



Port of Miami Tunnel News Clip

From: *Infrastructure Investor*, Tuesday, June 2, 2009
Subject: **Port of Miami Tunnel project reaches commercial close**

Port of Miami Tunnel project reaches commercial close

Parties to the transaction now have four months to reach financial close for the \$1bn tunnel project, which was delayed last year when its original equity sponsor, Babcock & Brown, sought to switch its 90% stake with Meridiam Infrastructure.

By Cezary Podkul

One of the largest public procurement projects in the US can move toward financial close after a group of investors and developers reached agreement on commercial issues for the \$1 billion Port of Miami Tunnel project.

The Florida Department of Transportation (FDOT) said it has agreed to terms on which the Miami Access Tunnel consortium will pursue final financing to design, build, finance, operate and maintain the bridge linking downtown Miami and its seaport.

The terms were not disclosed, but FDOT said the agreement means the parties will continue working toward a 1 October 2009 financial close deadline.

The Miami Access Tunnel consortium includes Paris-based Meridiam Infrastructure Fund and French construction firm Bouygues Travaux Publics as majority equity partner and construction partner, respectively.

Australian investment bank Babcock & Brown was originally the majority equity partner in Miami Access Tunnel consortium, which was named the preferred bidder for the project in February 2008. But late last year, due to its financial troubles, Babcock sought to swap out its 90 percent equity interest in the project with Meridiam. Florida refused to close the deal, saying a Meridiam-backed consortium would not have originally qualified to compete for the contract.

In April, following "intense negotiations", state and local officials agreed to move ahead with the project with the Miami Access Tunnel consortium as the preferred bidder, instead of re-bidding the project. Stephanie Kopelousos, Florida's Secretary of Transportation, initially favoured re-bidding but eventually agreed to stick with MAT, so long as they met the 1 June deadline for agreement on commercial terms and a 1 October deadline for financial close.

"We now hope we can continue to work together to make this project a reality," Kopelousos said in a statement announcing the 1 June commercial close.