FLORIDA DEPARTMENT OF TRANSPORTATION

Miami Intermodal Center First Financial Plan Update September 30, 2001

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LETTER OF CERTIFICATION BY AGENCY HEAD

The Florida Department of Transportation has developed a comprehensive Financial Plan for the Miami Intermodal Center in accordance with the requirements of Section 106, Title 23, and the Financial Plan guidance issued by the Federal Highway Administration. The plan provides detailed cost estimates to complete the project and the estimates of financial resources to be utilized to fully finance the project.

The cost data in the Financial Plan provide an accurate accounting of costs incurred to date and include a realistic estimate of future costs based on engineers estimates and expected construction cost escalation factors. While the estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables, they represent realistic, estimates of available monies to fully fund the project.

We believe the Financial Plan provides an accurate basis upon which to schedule and fund the Miami Intermodal Center.

To the best of our knowledge and belief, the Financial Plan as submitted herewith, fairly and accurately presents the financial position of the Miami Intermodal Center, cash flows, and expected conditions for the project's life cycle. The financial forecasts in the Financial Plan are based on our judgment of the expected project conditions and our expected course of action. We believe that the assumptions underlying the Financial Plan are reasonable and appropriate. Further, we have made available all significant information that we believe is relevant to the Financial Plan and, to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

Subsequent to the tragic events of September 11, 2001, the project is in process of being re-evaluated as to scope and timing of individual project elements and in total. The consequences of this re-evaluation are unknown at this time. Additional meetings are being scheduled with the affected parties including USDOT and FHWA. This report is accurate as of September 10, 2001 without consideration of the effects of subsequent events.

Thomas F. Barry, Jr., P.E.
Secretary

EXECUTIVE SUMMARY

The Florida Department of Transportation (FDOT) is please to provide the first annual update of the Miami Intermodal Center (MIC) Finance Plan. The Finance Plan is designed primarily for use by the United States Department of Transportation (USDOT) to assist the USDOT in oversight responsibilities mandated by Federal law.

The FDOT is proud to report the MIC program is progressing well and with minor cost increases to the overall program. Some key examples include:

- The massive almost $400 million right-of-way land acquisition program is on schedule and will be completed to the extent title on all right-of-way parcels will belong to the FDOT by early 2002. Land speculation in the MIC footprint has increased the costs of parcels being acquired. To offset this the MIC Team has adjusted the parcels being acquired where possible to stay within the overall budget for land acquisition while continuing to meet the needs of the overall MIC program. This has resulted in a net $10 million increase to total $389 million compared to the original TIFIA estimate of $379 million.
- The design and overall development of the roadways for the MIC program is a little behind schedule. The current schedule anticipates all roadway projects being let to construction in state fiscal year 2002-03 (by June 2003). The costs of the roadways overall has decreased from the original TIFIA application from $143 million to the current estimate of $116 million. A portion of the decrease in project costs occurred due to the deletion of selected projects that were not essential to the initial MIC program.
- The rental car facility (RCF) is about six months behind the original schedule in the TIFIA application. The cost for the RCF has increased significantly from $162 million to almost $230 million. The RCF identified today bears little or no comparison to the RCF that formed the basis for the original cost estimate. The current design is based on a collaborative effort of the FDOT, Miami-Dade County Aviation Department (MDAD) and the participating rental car companies to form a facility to meet the needs of the rental car customers and the rental car companies. This facility includes major innovations that will provide the rental car companies a facility that will function much more efficiently and effectively than any existing facility today. These innovations and an overall increase in size from 8,750 to 10,000 spaces resulted in the higher overall project cost. A finance plan has been developed that will fund the RCF. The revised finance plan includes an increase in the amount to be borrowed from USDOT by an additional $30 million ($164 million increased to $194 million).
- The MIC-MIA Connector schedule according to MDAD continues to be a completion date of 2006 with an estimated cost of $400 million.
- The MIC Core is about one year behind schedule. This has been rescheduled to better coincide with the opening of the MIC-MIA Connector. The MIC Core is being designed to meet an ultimate build out for all major modes of transportation originally contemplated including Tri-County Commuter Rail, Amtrak, bus service, local transit rail

linkages, and related services. The MIC Core will be built to accommodate the modes of transportation that are ready to merge with the MIC Core. The overall costs have dropped from $80 million to approximately $54 million.

Overall, the MIC program has increased in cost slightly compared to the TIFIA application. The estimated program cost today is $1.424 billion compared to $1.349 billion estimated in July 1999. This is an overall cost increase of almost 6% compared to the original estimated costs. The program continues to move forward extremely well and should produce the MIC 5-Year Work Program as contemplated in the TIFIA application.

Events of September 11, 2001 and Effects on the MIC Program

We were all saddened by the horrific events that occurred on September 11, 2001. The facts in this report, including the schedules, costs estimates, revenue sources and related information were all valid as of September 10, 2001. Events that occurred since that point in time have made it very difficult to determine the future related to the airline industry and the related industries such as rental car companies. For example based on information provided by the Florida Office of the Governor that was valid as of September 28, 2001:

- Current planeloads are averaging 35 percent of capacity, with a normal load factor for this time of year in the 65-75 percent range.
- In the week following the attacks, Florida's major airports lost more than $30 million in parking fees, and may have lost more than another $45 million related to concessions and support services.
- Florida rental car activity, strongly tied to airline activity, is down 30-50 percent since the attacks. Continued losses at this level will lead to layoffs and might drive some rental car companies into bankruptcy.

The uncertainly of the situation and these facts have made it very difficult to assess the impact related to the MIC program. There is little information that could shed some light on what the future holds related to air travel and the associated industries related to air travel. Will this last short-term or for a longer period of time? We are unsure at this point in time. These points will be discussed in more detail with USDOT at a briefing in October 2001. The FDOT is willing to be patient and is committed to the long-term need for the MIC program. The FDOT asks the same patience and commitment from the USDOT as this situation is further evaluated and future actions planned related to the MIC program.

