the SCETS loan. However, the excel spreadsheet model did not correctly aggregate the sources and uses of funds into the format (tables) contained in the annual update report. In short, the \$1.069 million discrepancy was a calculation error. This has been corrected in the tables starting on page 9.

Page 9 – Contingency

The contingency amount is now shown as \$16.798 million for the entire MIC program. According to the March 2008 Progress Report, the MIC program appears to be about 50% complete. If \$17 million is

available as contingency this represents approximately 2% of the cost to complete. Given the recent increases and that the MIA Mover and MIC Central Station are the more complex elements of the program; a 2% contingency appears inadequate. The MIA Mover schedule is already slipping and it appears that the scope of the MIC Central Station is still not finalized.

Response: *As of February 2008, \$16.8 million was available as an overall program contingency. As shown in the tables on pages 9 and 10, the program contingency has fluctuated on an annual basis. It was originally established to absorb project cost increases and to serve as a repository for cost reductions due to a variety of factors, such as scope changes, Value Engineering considerations, lower than expected bids, project close outs, and in some cases cancellation of individual projects due to stakeholder concerns. The original program contingency was established at approximately 5% of the overall program amount (\$62 million).*

Since the 2008 annual update, considerable progress has been made on major outstanding program components, reducing the uncertainty in the cost to complete these projects:

- *Roadway Improvements -- have been completed and are open to traffic.*
- *MIA Mover –*
 - *The Miami-Dade Aviation Department (MDAD) has signed a fixed price Design-Build-Operate-Maintain (DBOM) contract. The project is under construction with an operational date scheduled for the fall 2011.*
 - *MIA Mover Station at the MIC -- an FDOT project, is under construction and is 65 percent complete; the scheduled completion date is spring 2011.*
- *RCF -- is 95 percent complete, with a scheduled opening date of spring 2010.*

For the 2009 annual update, a more complete accounting of the cost to complete and status of projects under construction will be done, along with an evaluation of an appropriately sized contingency level.

Comment: General

The Update needs to include an accounting of expenditures by year and a discussion (completion percentages) of the MIC program to date.

Response: *Per the response above, for the 2009 update a more complete accounting of the cost to complete and status of projects under construction will be done. Miami-Dade County, through its Aviation (MDAD) and Transit (MDT) Departments, respectively, is the lead agency for the MIA Mover and the Earlington Heights Extension of Metrorail. Both MDAD and MDT have been requested to provide updated information regarding the status of these projects in order to respond to this comment/request.*

HIPA-40 – August 26, 2008

LETTER OF CERTIFICATION BY AGENCY HEAD

The Florida Department of Transportation (FDOT) has a dynamic and on-going comprehensive Financial Plan for the Miami Intermodal Center in accordance with the requirements of Section 106, Title 23, and the Financial Plan guidance issued by the Federal Highway Administration. The plan provides detailed cost estimates to complete the project and the estimates of financial resources needed to fully finance the project. The information provided in this report reflects a summary of the overall information. More detailed project and financial information is reported on a monthly basis to the FHWA Florida Division Office and the Major Projects Team. In addition, the Florida Department of Transportation has comprehensive systems and processes to manage the Miami Intermodal Center group of projects including the overall finances needed to fund these projects. The FHWA Florida Division Office and the Major Projects Team reviewed these comprehensive processes and systems during field visits to FDOT's Miami District Office and FDOT's Central Office in Tallahassee.

The cost data in the Financial Plan and supporting systems and processes provide an accurate accounting of costs incurred to date and, except where noted, include a realistic estimate of future costs based on engineer's estimates and expected construction cost escalation factors. While the estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables, they represent realistic estimates of available monies to fully fund the project.

We believe the Financial Plan and supporting processes and systems provide an accurate basis upon which to schedule and fund the Miami Intermodal Center projects.

To the best of our knowledge and belief, the Financial Plan Update and supporting systems and processes fairly and accurately present the financial position of the Miami Intermodal Center and expected conditions for the project's life cycle. The financial forecasts in the Financial Plan are based on our judgment of the expected project conditions and our expected course of action. We believe that the assumptions underlying the Financial Plan Update and supporting processes and systems are reasonable and appropriate. Further, we have and routinely will make available all significant information that is relevant to the Financial Plan and, to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.



