Mobile River Bridge and Bayway

ASCE Alabama Section
Winter Meeting

March 1st, 2018
Matt Ericksen, P.E., Project Director
Presentation Overview

- Project Need
- Project Scope
- Funding
- Tolling
- Concessionaire Teams
- Schedule

Mobile River Bridge and Bayway
Purpose and Need

Increase capacity of I-10 to Meet Existing and Predicted Future Traffic Volumes
- Reduce congestion on I-10 and add capacity across the Mobile River

Provide a More Direct Route for Vehicles Transporting Hazardous Materials
- Haz-mat vehicles are currently prohibited from using the Wallace and Bankhead tunnels and detour from I-10 through Mobile Central Business District via Water Street.

Minimize Impacts to Mobile’s Maritime Industry
Purpose and Need

Daily maxima occurs approximately 1-2 times a week during holidays and summer tourist season.

- I-10 George Wallace Tunnel
2017 Maximum Traffic Volumes

- Labor Day
- July 4th
- Memorial Day
- Irma Evacuation

- 20 year projections of traffic events with no-build scenario
The Port of Mobile is the 9th largest of the nation’s seaports in overall cargo volume.

- Provides approximately 129,000 jobs.
- $25 billion dollars of economic impact.
- Carnival Cruise Lines
Mobile River Bridge and Bayway

Project Scope
Project Area Overview

City of Mobile
City of Spanish Fort
City of Daphne
Mobile County
Baldwin County

Canal St. / Water St. Interchange
East Tunnel Interchange
Midbay Interchange
Virginia Street Interchange
B’ Alignment Main Span Bridge
Virginia Street Interchange
Bayway Bridge
Eastern Shore Interchange

Mobile River Bridge and Bayway
Mobile River Bridge

- Six-lane
- Cable-stayed bridge
Bayway

- Replace existing 7-mile, four-lane bridges above 100-year storm surge level
- 8 lanes of travel
- 7.5 miles
- Approximately 14 feet higher than existing
- Existing bridges opened in 1978 with 50-year design
- Without replacement, major maintenance projects would start soon, with multiple lane closures intensifying existing traffic conditions
Typical Storm Surge Bridge Impacts

I-10 Escambia Bay
Pensacola, FL

Hwy 90
Biloxi, MS

I-10 Twin Spans
New Orleans, LA
Structure under a Toll Concession / P3

- Public Sponsor
  - Upfront subsidy (if required)
  - Shared Revenue
- Concessionaire (SPV)
  - Funds to build, maintain, and operate
  - Toll Revenue
- Lenders
  - Bonds, loans
  - Repayments
- Equity Investors
  - Equity Investments
  - Dividends
- Facility
  - Repayments
Project Funding & Financing
Approximately $2 Billion

- ALDOT Funding
- INFRA Grant
- Equity
- PABs
- TIFIA

P3 -> Innovation [15% - 25%] Savings
T&R Forecast [15% - 25%] Less Conservative Model

Red = to be paid back via toll

Mobile River Bridge and Bayway
Public Subsidy

Best Value Proposal

- Technical
- Financial
  - Proposals submit Public Subsidy Required
  - Payment Schedule (converted to net present value)
INFRA Grant

- Discretionary grant program authorized under the FAST Act through 2020 - previously known as FASTLANE
- Approximately $1.5 billion available for infrastructure grants for FY 17 and FY18.
- $850 million awarded in 2017
- Third attempt – Requested $250 million

Selection Criteria:

- Freight corridors
- Support for National or Regional Economic Vitality
- Leveraging of Federal Funding
- Potential for Innovation (Safety, Environmental review and permitting, Project delivery approach)
On February 12, 2018, President Trump released his legislative goals to rebuild our Nation’s crumbling infrastructure. One of the principles includes:

- $200 billion in Federal funds to spur at least $1.5 trillion in infrastructure investments with partners at the State, local, Tribal, and private level.

Of the $200 billion, $100 billion will create an **Incentives Program** to spur additional dedicated funds from State, localities, and the private sector.

- Applications for the Incentives Program will be evaluated on objective criteria, with creating additional infrastructure investment being the largest factor.

$20 billion will be dedicated to the **Transformative Projects Program**.

- This program will provide Federal aid for bold and innovative projects that have the potential to drastically improve America’s infrastructure.