INTRODUCTION

This report is the first Annual Update of the Financial Plan for the Miami Intermodal Center (MIC) program. The original Financial Plan was included in the TIFIA Loan Application, dated July 29, 1999. This report is required under Section 1305(b) of the Transportation Equity Act for the 21st Century (TEA-21) that modified Section 106 of Title 23 by adding subsection "(h)" which requires "... A recipient of Federal financial assistance for a project ...with an estimated total cost of $1,000,000,000 or more shall submit to the Secretary an annual financial plan for the project." The act requires that the plan be based on detailed annual estimates of the cost to complete the remaining elements of the project and on reasonable assumptions of future increases in the cost to complete the project.

The purpose of the MIC Finance Plan update is to provide a comprehensive document that reflects the cost (requirement) and revenue structure (capability) of the project and provide a reasonable assurance that there will be sufficient financial resources available to implement and complete the project as planned. The last part of the foregoing is true to the extent the disclaimer on page 5 does or does not impact the funding sources associated with the MIC program. As stated on page 5, this plan could be impacted by economic consequences of the September 11, 2001 attacks.

Annual Updates

The MIC Finance Plan will be updated annually beginning September 2001. Each update will be designed to reflect changes in total compared to the previous Finance Plan update and also to identify the remaining project cost and/or available funding.

The scope of this initial update is sufficient to identify and resolve any major cost and/or funding (including cash flow) changes which have occurred since the original TIFIA application for the MIC program. In the instance of major cost or funding changes these will be revised in accordance with the TIFIA loan agreement. The State's decision concerning the necessary scope of the reassessment contained in the updated plan has been and will continue to be coordinated with the FHWA Florida Division Office.

Methodology

The MIC Finance Plan Update was prepared in accordance with the guidelines established by FHWA for mega-projects and with recognized financial reporting standards such as the "Guide for Prospective Financial Information" of the "American Institute of Certified Public Accountants"

FHWA Review and Acceptance

The Initial Financial Plan and each Annual Update will be submitted to the FHWA Division Administrator (DA) for review and acceptance. The DA will forward a copy of each document to the FHWA "Major Projects Team" for concurrent review and will consult with that team prior to making a formal response to the STD. Acceptance will be based upon an independent review conducted by the FHWA Division Office with the assistance of the Major Projects Team. The independent review will consist of an evaluation of such items as; the reasonableness of the cost projections, the viability of the identified funding sources, and the likelihood that the funding commitments will provide sufficient resources to complete the project as planned. The FHWA review and a determination of acceptability should be completed within 30 days from the date the document is received by the Division Office.

FINANCIAL PLAN 2000/01 UPDATE

Background

The United States Department of Transportation (USDOT) awarded a TIFIA program loan to the Florida Department of Transportation in September 1999 for the Miami Intermodal Center (MIC) program. This resulted in two unique loans that were negotiated between USDOT and FDOT with the first loan (FDOT – Program Elements) being executed for $269 million in June 2000. The second loan (Rental Car Facility) is still being negotiated between USDOT and FDOT as of September 2001. These two loans form a major portion of the overall $1.35 billion finance plan for the MIC program.

Pursuant to Section 20(d) of the Miami Intermodal Center TIFIA Loan Agreements (TIFIA-19991002-A, B) and FHWA's May 23, 2000 Financial Plan Guidance, the Florida Department of Transportation (FDOT) has prepared this Finance Plan Update for the Miami Intermodal Center (MIC) Program. The Initial Financial Plan for the MIC was the application for TIFIA assistance submitted in July 1999. Acceptance of the Initial Financial Plan is evidenced by the $432.8 million of TIFIA loans received by the MIC.

Brief Program Description

This is the program description, as it existed in the TIFIA application submitted to USDOT in July 1999.

After approximately 15 years of planning and project development, the Miami Intermodal Center (MIC) has begun implementation. The concept behind the MIC was born out of strategic planning studies conducted by the Miami-Dade Aviation Department (MDAD) in the early 1980's. It has developed into a dynamic, phased intermodal facility program capable of addressing the Miami International Airport's (MIA), as well many of as the region's transportation needs. The project received a Record of Decision (ROD) on May 5, 1998 under a nationally recognized, interagency planning and environmental process led by the Federal Highway Administration.

The MIC, which has been recognized as a *PROJECT OF NATIONAL SIGNIFICANCE* by the United States Department of Transportation (USDOT), is a multi-phase intermodal project intended to serve both transportation and joint development/economic development functions. The project will relieve area roadway congestion, provide system continuity and improve access to the MIA, create the opportunity for expansion of the MIA aviation related facilities, provide a regional transportation center for the existing and future bus, heavy rail, light rail, commuter rail, HOV, Amtrak, and Greyhound services, improve public transportation service and access to the MIA area employment activity center for the transit dependent, and contribute to the region's efforts to reduce carbon monoxide and ozone levels.

Equally important is the MIC's development function, which will emphasize USDOT and FDOT's policies designed to integrate transportation planning and land use planning, create joint development and value capture opportunities, and create livable communities through transportation investments. The MIC Core and associated joint development will promote significant activity center development, implement compact urban growth and create 35,000 permanent, new jobs in a designated Empowerment Zone. The MIC Core and associated joint development will enhance the effectiveness of the MIC transportation related elements and improve coordination between public transit and other forms of transportation, resulting in increased transit usage and decreased dependence on single occupant automobiles.

At full build-out, the MIC project will be comprised of a new expressway which will link SR 836 and SR 112 and provide access to the MIC and MIA; a core intermodal facility connecting automobile, bus, rail, airport and seaport customers; an automated people mover link from the intermodal facility to the Miami International Airport; one of the largest consolidated rental car facilities in the U.S.; a new internal roadway access system; associated parking facilities; and over 12 million square feet of internal and adjacent redevelopment. The Five Year Work Program for the MIC includes five interrelated elements described below that together serve as a functional intermodal center. This first phase is the subject of the application for TIFIA assistance. These brief descriptions are direct from the July 1999 TIFIA application. Any deviations from these are noted in the program narratives in the following sections.

Right-of-Way/Environmental Remediation. A high priority component of the MIC Phase 1 program is the purchase of rights-of-way for the project, and removal of in-ground hazardous wastes. To facilitate implementation of the entire MIC transportation and development program, it is desirable that right-of-way acquisition be accelerated as part of Phase 1. Plans call for the purchase of rights-of-way for the MIC Core; rental car facilities; highway/roadway improvements including 37th Avenue, South Le Jeune Road and portions of the Interconnector; and for Tri-Rail, Metrorail and Amtrak connections.