Stephanie C. Kopelousos
Secretary

EXECUTIVE SUMMARY

The Florida Department of Transportation (FDOT) is pleased to provide the sixth annual update of the Miami Intermodal Center (MIC) Financial Plan. The Financial Plan is designed primarily for use by the United States Department of Transportation (USDOT) to assist the USDOT in fulfilling its oversight responsibilities required by Federal law.

The last annual update was submitted in September, 2005. Annual updates for 2006 and 2007 were held in abeyance until cost and funding issues associated with the MIC consolidated rental car facility (RCF) were resolved and FDOT's work program adjusted accordingly.

REPORT HIGHLIGHTS

- The overall cost of the MIC Program increased to \$1.8 billion, or 37% above the 2005 update, due to the addition of new projects to the program (primarily the independently-funded, \$260-million Earlington Heights Extension of Metrorail), increased cost of the RCF, and cost increases on other MIC projects.
- Costs thus far for land acquisition and environmental remediation are tracking about 10% below the original 1999 budget estimates.
- Compared to the 2005 update, the cost to complete the RCF increased 57% to \$343 million. The cost contained in the 2005 update was a "placeholder" estimate pending the resolution of cost and funding issues. The RCF is under active construction and is scheduled to be completed in early 2010.
- Roadway construction costs are tracking 21% above the 2005 annual update. Construction market conditions in the Miami area resulted in increased costs to complete the MIC Terminal Access Roadway (MTAR). All major roadway projects are under construction and are scheduled to be completed by the summer of 2009.
- The Miami-Dade Aviation Department (MDAD) is in final negotiations with a Design-Build-Operate-Maintain (DBOM) contractor for the MIA Mover (formerly referred to as the MIC-MIA Connector), with an operational date projected for the summer of 2011.
- A new design for the MIC Central Station, formerly the MIC Core, was completed. FDOT has added \$110.9 million to its work program to fully fund the Central Station.
- The Customer Facility Charge (CFC) for the RCF has been collected since May, 2004 (Early Collections). Collections (including interest earnings) through January, 2008 total nearly \$70 million. The Early Collections are funding a portion of the RCF construction costs on a pay-as-you-go basis. In December 2007, FDOT reimbursed itself approximately \$58 million for RCF costs it had advanced from its own funding sources for planning, design, and construction related activities.
- FDOT, in cooperation with the US DOT, increased the RCF TIFIA loan by \$100 million to up to \$270 million to help fund the increased cost of the RCF. The original RCF TIFIA loan, made under the Transportation Infrastructure Finance and Innovation Act (TIFIA), closed in April, 2005 for up to \$170 million.
- FDOT retired a \$269 million TIFIA loan since the last MIC finance plan update. The MIC Program was originally approved for \$433 million in TIFIA loans, with an initial split of \$164 million for the RCF and \$269 million for other MIC Program elements. This initial split was based on an estimate contained in the original TIFIA application for federal credit assistance and preceded the closings of the relevant loan transactions. The \$269 million component, referred to as the "SCETS" loan, was paid in full in FY 2007, due to transfers of General Fund revenues to FDOT by the State of Florida and other internal cash flow considerations.

INTRODUCTION

This report is the sixth Annual Update of the Financial Plan for the Miami Intermodal Center (MIC) program. The original Financial Plan was included in the TIFIA Loan Application, dated July 29, 1999. This report is required under Section 1305(b) of the Transportation Equity Act for the 21st Century (TEA-21) that modified Section 106 of Title 23 by adding subsection "(h)" which requires "... A recipient of Federal financial assistance for a project ...with an estimated total cost of \$1,000,000,000 or more shall submit to the Secretary an annual financial plan for the project." The act requires that the plan be based on detailed annual estimates of the cost to complete the remaining elements of the project and on reasonable assumptions of future increases in the cost to complete the project. Section 1904(h) of the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users (SAFETEA-LU) continues this requirement while lowering the threshold to an estimated total cost of \$500,000,000 or more.