$20 billion will be allocated to expanding infrastructure financing programs. $14 billion will go to expanding a number of existing credit programs, including TIFIA. $6 billion will go to expanding Private Activity Bonds.
**TIFIA Loan (Transportation Infrastructure Finance and Innovation Act)**

**Program Objectives:**
- Leverage limited Federal resources and stimulate Capital Market investment
- Facilitate projects with significant public benefits
- Encourage new revenue streams and private participation

**Requirements:**
- Minimum anticipated project costs > $50M
- 33% of reasonably anticipated eligible project costs unless the sponsor provides a compelling justification for up to 49%
- The project must be included in the relevant State’s transportation planning and programming cycle
- The project must have a dedicated revenue source, such as tolls or other user fees, that are pledged to secure debt service payments for both the TIFIA and senior debt financing
- Currently working through project specific credit worthiness
Mobile River Bridge and Bayway

TIFIA Loan

- Payment starts after 5 years
- Lowest Interest Available
- 40-year return
- In procurement process, ALDOT sets the base rate.
- After proposer is selected, they start the process of the TIFIA Loan over again with their Traffic & Revenue forecast.
- State shares in risk of rates, but also in project savings of a lower interest rate.
Private Activity Bonds (PABs)

• Tax-exempt bonds issued by or on behalf of local or state government for the purpose of providing special financing benefits for qualified projects.

• These bonds are used to attract private investment for projects that have some public benefit. (There are strict rules as to which projects qualify.) This type of a bond results in reduced financing costs because of the exception of federal tax.

• Survived Tax Reform
Federal Funding

• Build America Bureau – US DOT
  • INFRA Grant; Requested $250 M, third attempt
  • TIFIA Loan; 40 years, payback starts after 5 years
    • ALDOT negotiates base rates
    • Procedure starts over with selected proposer

• PABs Allocation
  • Private Placement Bonds (possible alternatives)
Mobile River Bridge and Bayway

Tolling
Tolling Corridor

Start near Virginia St.

End at US 90/98

Mobile River Bridge and Bayway
All-Electronic Tolling Facilities

Mobile River Bridge and Bayway
Tolling Summary

- Tolling plan submitted by the Concessionaire
- Rates still to be determined (max rates set by ALDOT)
- All-electronic tolling
- Interoperability agreements
- Payment options
  - Transponders – Read by the toll gantry and bill you automatically
  - “Pay-by-Plate” – Cameras capture a picture of your plate and send bill to the address associated
- Walk-in centers
- Call center – in Alabama
- Back office
- Starting fresh, no predetermined policy for tolling

The Alabama Toll Road, Bridge and Tunnel Authority (the “Authority”) is authorized by Section 23-2-144 of the Alabama Code to undertake the Project as a public-private partnership under the terms of this Agreement, and delegated the responsibility and authority to undertake the Project and enter into this Agreement to ALDOT.
A History of Tolling

$0.25  (1934)

$4.60  (Today’s $)

Mobile River Bridge and Bayway
# Cochrane Bridge and Causeway

![Vertical Lift Bridge](image)

<table>
<thead>
<tr>
<th>Traffic Type</th>
<th>1923 Cost</th>
<th>Today’s Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Automobiles (and driver)</td>
<td>$1.00</td>
<td>$1.00</td>
</tr>
<tr>
<td>Automobile buses (and driver) of eight passengers capacity, or more</td>
<td>$1.50</td>
<td>$1.50</td>
</tr>
<tr>
<td>Trucks (and driver) 1 ton capacity and under</td>
<td>$1.00</td>
<td>$1.00</td>
</tr>
<tr>
<td>Trucks (and driver) over 1 ton and under 2 tons capacity</td>
<td>$1.25</td>
<td>$1.25</td>
</tr>
<tr>
<td>Trucks (and driver) over two tons and not over 3 tons capacity</td>
<td>$1.50</td>
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</tr>
<tr>
<td>Trucks (and driver) over 3 tons and not over 5 tons capacity</td>
<td>$1.75</td>
<td>$1.75</td>
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<tr>
<td>Trucks (and driver) over 5 tons capacity</td>
<td>$2.00</td>
<td>$2.00</td>
</tr>
<tr>
<td>Foot passengers</td>
<td>$.10</td>
<td>$.10</td>
</tr>
<tr>
<td>Occupants of vehicles other than driver, each</td>
<td>$.10</td>
<td>$.10</td>
</tr>
<tr>
<td>Motorcycles (and driver) single or sidecar</td>
<td>$.25</td>
<td>$.25</td>
</tr>
<tr>
<td>Horse and rider</td>
<td>$.25</td>
<td>$.25</td>
</tr>
<tr>
<td>Bicycle and rider</td>
<td>$.15</td>
<td>$.15</td>
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<tr>
<td>Horse vehicle (and driver)</td>
<td>$.50</td>
<td>$.50</td>
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<tr>
<td>Double team and vehicle (and driver)</td>
<td>$.75</td>
<td>$.75</td>
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<tr>
<td>Driven live stock per head</td>
<td>$.25</td>
<td>$.25</td>
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<tr>
<td>Loaded lumber wagon (and driver) 30 ft. or more in overall length</td>
<td>$1.00</td>
<td>$1.00</td>
</tr>
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</table>
Mobile River Bridge and Bayway