Roadway/Access Improvements. MIA currently suffers from surface transportation congestion, which will restrict future growth if not corrected. For example, current growth in cruise ship passenger loadings will result in a level of ship/air bus transfers exceeding the curbside capacity of the MIA within the next ten years. The major highway transportation improvement that will provide the greatest impact to capacity and access will be the SR 836/SR 112 Interconnector, which will begin in Phase 1 and continue implementation in subsequent phases. A key function of the Interconnector is to separate airport-bound traffic from other regional travelers in order to alleviate the bottlenecks now caused by mixing these two streams of traffic. Additional Phase 1 projects that will immediately improve the area's roadway functionality include: Le Jeune Road South, between SR 836 and the MIA/MIC area and the SR 836/NW 37th Avenue interchange, both part of the first phase of the Interconnector. Other roadway access improvements to the MIC Core, rental car facility and associated facilities include improving NW 25th Street, NW 26th Street, NW 37th Avenue (including a new bridge) and NW 38th Avenue.

Rental Car Facility. Rental car companies servicing MIA will be relocated into a consolidated facility adjacent to the MIC Core. The Phase I program accommodates approximately 8,750 spaces for ready-return and vehicle storage, as well as washing, fueling and light maintenance facilities. This element of the MIC reduces congestion at the airport by eventually eliminating courtesy vehicle traffic, and in facilitating property acquisition for the entire project by relocating car rental operations, which now occupy key sites.

MIC/MIA Connector. The MIC/MIA Connector is an elevated fixed guideway automated people mover (APM) which will provide the primary transportation connection between the MIC complex and the MIA. This connector will shuttle passengers from the MIA terminal area to the Rental Car Facility, other modes of transportation and public/private development within and adjacent to the MIC Core. All commercial vehicles serving the airport such as car rental courtesy vans, cruise ship buses, hotel courtesy vans, and transit buses will be directed to the MIC.

MIC Core-Initial Phase. The MIC Core, located directly to the east of the MIA, will accommodate station facilities for Tri-Rail, the MIC/MIA Connector, AMTRAK and future Metrorail extensions and the East-West Multi-Modal Corridor and Airport/Seaport Connector. Bus terminal facilities will accommodate Metrobus, buses connecting the airport and cruise ship terminals, and other intercity bus lines such as Greyhound. This facility will provide access to and serve as a gateway facility for MIA. It will also provide joint development opportunities. The Record of Decision anticipates that the MIC Core will contain approximately 1.4 million square feet of commercial development space, with an additional potential for 12 million square feet on adjacent property.

Brief Overview of MIC Program Financing

The MIC financial structure involves blending numerous funding sources in order to deliver a master planned series of phased improvements, that when combined, achieves the greatest reduction in congestion at the lowest cost. Funding for the program is derived from a wide range of sources linked to specific program elements, referred to as "tenant" transportation modes. In most instances, the "tenant modes" are responsible for financing the construction and future operations and maintenance of their improvements on the MIC site.

Due to the large scale of outlays associated with the MIC, from the initial stages of the financial planning effort, commitments of federal, state and local funding have been spread over time with the view that a mechanism would be established to leverage those commitments when necessary to match project cash flows. The TIFIA program along with other current debt options represent realizations of these early expectations. The MIC program for the undertaking proposed for TIFIA assistance as included in the original TIFA application was priced at $1.349 billion.

MAJOR ELEMENT STATUS REPORTS

The report addresses the major issues for the Finance Plan within each element and then as an overall program. Each major element will address the key issues of the implementation plan, estimated costs, schedules, and other key issues. This status report effective September 10, 2001. Subsequent to the tragic events of September 11, 2001, the project is in process of being re-evaluated as to scope and timing of individual project elements and in total. The consequences of this re-evaluation are unknown at this time. Additional meetings are being scheduled with the affected parties including USDOT and FHWA. This report is accurate as of September 10, 2001 without consideration of the effects of subsequent events.

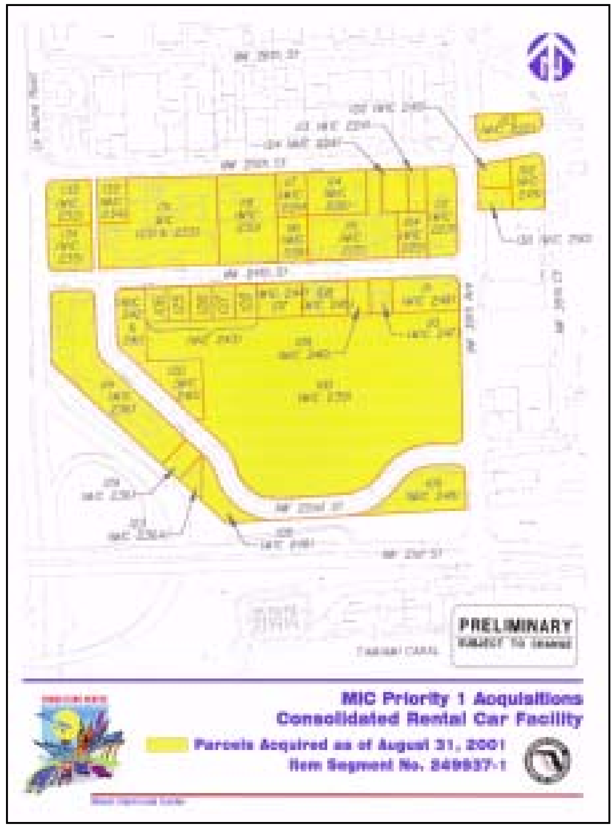
Right-of Way Acquisition and Environmental Remediation

Status of the MIC R/W Acquisition Program

The TIFIA Application for Credit Assistance (July 1999) contained an aggregate cost of $379 million for right-of-way acquisition and associated environmental remediation. This cost estimate was based on the MIC Phase I Program as of the date of the application and was structured to support the MIC roadways and facilities projects as they existed at that time. The current cost estimate for right-of-way acquisition and environmental remediation is $390 million, or an increase of $11 million. The current estimate is expected to be sufficient to support the MIC program requirements as currently defined and is based upon FDOT estimates that were revised as of September 7, 2001. The **Road and Highway Improvements** section of this report describes in summary form the evolution of the MIC roadways projects, which has contributed to a redefinition of right-of-way requirements.