The MIC Financial Plan is typically updated annually each September. Each update will be designed to reflect changes in program totals compared to the previous Financial Plan update and to identify the remaining project cost and/or available funding.

FINANCIAL PLAN 2008 UPDATE BRIEF OVERVIEW OF MIC PROGRAM FINANCING

The MIC is a model for infrastructure development and implementation with partners including FDOT, Miami-Dade County (transit, aviation, expressway authority and seaport), USDOT (transit, highways, aviation, and coast guard), and various private sector companies including airlines and rental car companies. Funding for this program is derived from a variety of federal, state, local and private sources.

The MIC Program, which received approval for \$433 million in TIFIA loans in September of 1999, consists of the following major program elements: land acquisition and environmental remediation, a consolidated rental car facility (RCF), roadway access improvements to the Miami International Airport (MIA) and the MIC complex, a people mover system connecting MIA with the RCF and the MIC (MIA Mover), and initial construction of the MIC Central Station (formerly the MIC Core) – a transportation hub that will link Tri-Rail, AMTRAK, Greyhound, Miami-Dade Transit's bus system and future connections to Miami-Dade Transit's rail system. When completed this \$1.8 billion program will provide connectivity between various modes of public and private transportation in Miami-Dade County and greatly improve access to MIA.

The previously approved TIFIA loan of \$433 million was divided into two parts. The initial loan of \$269 million (the FDOT elements or "SCETS" TIFIA loan) was the subject of a loan agreement dated June 9, 2000 between FDOT and US DOT. The proceeds of this loan were to be used for land acquisition, roadway improvements, and the MIC Central Station. This loan was repaid in state FY 2007 on July 3, 2006. The second loan of \$170 million (the RCF TIFIA loan), which was executed and dated April 29, 2005, is being used for the design and construction of the RCF. As noted in the Executive Summary, the RCF TIFIA loan was subsequently increased in August, 2007 to \$270 million through an amended and restated loan agreement between FDOT and the US DOT.

Construction of all components of the MIC Program will be phased over a 12- to 15-year span based on current projections of patronage demand, the need for increased transport capacity and the availability of required funding. The TIFIA loans described above provided the financial capacity to advance selected program elements. The first major phase of construction is the \$1.8 billion MIC 5-year work program, the status of which is summarized below for each major program component.

MIC PROGRAM STATUS

Right-of-Way Acquisition and Environmental Remediation to facilitate the construction of all future MIC Program elements; programmed cost = \$338 million.

Land acquisition and environmental remediation on the Priority 1 and 2 right-of-way sites is completed. On the Priority 3 site, only those parcels owned by the South Florida Regional Transportation Authority

(SFRTA), formerly Tri-Rail, remain to be transferred to FDOT.¹ While some environmental clean-up of the Priority 3 site has occurred it cannot be completed until the RCF is operational, when current tenants (which include car rental companies) can relocate from their existing locations to the RCF.

A Consolidated Rental Car Facility identified as a priority in order to help decongest MIA roadway traffic by removing all rental car courtesy vehicles from the terminal roadways; programmed cost = \$343 million.

In March of 2003, the FDOT entered into a Construction Management at Risk contract (CM at Risk) with Turner Construction Company. The contract scope included the RCF, related roadway improvements and other MIC Program elements related to the MIC Central Station. The CM@Risk contract was structured to permit individual construction packages to be built conditioned on FDOT and the contractor agreeing on a negotiated guaranteed maximum price (GMP) for each package. The CM@Risk contract also afforded FDOT the option to reject price proposals from the contractor and pursue conventional procurement methods if a GMP could not be agreed upon.

Using the CM@Risk contract, an initial construction package for the RCF commenced in June 2003, consisting of all underground work (foundations, utilities, etc.). Once the initial package was completed, further work on the project was stalled due primarily to the volatility of the construction market in South Florida at that time. Market conditions in the 2005 timeframe caused the cost of the project to increase well beyond FDOT's expectations and available financial capacity.