Submitting Teams
# Gulf Coast Connectors

## EQUITY MEMBERS
- ACS
- HOCHTIEF
- John Laing
- MACQUARIE

**Germany**

**LEAD CONTRACTOR FIRM**
- DRAGADOS USA
- LANE
- FLATIRON

**LEAD CONTRACTOR DEDICATED SUBCONTRACTORS**
- SICE
- TRAYLOR TRAYLOR DESIGNING
- MASSMANN CONSTRUCTION

**Toll Systems Integrator**
- Toll Systems Integrator

**ENGINEERING FIRMS**
- T.Y. LIN INTERNATIONAL
- VOLKERT

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## Mobile River Bridge and Bayway

# NEW CHAMPLAIN BRIDGE
**MONTREAL, QC, CANADA | $2,200,000,000**

- Large, complex structural transportation project
- Complex environmental conditions
- Cable-stayed structure
- Marine and coastal environment
- Toll collection system
- P3 delivery method
- ABC process

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# ELIZABETH RIVER CROSSING
**NORFOLK, VIRGINIA | $1,510,000,000**

- P3 with O&M
- O&M on bridges with similar size and complexity
- Toll tunnel
- Exits
- Tolling during construction

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# JOHN JAMES AUDUBON BRIDGE
**ST. FRANCISVILLE, LOUISIANA | $409,000,000**

- Large, complex structural transportation project
- Complex environmental conditions
- Cable-stayed structure
- Marine and coastal environment
- Design-Build
- Traffic Management
- Interchange with maritime transportation
- ABC process
3rd Bosphorus Bridge (ASTALDI) - ALDOT will benefit from our team's Design Build Finance Operate Maintain (DBFOM) delivery of similar complex mega bridge projects. The tallest, widest, longest cable-stayed suspension bridge in the world. Built in 3 years.

$2.5B

INFRA RED
Capital Partners
England, UK

$254M
I-280 Veterans’ Glass City Skyway (Figg)
ALDOT will benefit from having the same team that designed this unique iconic cable-stayed bridge over Port traffic.

$316M
SH 288 Toll Lanes, Harris County, Texas (INFRA RED / SHIKUN & BINUI / STANTEC)
ALDOT will benefit from the same team achieving this major bridge and highway revenue risk project.

$475M
I-59/20 Central Business District of Birmingham, Alabama (JOHNSON ERPS / MCNINNES CONSTRUCTION)
ALDOT will benefit from the same team achieving the State's largest Interstate Project to-date.

Mobile River Bridge and Bayway
I-10 Mobility Partners

### Equity Members:

- Cintra (Spain)
- Meridiam (France)

### Lead Engineering:

- Parsons
- Ferrovial Agroman

### Lead Contractor:

- Parsons

### Lead O&M:

- Cintra
- Meridiam

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**J.J. Audubon Bridge**

- St. Francisville, LA
- Parsons: Lead Engineering

- Project Cost: $358.7M
- Longest cable-stayed bridge in the western hemisphere when completed
- Total Length: 3,186’
- Navigational Clearance: 65’
- Tower Height: 459’

**Arthur Ravenel Bridge**

- Charleston, SC
- Parsons: Bridge Design

- Project Cost: $541M
- Total Length: 13,200’
- Navigational Clearance: 187’
- Construction started in 2005, opened to traffic 2005
Normal Process: Design, Bid, Build

* All risk on ALDOT
Design, Build, Finance, Operate, Maintain (DBFOM)
Procurement Schedule

• 2019:
  • Award Project
  • Commercial Close
  • Financial Close

<table>
<thead>
<tr>
<th>Anticipated Milestone</th>
<th>Anticipated Date or Time Frame</th>
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<tbody>
<tr>
<td>Issue Industry Forum Notification</td>
<td>July 2017</td>
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<tr>
<td>Industry Forum</td>
<td>August 2017</td>
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<tr>
<td>One-on One Meetings (2 day)</td>
<td>August 2017</td>
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<tr>
<td>Issue RFQ</td>
<td>September 2017</td>
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<td>SOQ Due Date</td>
<td>November 17 2017</td>
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<tr>
<td>Issue RFQ Shortlist</td>
<td>January 2018</td>
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<tr>
<td>Industry Review Period</td>
<td>1Q 2018 – 4Q 2018</td>
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<tr>
<td>Anticipated ROD Approval</td>
<td>3Q 2018</td>
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<tr>
<td>Proposals Due</td>
<td>1Q 2019</td>
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<tr>
<td>Anticipated Conditional Award</td>
<td>1Q 2019</td>
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<tr>
<td>Submit TIFIA Application</td>
<td>1Q 2019</td>
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<tr>
<td>Commercial Close</td>
<td>2Q 2019</td>
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</tbody>
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Track Our Progress

www.MobileRiverBridge.com

Mobile River Bridge and Bayway