The maps on pages 11 and 12 graphically display the status of individual parcel acquisitions as of August 31, 2001. A total of 78 parcels are planned for acquisition. As of August 31st 45 parcels have been acquired. The remaining 33 parcels are proceeding on schedule to support planned roadways and facilities construction lettings.

Significant Cost Variations of $10 million or More and Related Issues



The aggregate total of $390 million includes actual (for those parcels acquired) and projected (for parcels to be acquired) cost escalation. R/W costs have grown by as much as 50%. However, this increase has been offset by a reduction in the number of parcels being acquired and reduced estimates for environmental remediation.

Cost escalation has been fueled by the MIC program. There are several airport-related businesses, such as rental car companies and flight kitchens, which are being acquired for the MIC Program. These businesses compete for a limited number of alternative sites also in close proximity to the airport. This has the effect of sharply increasing property values in the Program area, which contributes to comparable sales data applied to future program acquisitions. Additionally, the threat of business damages and parent tract issues have caused R/W cost estimates to be increased until eminent domain proceedings are completed or a settlement has been reached with the property owner/tenant. To the extent these litigation issues do not materialize, any excess funds from the R/W program allocation will be placed in the MIC Program Reserve for use on other program elements/projects. Also included in the current estimate are costs for utilities relocation and geotech work (approximately $15 million collectively), which were not contained in the TIFIA Application estimate.

Offsetting cost escalation are areas of cost reductions. R/W requirements for the NW 21st Street/NW 32nd Avenue Bridge (approximately $16 million in the TIFIA Application) have been removed from the current estimate while alternative bridge alignments are under study. Future MDX Interconnector R/W requirements have been limited to the LeJeune Road South corridor (south of 25th Street) given the evolving nature of this project (see **Road and Highway Improvements** section).

The cost of environmental mitigation was originally estimated at 25% of the total, FDOT cost estimate for land acquisition. As land costs began to escalate, it became clear that the cost of remediation would not grow in the same proportion. Therefore, the allowance for environmental mitigation was established at 25% of the cost of the land and improvements only. The allowance for environmental mitigation was then removed from the right of way cost estimates and placed in a separate project, where it will be managed independently from the acquisition process. Estimates for environmental remediation have been reduced from $73 million (TIFIA Application) to $34 million (current estimate) based on more detailed information on potential environmental risk and reduced R/W parcel requirements. The funds not used were moved to offset increases in right-of-way cost.

Road and Highway Improvements Design and Construction

Road and Highway Improvements Overview

The roadway and access improvements identified in the TIFIA Application for Credit Assistance (July 1999) were considered the baseline projects for the MIC Phase I Program. At the time, the baseline projects envisioned a new limited access highway facility and three new interchanges, linking SR 836 and SR 112 (the Interconnector). Although the Interconnector was not identified as a funded project in the TIFIA Application, sufficient funding was allocated to acquire right-of-way and begin the design effort to support its construction at a future date.

Other significant projects included in the TIFIA Application included a Collector-Distributor (CD) Roadway System along the LeJeune Road South Corridor, intended to provide direct access from SR 836 to/from the MIC and Miami International Airport (MIA), and the One-Way Couplet project (now referred to as the MIC Terminal Access Roadway [MTAR]), which will provide direct access to/from the MIC facilities. The MIC facilities include the MIC Core and the Consolidated Rental Car Facility (RCF).

Roadways Master Planning Process

Since the TIFIA Application was submitted, the planning and programming of the MIC Five-Year Work Program roadway projects has evolved through a Roadways Master Planning Process. This process has involved close coordination with MIC funding partners and stakeholders -- namely, the Miami-Dade Expressway Authority (MDX) and Miami-Dade Aviation Department (MDAD). Close coordination with these agencies has been critical for a number of reasons:

- The failure of a "tax for tolls" referendum in Miami-Dade County during the summer of 1999 resulted in MDX assuming the responsibility for the financing and construction of the Interconnector as a toll facility. The exact configuration of this new toll facility has not been defined. Consequently, it has been necessary to refine MIC roadway project limits and scope to enable the MIC Five-Year Work Program projects to advance while not precluding the ability of MDX to undertake the future construction of the Interconnector.
- MDAD's planned improvements to Central Boulevard, which is the primary access road to/from Miami-International Airport (MIA), have been accelerated as part of the Airport Capital Improvement Plan (CIP). It is scheduled for construction during the same timeframe as the MIC roadway projects. Thus, close coordination and cooperation has been essential to ensure that access to and from MIA is not compromised during construction.

Additionally, since the TIFIA Application was submitted, the evolving nature of the design concepts for the MIC facilities (the RCF and the MIC Core) has affected the definition of the MIC Five-Year Work Program roadway projects. The need for desirable roadway configurations to allow for safe and efficient vehicular operations inside and around the RCF and the MIC Core has influenced roadway design parameters.