Since FDOT and Turner could not agree on a negotiated price to complete the RCF, FDOT opted to complete all design work and advertise the RCF for bids. FDOT subsequently received bids in late 2006, however, not even the lowest bid of \$345 million was achievable financially. To avoid further delay in completing the project, FDOT rejected all bids and resumed price negotiations under its existing CM@Risk contract. In March 2007, FDOT successfully negotiated a GMP of \$307.4 million, or nearly \$40 million below the lowest bid received in 2006. The GMP of \$307.4 million to complete the RCF is included in the current programmed cost of \$343 million, together with FDOT prior costs incurred.

To finance the higher cost of the RCF, FDOT in cooperation with the US DOT amended its original 2005 TIFIA loan agreement to increase the total loan amount to \$270 million. Construction of the RCF is well underway with a projected completion date of early 2010.

MIA Mover - an automated people mover (APM) that will connect the MIA terminals with the RCF and the MIC complex; programmed cost = \$303 million.

Construction and operation of the MIA Mover is critical to the functionality of the MIC and the relocation of the rental car companies to the new RCF. Since the 2005 update, there has been slippage in MDAD's procurement of a DBOM contractor. MDAD's current schedule calls for a MIA Mover operational date of June, 2011. The County and FDOT acknowledge their responsibilities to make best efforts to open the MIA Mover within 24 months of completion of the RCF as required by the RCF TIFIA Loan and Security Agreements.

MIC Central Station (formerly MIC Core) - will connect various forms of transportation to the RCF and the terminal at MIA via the MIA Mover; programmed cost = \$467 million.

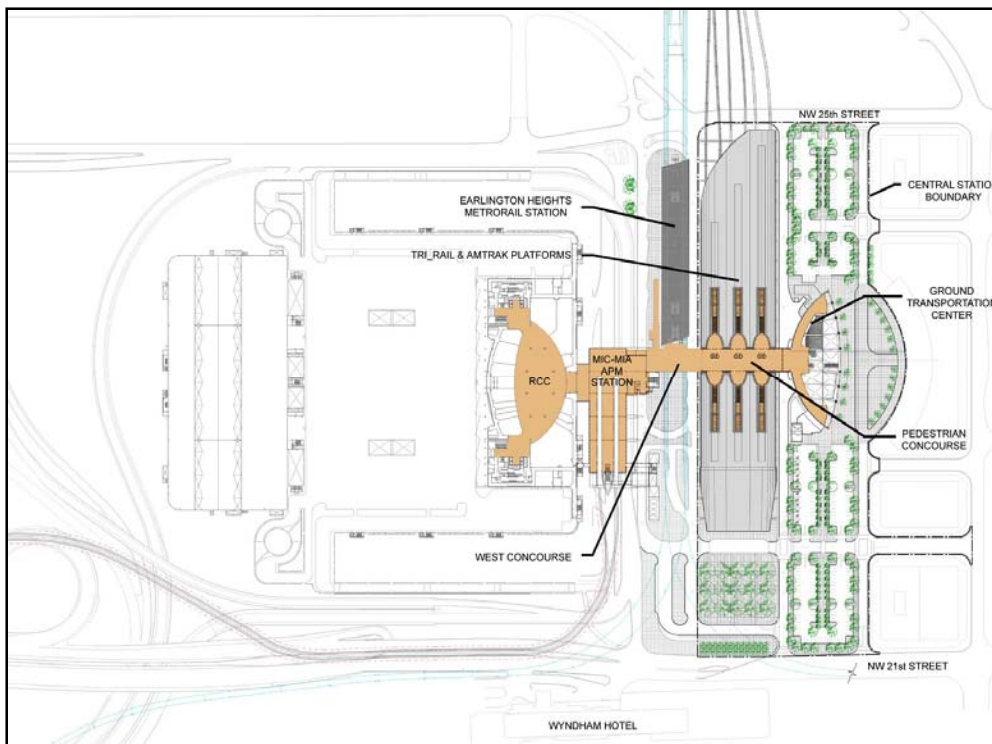
Services provided at the Central Station will include access for private automobiles, buses, taxis and other commercial vehicles, in addition to the existing SFRTA (formerly Tri-Rail) commuter rail system, the Earlington Heights extension of Metrorail, and Metrobus service.

¹ FDOT and SFRTA entered into a Consent to Use Agreement, which has provided sufficient access rights to support environmental remediation and construction activities to date.

