



Transportation Infrastructure Finance and Innovation Act Fact Sheet

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The Miami Intermodal Center (MIC) will provide **connectivity** where none existed, between the transportation systems in Palm Beach County, Fort Lauderdale, Miami and the Florida Keys, for residents and visitors. It is already **decongesting** the roadways in and around the busy airport. When completed, the MIC will be similar to New York's Grand Central Station and other multimodal facilities that can be found in many world-class cities, offering easy connections to several forms of transportation.

Having been previously designated by the federal government as a Project of National Significance and now a Major Project due to its current \$2.0 billion price tag, the MIC Program was eligible to apply for and received two direct loans under the Transportation Infrastructure Finance and Innovation Act (TIFIA). Other major program funding sources include various state and local government sources, financing programs 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 were used for the design and construction of the MIC Program's Rental Car Center (RCC). The RCC opened for business in July 2010. 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 TIFIA loan and replaced it with an internal loan with more favorable terms through the State Transportation Trust Fund (STTF).

Background

- The Transportation Equity Act for the 21st 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 was to use credit support, rather than grants, to help fast track large-scale projects.
- TIFIA provides credit support in three forms — direct loans, loan guarantees and lines of credit.
- FDOT was the applicant for the MIC TIFIA assistance, in partnership with Miami-Dade County.

Process for Awarding TIFIA Assistance

- FDOT submitted a Letter of Interest to the U.S. Department of Transportation (USDOT) on June 23, 1999.
- A USDOT interagency committee screened all Letters of Interest and selected FDOT's proposal for further consideration.
- FDOT was invited to submit a formal loan application on August 2, 1999.
- FDOT presented its loan application to the interagency committee on August 10, 1999.
- The MIC was selected by the USDOT for **\$433 million** in TIFIA assistance, in the form of two direct 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 (\$170 million) closed on April 29, 2005. An additional \$100 million was approved in August 2007, bringing the total for the second loan to \$270 million.

Application of TIFIA to the MIC Program

- The MIC Program required large-scale expenditures now amounting to approximately \$2.0 billion.
- The TIFIA loan, **\$433 million**, was intended to partially fund the \$2.0 billion MIC Program.
- The **\$433 million** in TIFIA loans was originally targeted to help finance construction of the RCC as well as Right of Way (ROW) acquisitions, Roadway Improvements and the Miami Central Station (MCS). When FDOT applied for the TIFIA loans, program components of the MIC totaled \$1.349 billion and included:

	<u>\$ Millions</u>
◆ ROW and Environmental Remediation	\$ 379
◆ RCC	\$ 162
◆ MCS – Phase I	\$ 80
◆ MIA Mover	\$ 400
◆ Road and Highway Improvements	\$ 143
◆ Finance Costs and Reserves	\$ 67
◆ Contingencies and Other*	\$ 118
Total MIC Program	\$ 1,349

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

*Includes program management and 10 percent program contingency

- TIFIA provided a financing strategy to secure funding commitments when needed to match project cash flow requirements.
- Funds to repay the outstanding RCC TIFIA loan are 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.