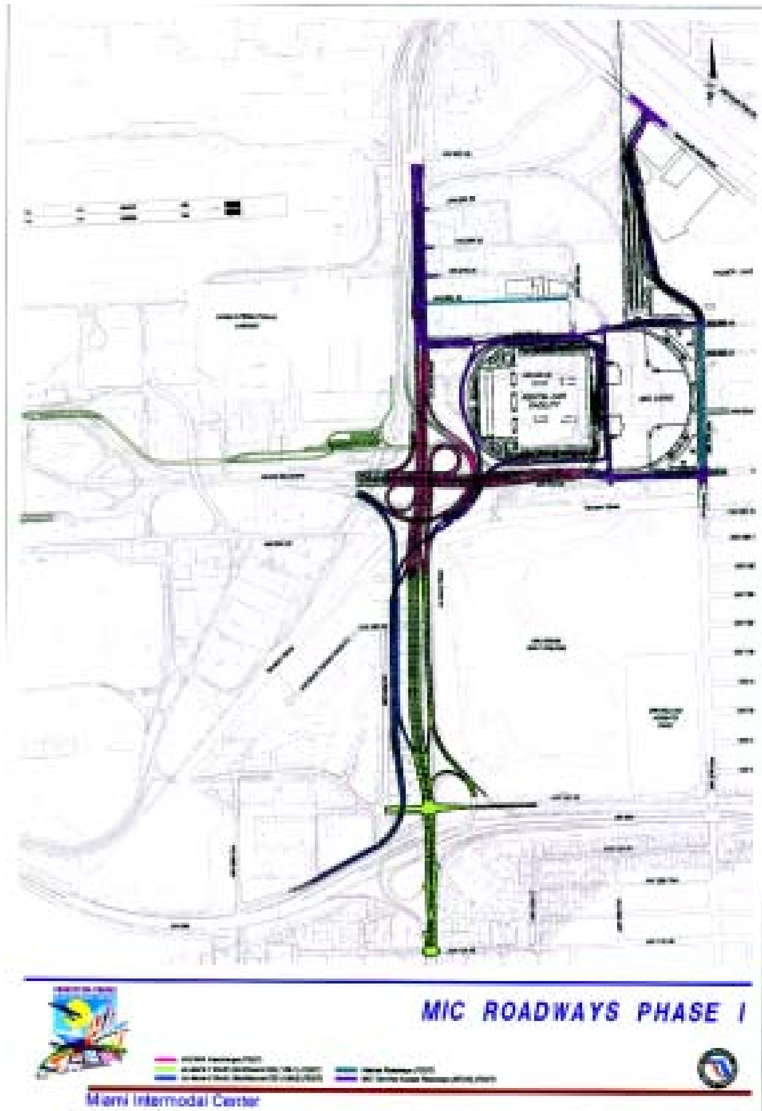
Status of Design and Construction

In summary, the Roadways Master Planning Process has resulted in defining the roadway projects that will be implemented during the ensuing five-year period. These projects, which help define and are a part of the MIC Minimum Operating Segment (MOS), are shown in the graph on page 15. Design is approximately 30% complete and is proceeding on schedule to support construction lettings in state FY 2002/03. In the aggregate, total funding allocated to the MIC Roadways program element for design and construction has decreased from $143 million in the TIFIA Application to a current estimate of $116 million. This amount has been programmed in the FDOT's Tentative Work Program. The difference has been temporarily allocated to the MIC Program Reserve for future use as roadway designs dictate or to help offset funding shortfalls in other program areas.

Significant Cost Variations of $10 Million or More

As a result of the MIC Roadways Master Planning Process, there have been three individual roadway projects that have undergone modifications resulting in a cost variation exceeding the $10 million threshold. A brief description of each follows.

- ***Interconnector-MIC/MIA Interchange –*** In the TIFIA Application, this project was envisioned to be one of three new interchanges for the proposed Interconnector. Design funding of approximately $8 million was initially identified. What has emerged from the master planning process is an interchange concept (design and construction funding of approximately $37 million) that supports the interface of the LeJeune Road South CD Roadways System, MDAD's Central Boulevard improvements, and MTAR. The reconfigured MIC/MIA interchange project facilitates direct access to the MIC and MIA while not precluding the construction of the Interconnector in the future.
- ***Le Jeune Road North –*** The work envisioned by this project in the TIFIA Application has been substantially combined with the MTAR project. Design and construction funding of approximately $24 million has been temporarily allocated to the MIC Program Reserve.
- ***NW 21st Street/ NW 32nd Avenue Bridge –*** Design and construction funding of approximately $34 million was identified for this project in the TIFIA Application. All but $0.625 million has been temporarily allocated to the MIC Program Reserve. This project is undergoing an analysis of alternative locations for a new Miami River crossing that is intended to result in a lower cost project. Based upon the outcome of the study process, production activities may be resumed during the ensuing five-year period.



Consolidated Rental Car Facility (RCF)

Overview of Rental Car Facility

The current design concept for the rental car facility (RCF) has evolved over the last 18 months in close coordination with the Miami-Dade Aviation Department (MDAD) and with monthly input from the rental car industry for those rental car companies involved in the project. The current scheme, which is based on industry experience with certain facility operational requirements, was selected by consensus. The consensus process included a recognition of potential cost premiums and includes physical features that directly impact costs. The current scheme is significantly different from the TIFIA Application concept and goes well beyond parameters used for standard parking garages. Among those features, which were not included in the TIFIA Application design scheme, are the following:

- Multi-level (floor-by-floor) fuel and wash facility (Quick Turnaround Area, or QTA), with the various physical, system and safety features entailed by elevated fueling.
- Added floor-to-floor height of 17'-0" (previous schemes ranged from 12'-6" to 14'-0") for alignment between the QTA, which requires the greater vertical clearance at fueling islands, and the Ready/Return (R/R) garage area.
- Fire sprinklers throughout the garage area.
- Dedicated public entry and exit ramps to each garage level for enhanced traffic flow and security.
- Two double-helix up/down ramps for fleet movements by rental car company staff only.
- A passenger-concourse quality Customer Lobby to accommodate a number of rental car companies that has grown from 14 to 17 to the current 22 companies that have signed agreements with FDOT and MDAD.
- Increased the number of spaces from 8,750 as noted in the TIFIA Application to a total of 10,000.

Status of the RCF and Related Cost Implications

The schematic design is complete. The design development phase is scheduled for completion in early October 2001. The procurement process for the Architect of Record is currently underway. Construction lettings are planned for state FY 2001/02 (early construction package – site work, utilities, foundations, etc.) and state FY 2002/03 (remainder of RCF). Construction of the RCF will be undertaken using the Construction Manager @ Risk (CM@Risk) project delivery system. (See the graphic illustrations on pages 17 and 18).