FLORIDA DEPARTMENT OF TRANSPORTATION MIAMI INTERMODAL CENTER

Previous design schemes for the Central Station assumed that all future rail connections to the MIC (Tri-Rail, Metrorail, and AMTRAK) would be located at a "Rail Node" north of NW 25th Street. From the Rail Node, rail passengers would connect to the MIA Mover station via an elevated pedestrian concourse over NW 25th Street. Even though initial construction had started on the Rail Node, the Miami-Dade Board of County Commissioners (BOCC) requested a re-evaluation of the alignment for the Earlington Heights extension of Metrorail to the MIC. The purpose of the reevaluation was to determine if the platforms for Tri-Rail, Metrorail, AMTRAK and the MIA Mover could be brought closer together while preserving future alignment options to the west for the proposed East-West rail line. Due to the MDAD's decision to forgo a landside terminal at the MIC for the foreseeable future, sufficient land was available south of NW 25th Street to permit the three rail platforms to be placed next to each other. FDOT, the South Florida Regional Transportation Authority (Tri-Rail), and the County subsequently agreed that the current design for the Central Station provided more convenient access for public transit riders and airport passengers, and represented a superior transportation alternative. The current design for the Central Station is shown below.

MIC Central Station Site Plan:



The programmed cost for the Central Station MIC projects has increased from \$60 million in the 2005 update to the current programmed cost of \$467 million. The scope for this portion of the MIC program has changed significantly from the original concept submitted in 1999. At that time, the site was to be occupied by a landside terminal for Miami International Airport. The current design calls for use of this site as a rail node for Tri-Rail, AMTRAK, and the MIA Mover. Approximately \$260 million of the cost increase is due to the addition to the MIC Program of the Earlington Heights Extension of Metrorail² and its related Bus Transfer Facility (\$7

² The MIC Earlington Heights Extension of Metrorail came onto the MIC program with its own funding sources. The programmed funding of \$260 million consists of \$100 million in state/FDOT funds allocated for public transportation programs and \$160 million from Miami-Dade County funds. The total amount of \$260 million is included in the overall MIC program total.

million), as well as a more complete design and higher costs for some Central Station components, such as the MIA Mover Station. Other scope changes involve the ancillary circulator roadways.

Price negotiations for the MIA Mover Station were recently concluded under the MIC Program's CM@Risk contract. Construction is scheduled to begin in March, 2008.

The estimated cost to complete the remaining elements of the Central Station is \$114.4 million, which includes accommodations for Tri-Rail, AMTRAK, Greyhound and the connecting elevated concourse for access to these modes. FDOT has added an additional \$110.9 million to its work program to ensure the Central Station is fully funded. The current cost estimate of \$114.4 million is the result of a rigorous Value Engineering (VE) and Risk Assessment that allowed FDOT to reduce the cost to complete the Central Station while at the same time preserve the functionality originally envisioned for its users.

Roadway Improvements to facilitate access to the MIC and MIA from the south and to local streets surrounding the RCF and Central Station to facilitate initial operations of the facility; programmed cost = \$184 million.

Since the 2005 update, construction market conditions in the Miami area resulted in increased costs to complete the MIC Terminal Access Roadway (MTAR). The current programmed cost of \$184 million includes this increased cost. All major roadway projects are under construction with completion scheduled for the summer of 2009.

Contingencies, Financing Costs and Program Management; programmed cost = \$139 million. Note that many of the programmed finance costs carried through the 2005 update were placeholder estimates, some dating back to the original TIFIA loan application in 1999. The costs have been adjusted to reflect the August, 2007 closing on the increased RCF TIFIA loan; funding advances from FDOT that delayed loan draws and reduced accrued interest, and the early repayment of the initial, \$269 million TIFIA loan during state FY 2007.

Activities for the above 5-year work program projects include design, right of way acquisition, construction and construction management.

CONSTRUCTION SCHEDULE AND NEXT STEPS

Pursuant to Section 14(j) of the Loan Agreement dated April 1, 2005, an amendment to the construction schedule and a description of other events affecting implementation of the Miami Intermodal Center's (MIC) Rental Car Facility (RCF), the MIA Mover and the MIC Central Station are provided below. Additionally, the amended and restated RCF TIFIA loan agreement dated August, 2007 reset the substantial completion date for the RCF at January 2010.

