



Port of Miami Tunnel News Clip

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Subject: **Port of Miami Tunnel project still on track**

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The team of companies involved in the project to build a Miami port tunnel met a deadline on the plan, keeping it on track.

BY ALFONSO CHARDY

The Port of Miami tunnel project, long on life support, is still on track after a group of companies seeking to build it complied this week with the first of two deadlines set by the Florida Department of Transportation.

Achievement of the milestone, which is known in financial circles as commercial closure, is a significant development for the project. Commercial closure suggests that the private consortium, Miami Access Tunnel, has agreed to the agency's terms, which included a construction cost of \$610 million. Other expenses associated with the project are expected to push the final cost to about \$1 billion.

"I'm very excited and extremely pleased," said Miami-Dade Mayor Carlos Alvarez, who earlier this year persuaded the Florida Department of Transportation to stick with the original bidder. "This deal. . . is extremely important to the future of Miami-Dade County."

The tunnel, in the works since the 1980s, would link the MacArthur Causeway with the Port of Miami under Biscayne Bay, giving an alternative route to cargo trucks, buses and other vehicles. If a final contract is signed, boring of the tunnel could begin sometime in 2011.

The milestone this week moves the project forward, though the financial close on Oct. 1 is the second and more important deadline because it would demonstrate the project is shovel-ready -- with money in hand.

"This agreement means the parties will continue working toward a financial close on the project by October 1, 2009," the agency said.

Correspondence between the agency and the team of companies, released to The Miami Herald pursuant to a public records request, cited a specific construction price as another requirement for the selected private team.

A construction price of \$610 million was listed in a May 1 letter from Assistant Secretary of Transportation for Engineering & Operations -- Kevin J. Thibault -- to Jean-Denys Arnal of Miami Access Tunnel.

Originally, Florida Secretary of Transportation Stephanie Kopelousos had announced that she preferred to drop Miami Access Tunnel and rebid the project after one of the key financial partners in the consortium dropped out because of the economic downturn.

The Miami Access Tunnel consortium replaced the failed partner with a new company that has been approved by FDOT. The agency demanded that the consortium accept all its terms.

The two principal conditions the agency outlined were the deadlines for commercial and financial close.

Thibault's letter said an agency review of existing market conditions suggested that MAT's original "price proposal" of \$610 million ``is clearly achievable today."