Significant Cost Variations of $10 Million or More

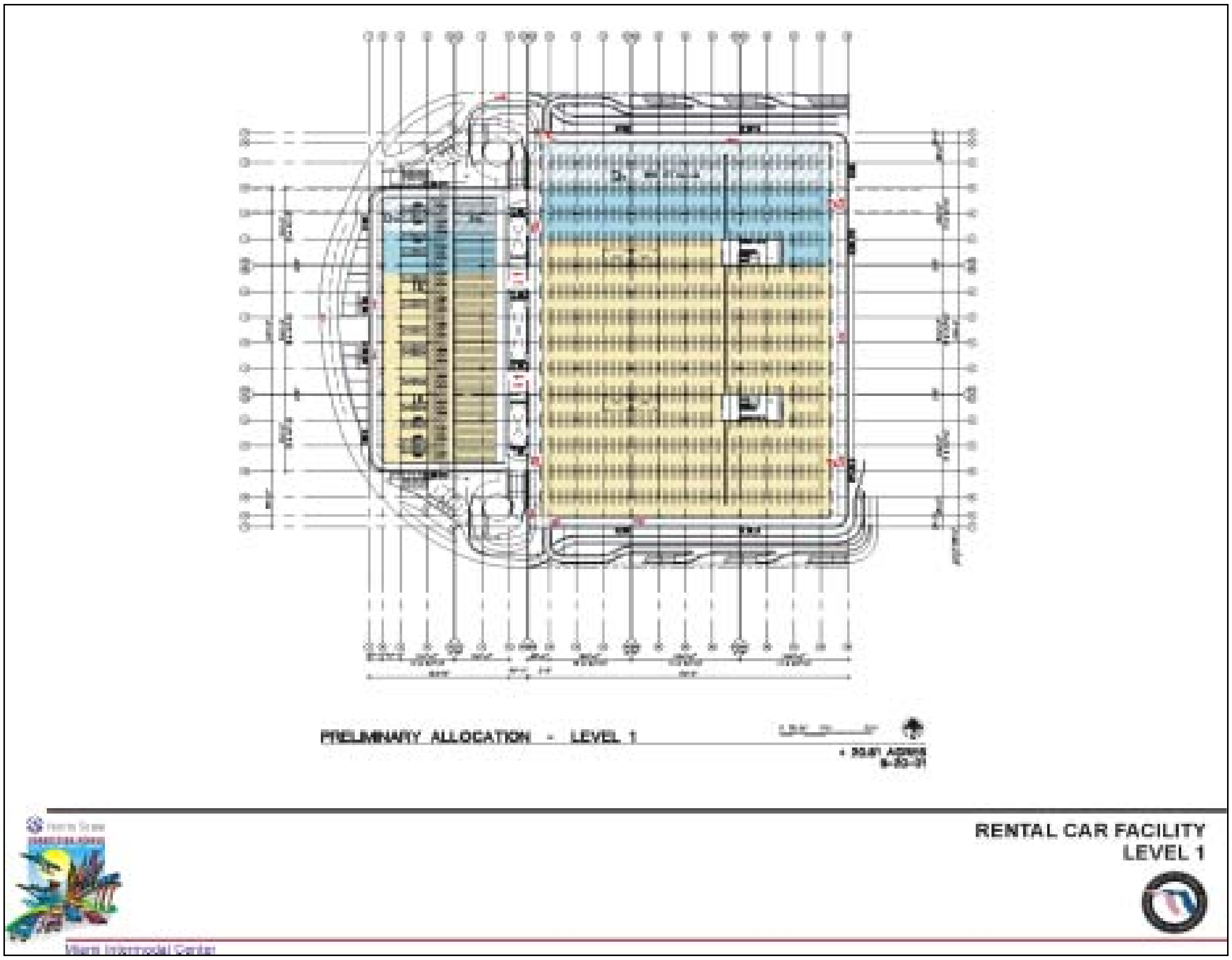
The TIFIA Application (July 1999) contained a cost estimate for the RCF of approximately $162 million. That estimate was based on a design concept that was ***fundamentally different*** than the current design concept, which provides the basis for the current estimate of approximately $230 million.

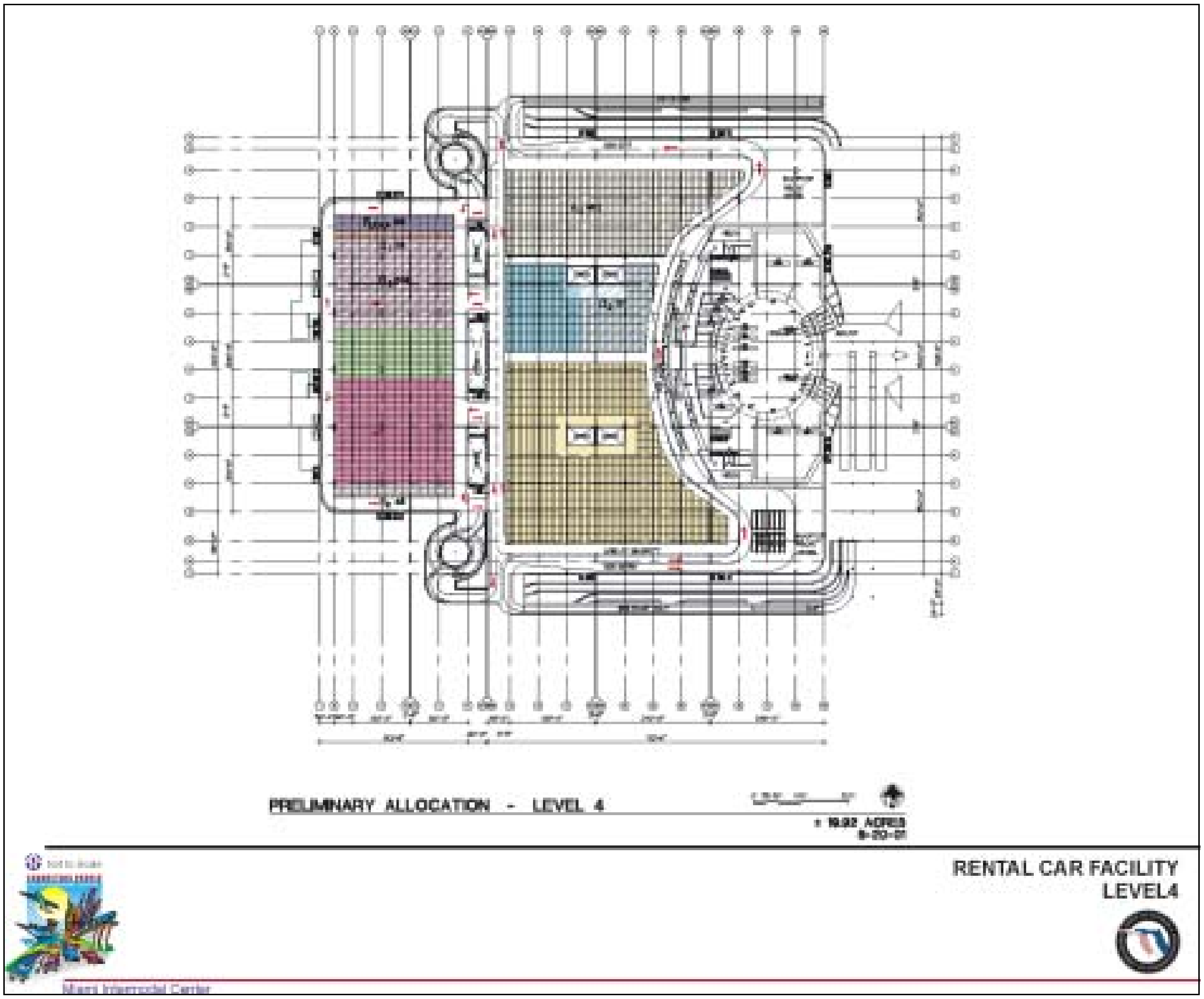
The original estimate (TIFIA Application) was generated using a different set of ***unit cost assumptions*** for certain critical cost components, such as site work and concrete, and it was developed at a much ***earlier stage of development*** -- program confirmation or master planning and prior to input from the rental car company tenants. This early phase of development required the application of broad assumptions about such variables as the geo-technical condition of soils on the site, configuration of major physical components of the facility, number of fire stairs required for exiting, methods of fire suppression, preventive safe-design features, etc.