As shown in the comparative schedule below, the original program schedule was developed in July of 1999 as part of the TIFIA Loan application package. The original program schedule has been delayed approximately five years. The primary reasons for this delay are summarized below along with resultant impacts.

Cause of Delay: *Re-sequencing of the program's major components to avoid double moves by rental car companies occupying parts of the MIC Central Station site.*

Impact: In the spirit of cooperation, FDOT made the decision to allow Hertz and Avis to operate from their current locations (through lease back arrangements) until the RCF was completed and available for occupancy. This resulted in a delay to the completion date for the MIC Central Station and the overall program schedule since completion of the MIC Central Station is last in sequence for construction.

Cause of Delay: *The terrorist attacks of September 11, 2001 had a significant impact on the MIA passenger market,*

including both airline passengers and rental car customers.

Impact: MIA was slow to recover, ultimately resulting in downward adjustments to both passenger forecasts and rental car customer activity. At the request of the rental car companies, the RCF was temporarily placed on hold until such time as recovery trends became clear and RCF-related revenue forecasts could be made with a reasonable level of reliability.

Cause of Delay: *Negotiations with Turner Construction Company in 2005 were not successful for pricing the completion of the RCF and related projects (MIA Mover station and roadway improvements). Although FDOT opted to re-bid these projects using conventional procurement methods, even the lowest bid was not achievable financially.*

Impact: The decision to re-bid these projects using conventional methods resulted in further delay to completion of the RCF. FDOT subsequently resumed price negotiations under its existing CM@Risk contract, and FDOT successfully negotiated a GMP in March 2007.

Potential for Delay: *As a result of FDOT's recent programming actions to add \$110.9 million to its work program, the current design concept for the MIC Central Station is now fully funded.*

Potential Impact: Although FDOT is exploring options to advance the additional funding into earlier years of its work program, it may take until FY 2015 before construction of the Central Station can begin. Add to that a 28-month construction schedule, and a fully operational intermodal transportation passenger hub would not be available to the public until FY 2017 (estimated completion date is October 2016). The comparative schedule shown on page 8 reflects this revised construction schedule.

**FLORIDA DEPARTMENT OF TRANSPORTATION
MIAMI INTERMODAL CENTER**

MIC Uses of Funds by Program Element (\$1,000s)

| PROGRAM ELEMENTS | Jul-99 TIFIA Application | Sept-01 Work Program | Sept-02 Work Program | July-03 Work Program | July-04 Work Program | July-05 Work Program | Revised Feb-08 Work Program | Net Change from TIFIA Application |
|------------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------------|-----------------------------------|
| Right of Way & Environmental | \$379,072 | \$390,277 | \$391,914 | \$392,474 | \$356,194 | \$351,689 | \$338,424 | (\$40,648) |
| Initial MIC Core | \$80,696 | \$53,459 | \$47,935 | \$47,935 | \$48,546 | \$60,490 | \$467,067 | \$386,371 |
| Road Improvements | \$143,424 | \$116,208 | \$112,893 | \$121,208 | \$152,172 | \$152,321 | \$183,550 | \$40,126 |
| MIC/MIA Connector | \$399,680 | \$399,680 | \$312,000 | \$312,002 | \$313,035 | \$316,300 | \$303,389 | (\$96,291) |
| Rental Car Facility | \$161,554 | \$229,778 | \$231,347 | \$225,456 | \$218,678 | \$220,629 | \$343,192 | \$181,638 |
| Capitalized Interest | \$61,390 | \$63,914 | \$63,914 | \$63,914 | \$63,914 | \$63,914 | \$53,964 | (\$7,426) |
| RCF Reserves & Costs | \$5,715 | \$2,122 | \$2,122 | \$2,122 | \$2,122 | \$2,122 | \$0 | (\$5,715) |
| Other | \$118,203 | \$167,511 | \$164,606 | \$155,196 | \$157,346 | \$127,522 | \$84,898 | (\$33,305) |
| Total Cost | \$1,349,734 | \$1,422,949 | \$1,326,731 | \$1,320,307 | \$1,312,007 | \$1,294,987 | \$1,774,484 | \$424,750 |

Feb-08 Work Program adjusted for FDOT work program changes to fully fund Central Station.

