



## Fact Sheet

# Transportation Infrastructure Finance and Innovation Act

Updated: May 2008

Having been previously designated by the federal government as a Project of National Significance, and now a Major Project due to its \$1.7 billion price tag, the MIC Program was eligible to apply for and receive two loans, under the Transportation Infrastructure Financing Innovation Act (TIFIA), which was included in the Transportation Equity Act for the 21st Century (TEA21). Other major funding sources include various state and local sources, and private sector fees and charges.

The first TIFIA loan for \$269 million closed on June 9, 2000. The second TIFIA loan closed on April 29, 2005 for \$170 million and was subsequently increased by \$100 million in August 2007, the total proceeds (\$270 million) of which are being used for the design and construction of the MIC Program's Consolidated Rental Car Center. The first TIFIA loan was originally programmed for use on virtually all other major MIC Program elements. However, in July 2006, the Florida Department of Transportation (FDOT) prepaid the first loan and in replaced it with an internal loan with more favorable terms through the State Transportation Trust Fund (STTF).

### Background

- The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), passed in June 1998, contained a new federal credit assistance program called *Transportation Infrastructure Finance And Innovation Act* (TIFIA). TIFIA was designed to facilitate the financing and implementation of surface transportation projects of national or regional significance.
- The overriding goal of TIFIA is to use credit support, rather than grants, to help fast track large-scale projects.
- TIFIA provides credit support in three forms—loans, loan guarantees and lines of credit.
- Florida Department of Transportation (FDOT) was the applicant for TIFIA assistance, in partnership with Miami-Dade County.

### Process for Awarding TIFIA Assistance

- FDOT submitted a Letter of Interest to US Department of Transportation (USDOT) - June 23, 1999.
- A USDOT interagency committee screened all Letters of Interest and selected FDOT's proposal for further consideration.
- FDOT submitted a formal application - August 2, 1999. Six other applications (totaling \$1.2 billion in TIFIA assistance) were also received.
- Although formal involvement by Congress was not expected, FDOT briefed Florida Congressional Delegation staff on August 9, 1999.
- Both of Florida's US Senators and the Miami-Dade Congressional Delegation expressed support for the MIC program to USDOT Secretary Rodney Slater.
- FDOT presented its TIFIA application to the interagency committee on August 10, 1999.
- The MIC was selected by USDOT Secretary Slater for **\$433 million** in TIFIA assistance, in the form of loans, on September 27, 1999.
- USDOT and FDOT closed on the first (\$269 million) of two TIFIA loans on June 9, 2000.
- The second loan (up to \$170 million) closed on April 29, 2005.

### Application of TIFIA to the MIC Program

- During Phase I, the MIC Program will require large-scale expenditures amounting to approximately \$1.7 billion.
- The total TIFIA loan, **\$433 million**, was intended to partially fund the \$1.7 billion MIC project.
- The **\$433 million** TIFIA loan was originally targeted to help finance construction of the Rental Car Center as well as Right-Of-Way Acquisitions, Roadway Improvements and the MIC Core now known as the Miami Central Station. When FDOT applied for the TIFIA loans, the Phase I program components of the MIC totaled \$1.349 billion and included:

	<u>\$ Millions</u>
◆ Right-Of-Way and Environmental Remediation	\$ 379
◆ Consolidated Rental Car Center	\$ 162
◆ Miami Central Station (MIC Core)– Phase I	\$ 80
◆ MIA Mover	\$ 400
◆ Road and Highway Improvements	\$ 143
◆ Finance Costs and Reserves	\$ 67
◆ Contingencies and Other*	<u>\$ 118</u>
<b>Total Phase I MIC Program</b>	<b>\$ 1,349</b>

(Source: *TIFIA Application for Federal Credit Assistance*)

\*Includes program management and 10% program contingency

- TIFIA provided a funding strategy to secure funding commitments when needed to match project cash flow requirements.
- As the TIFIA loan applicant, FDOT will be responsible for repaying the loan being used for the Rental Car Center. Funds to repay this loan will be derived from daily user charges assessed to rental car customers and contingent rent paid by rental car companies if user charges do not meet revenue projections.