A summary of the current estimate of $230 million is contained in the top table on page 21. A more detailed cost breakdown by major RCF functional/program components is

contained in the bottom table on page 21. The current estimate was based on completed schematic design documentation (approximately 20% plans).

Regarding further cost implications; it is possible that at the end of the design development phase (35-40% plans), the design contingency included in the current estimate will be reduced as a function of greater quantity and systems definition. An updated cost estimate will be developed by the end of October based on completed design development phase documentation. Value engineering is ongoing and will be continued through the development of the construction documents (final plans) with participation from the CM@Risk. The VE process is expected to identify additional areas of potential cost reduction.





Revised RCF Finance Plan

As a consequence of the factors described above, the design and construction cost estimate for the Rental Car Facility has increased from the TIFIA application projection of $161.6 million ($5.715 million in finance-related costs were subsequently rolled into the construction and design estimate, raising the total cost of this element in the TIFIA application to $167.269 million) to $229.8 million.

On the revenue side of the finance equation, Miami International Airport has been experiencing a flattening of passenger traffic with a 0.54% reduction in enplanements between 1999 and 2000 and a 1.01% reduction for the 2001 year-to-date. Slowing economic trends have resulted in a mixed near-term outlook for passenger traffic, a crucial variable in forecasting transaction days and CFC revenues. Scenarios are being tested to evaluate the impact of a deepening recession, a moderate slowdown, or a return to long-term growth trends over the next 12 – 36 months.

The proposed financial plan to fund the increase in costs is comprised of the following four components:

Customer Facility Charge Increase

The CFC will be permitted to escalate to a $3 per day ceiling. The ceiling is being established by M-DAD as a matter of policy, rather than as a rate covenant condition. The policy is motivated by a concern regarding the impact of higher CFC levels on the potential competitiveness of Miami International Airport in relation to the Fort Lauderdale and West Palm Beach airports.

Early Collections

The concession agreements permit M-DAD to begin collection of the $3 per day CFC in January 2002, prior to revenue operation of the rental car facility. Early collections will be utilized to pay for a portion of initial construction costs on a pay-as-you-go basis and to establish necessary reserves. It is estimated that early collections could result in a $40 - $50 million increase in CFC revenues.

The TIFIA Loan amount for the MIC program is proposed to be increased by $30 million, with the increase allocated to the RCF portion of the program. This change would increase the total TIFIA loan as follows:

SCETS -	$269,076,000	$269,076,000
RCF -	$163,676,174	$193,676,134
	$432,752,174	$462,752,174

Based upon the revised cost estimate for the RCF, the total, estimated cost for the MIC is assumed to increase $74,353,000 from $1,349,734 to $1,424,018,000. This increase in the total program would permit a maximum TIFIA loan (at 33%) of $469,925,940.

Contingent Rent

As a hedge against near term recessionary trends and further to offset potential increases in construction costs, the tenant rental car companies would be assessed a contingent rent. The contingent rent would be used to meet any projected budget shortfalls with CFC collections established at $3 per day. If CFC revenues were adequate to meet all financial covenants, no contingent rent would be assessed. The rents would be applied on the basis of space occupied in the RCF and would be differentiated for different classes of space.

If a shortfall were projected based upon budgeted costs and CFC revenues, then the shortfall would be allocated through contingent rents as follows:

Class of Space	% of Shortfall	Rent Basis
Customer service areas	68%	Proportion of square footage occupied
Vehicle parking (ready/return and storage)	12%	Proportion of vehicle spaces assigned
QTA	20%	Proportion of fuel dispensers & wash bays assigned
	100%	

If forecast transaction days decline to 90% of the transaction day forecast of December 2000, it is anticipated that no contingent rents will be required even at the latest cost estimate for the RCF. A prolonged slowdown that materially affects the long term outlook for future growth at Miami International Airport could result in contingent rents of $2 - $4 million annually.

In addition to the four measures presented above, the MIC/FDOT Team, M-DAD and the tenant rental car companies are working collaboratively to identify options for cost reduction through value engineering, scope modifications, or possible phasing strategies.