MIC Uses of Funds by Activity (\$1,000s)

| USES OF FUNDS | Jul-99 TIFIA Application | Sept-01 Work Program | Sept-02 Work Program | July-03 Work Program | July-04 Work Program | July-05 Work Program | Revised Feb-08 Work Program | Net Change from TIFIA Application |
|--------------------------------------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------------|-----------------------------------|
| PE, Feasibility Studies & NEPA | \$22,737 | \$23,727 | \$21,983 | \$21,983 | \$21,983 | \$21,983 | \$21,983 | (\$754) |
| Right of Way | \$306,035 | \$356,279 | \$360,726 | \$361,475 | \$323,849 | \$319,344 | \$306,079 | \$44 |
| Environmental Remediation -1 | \$73,037 | \$33,998 | \$31,188 | \$30,999 | \$32,345 | \$32,345 | \$32,345 | (\$40,692) |
| Design -2 | \$123,426 | \$93,287 | \$99,625 | \$86,466 | \$84,106 | \$84,043 | \$91,671 | (\$31,755) |
| Project Administration | \$33,152 | \$43,229 | \$41,739 | \$41,750 | \$42,540 | \$39,570 | \$46,117 | \$12,965 |
| CEI -2 | \$48,448 | \$17,717 | \$15,317 | \$20,681 | \$32,030 | \$29,716 | \$40,343 | (\$8,105) |
| Construction -2 | \$613,480 | \$688,121 | \$589,233 | \$599,454 | \$616,295 | \$635,981 | \$1,165,184 | \$551,704 |
| Program Contingency | \$62,314 | \$100,555 | \$100,884 | \$91,463 | \$92,823 | \$65,969 | \$16,798 | (\$45,516) |
| Subtotal, Before Financing | \$1,282,629 | \$1,356,913 | \$1,260,695 | \$1,254,271 | \$1,245,971 | \$1,228,951 | \$1,720,520 | \$437,891 |
| TIFIA Capitalized Interest - FDOT -3 | \$32,327 | \$32,960 | \$32,960 | \$32,960 | \$32,960 | \$32,960 | \$2,107 | (\$30,220) |
| RCF Reserves & Costs -3 | \$5,715 | \$2,122 | \$2,122 | \$2,122 | \$2,122 | \$2,122 | \$0 | (\$5,715) |
| TIFIA Capitalized Interest - RCF -3 | \$29,063 | \$30,954 | \$30,954 | \$30,954 | \$30,954 | \$30,954 | \$51,857 | \$22,794 |
| TOTAL | \$1,349,734 | \$1,422,949 | \$1,326,731 | \$1,320,307 | \$1,312,007 | \$1,294,987 | \$1,774,484 | \$424,750 |

Feb-08 Work Program adjusted for FDOT work program changes to fully fund Central Station.

See next page for notes.

MIC Sources of Funds (\$1,000s)

| SOURCES OF FUNDS | Jul-99 TIFIA Application | Sept-01 Work Program | Sept-02 Work Program | July-03 Work Program (Note 4) | July-04 Work Program | July-05 Work Program | Revised Feb-08 Work Program | Net Change from TIFIA Application |
|--------------------------------------|--------------------------|----------------------|----------------------|-------------------------------|----------------------|----------------------|-----------------------------|-----------------------------------|
| Federal Funds | | | | | | | | |
| TIP/LRTP & Prior | \$106,718 | \$62,394 | \$71,586 | \$31,422 | \$40,304 | \$35,165 | \$23,718 | (\$83,000) |
| Non-Federal Funds | | | | | | | | |
| TIP/LRTP & Prior + Other State | \$157,033 | \$231,855 | \$298,550 | \$375,212 | \$385,527 | \$393,856 | \$738,243 | \$581,210 |
| Airport Capital Improvement Plan | \$399,680 | \$399,680 | \$232,000 | \$232,000 | \$232,001 | \$232,001 | \$226,127 | (\$173,553) |
| Dedicated Revenues - RCF-5 | \$25,000 | \$63,224 | \$64,966 | \$16,694 | (\$2,532) | (\$2,532) | \$74,456 | \$49,456 |
| MDX Tolls | \$86,568 | \$86,568 | \$86,574 | \$86,467 | \$86,700 | \$87,321 | \$87,117 | \$549 |
| MDTA - Non-Federal @ 50% | \$15,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$15,000) |
| Ancillary Revenues | \$37,000 | \$30,000 | \$24,000 | \$25,000 | \$25,000 | \$25,000 | \$18,707 | (\$18,293) |
| Subtotal, Non-Federal Grants | \$720,281 | \$811,327 | \$706,090 | \$735,373 | \$726,696 | \$735,646 | \$1,144,650 | \$424,369 |
| Financing | | | | | | | | |
| TIFIA Loan + Capitalized Interest -3 | \$497,735 | \$524,228 | \$524,055 | \$528,512 | \$520,007 | \$499,176 | \$334,976 | (\$162,759) |
| STTF Loan | | | | | | | \$246,141 | \$246,141 |
| SIB Loan | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$24,999 | (\$1) |
| Subtotal, Financing | \$522,735 | \$549,228 | \$549,055 | \$553,512 | \$545,007 | \$524,176 | \$606,116 | \$83,381 |
| TOTAL | \$1,349,734 | \$1,422,949 | \$1,326,731 | \$1,320,307 | \$1,312,007 | \$1,294,987 | \$1,774,484 | \$424,750 |

Feb-08 Work Program adjusted for FDOT work program changes to fully fund Central Station.

Notes:

MIC program obligations now extend through 20012/13 fiscal year.

- Florida DOT estimated total cost to complete dated 5-21-04. Environmental allocations in various projects.
- Portions of this work are performed under Memoranda of Understanding and other intergovernmental agreements. As a result, allocations between these categories are estimates.
- The MIC SCETS TIFIA loan was repaid in July 2006 - \$15,000 of principal drawn and \$2,107 of accrued interest. The loan balance has been transferred to the Florida State Transportation Trust Fund (STTF) and is being repaid directly to FDOT at 0% interest. A second TIFIA loan for the RCF closed in April 2005 for an authorized amount up to \$170 million and was subsequently amended in 2007 for an additional \$100 million. Thus, the \$334.976 million shown in the table above for February 2008 consists of the following components:
 - \$266 million in projected RCF loan draws,
 - \$15 million in actual SCETS loan draws, and
 - \$54 million in actual accrued SCETS loan interest plus estimated accrued RCF loan interest.

The placeholder amount for the RCF loan costs and reserves was eliminated and reset to \$0 in 2006/07.

- The TIFIA Application included funds allocated for the MIC and the Interconnector Roadway from the LRTP. In subsequent USDOT reports these future LRTP amounts were included as a "placeholder" value for continuity. The FY2003 report modified the methodology in order to link directly back to the actual MIC Work Program and avoids inclusion of a "surplus" value based upon the LRTP placeholder assumption.
- CFC Collections for the RCF are shown net of debt service payments, resulting in a negative outcome in some years.

**FLORIDA DEPARTMENT OF TRANSPORTATION
MIAMI INTERMODAL CENTER**

For Further Information, Please Contact:

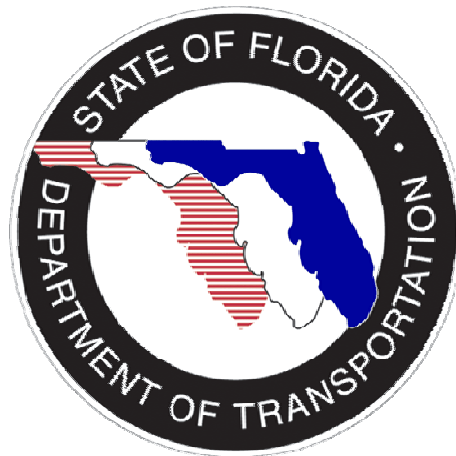
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