Evolution of MIC RCF Revenue Forecasts

	Jul-99 TIFIA Application			Updated Transaction Days (millions)				Updated Revenue @ $3.00/TD ($1000's)			
	Transaction Days (millions)	@$2.30/TD ($1000's)	@$3.00/TD ($1000's)	Dec-00 Estimate	Dec-00 @ 90%	Slowdown	Major Slowdown	Dec-00 Estimate	Dec-00 @ 90%	Slowdown	Major Slowdown
2000				8,917	8,025	8,642	8,471	$26,751	$24,076	$25,926	$25,413
2001	6,875	$15,813	$20,625	8,929	8,036	7,778	7,624	$26,787	$24,108	$23,334	$22,872
2002	6,875	$15,813	$20,625	8,943	8,049	7,583	7,243	$26,829	$24,146	$22,749	$21,729
2003	6,875	$15,813	$20,625	8,957	8,061	7,583	7,243	$26,871	$24,184	$22,749	$21,729
2004	6,875	$15,813	$20,625	9,064	8,158	7,621	7,243	$27,192	$24,473	$22,863	$21,729
2005	6,875	$15,813	$20,625	9,173	8,256	7,659	7,279	$27,519	$24,767	$22,977	$21,837
2006	6,875	$15,813	$20,625	9,286	8,357	7,736	7,315	$27,858	$25,072	$23,208	$21,945
2007	6,875	$15,813	$20,625	9,466	8,519	7,813	7,388	$28,398	$25,558	$23,439	$22,164
2008	6,875	$15,813	$20,625	9,650	8,685	7,931	7,462	$28,950	$26,055	$23,793	$22,386
2009	6,875	$15,813	$20,625	9,841	8,857	8,049	7,537	$29,523	$26,571	$24,147	$22,611
2010	6,875	$15,813	$20,625	10,038	9,034	8,170	7,612	$30,114	$27,103	$24,510	$22,836
2011	6,875	$15,813	$20,625	10,331	9,298	8,293	7,688	$30,993	$27,894	$24,879	$23,064
2012	6,875	$15,813	$20,625	10,491	9,442	8,417	7,765	$31,473	$28,326	$25,251	$23,295
2013	6,875	$15,813	$20,625	10,654	9,589	8,543	7,843	$31,962	$28,766	$25,629	$23,529
2014	6,875	$15,813	$20,625	10,819	9,737	8,672	7,921	$32,457	$29,211	$26,016	$23,763
2015	6,875	$15,813	$20,625	10,987	9,888	8,802	8,001	$32,961	$29,665	$26,406	$24,003
2016	6,875	$15,813	$20,625	11,157	10,041	8,934	8,081	$33,471	$30,124	$26,802	$24,243
2017	6,875	$15,813	$20,625	11,330	10,197	9,068	8,161	$33,990	$30,591	$27,204	$24,483
2018	6,875	$15,813	$20,625	11,506	10,355	9,204	8,243	$34,518	$31,066	$27,612	$24,729
2019	6,875	$15,813	$20,625	11,685	10,517	9,342	8,325	$35,055	$31,550	$28,026	$24,975
2020	6,875	$15,813	$20,625	11,866	10,679	9,482	8,409	$35,598	$32,038	$28,446	$25,227
2021	6,875	$15,813	$20,625	12,050	10,845	9,624	8,493	$36,150	$32,535	$28,872	$25,479
2022	6,875	$15,813	$20,625	12,237	11,013	9,768	8,578	$36,711	$33,040	$29,304	$25,734
2023	6,875	$15,813	$20,625	12,427	11,184	9,915	8,664	$37,281	$33,553	$29,745	$25,992
2024	6,875	$15,813	$20,625	12,620	11,358	10,064	8,751	$37,859	$34,073	$30,191	$26,252
2025	6,875	$15,813	$20,625	12,815	11,534	10,215	8,838	$38,446	$34,601	$30,644	$26,514
2026	6,875	$15,813	$20,625	13,014	11,712	10,368	8,927	$39,042	$35,137	$31,104	$26,780
2027	6,875	$15,813	$20,625	13,216	11,894	10,523	9,016	$39,647	$35,682	$31,570	$27,047
2028	6,875	$15,813	$20,625	13,420	12,078	10,681	9,106	$40,261	$36,235	$32,044	$27,318
2029	6,875	$15,813	$20,625	13,628	12,266	10,841	9,197	$40,885	$36,797	$32,524	$27,591
2030	6,875	$15,813	$20,625	13,840	12,456	11,004	9,289	$41,519	$37,367	$33,012	$27,867
2031	6,875	$15,813	$20,625	14,054	12,649	11,169	9,382	$42,163	$37,946	$33,508	$28,146
2032	6,875	$15,813	$20,625	14,272	12,845	11,337	9,476	$42,816	$38,534	$34,010	$28,427
2033	6,875	$15,813	$20,625	14,493	13,044	11,507	9,570	$43,480	$39,132	$34,520	$28,711
2034	6,875	$15,813	$20,625	14,718	13,246	11,679	9,666	$44,154	$39,738	$35,038	$28,998
2035	6,875	$15,813	$20,625	14,946	13,451	11,855	9,763	$44,838	$40,354	$35,564	$29,288
2036	6,875	$15,813	$20,625	15,178	13,660	12,032	9,860	$45,533	$40,980	$36,097	$29,581
		$569,250	$742,500					$1,263,302	$1,136,972	$1,017,788	$902,875

Rental Car Facility Project Cost
(Approximate figures based on Schematic Design Documents dated March 2001)

Direct Construction cost	$156,775,288
General Conditions	$ 10,974,270
CM Fee	$ 7,054,888
Design Contingency (10%)*	$ 17,480,445
Project Cost Subtotal	**$192,284,891**
Professional Fees (6%)*	$ 12,000,000
CM Pre-Construction Fees (V.E., Cost Est. Confirmation, Early Bid Pkg, etc)	$ 500,000
Art in Public Places (1.5%)**	$ 2,351,629
Construction Contingency (10%)**	$ 17,480,445
Owner Admin/Permits/Testing/Supervision	$ 5,100,000
PROJECT COST TOTAL	**$229,716,965**

* Percent of $200m (rounded off from $203m) based on Hanscomb, Inc. Conceptual Estimate, February 2001, corresponding to current $192.3m project subtotal; professional fees include all consultants through all phases, i.e., Schematic Design through Construction Documents and Construction Phase: observation, RFI coordination, etc.

** Percent of direct construction cost: $156,775,288

Rental Car Facility Costs
By Program Areas Excluding Sitework
(Figures based on in-progress Design Development documents dated July 2001)

	QTA	RR	LOBBY	RAMPS	HELIXES	TOTAL
SELECTED SYSTEMS:						
Superstructure	$ 14,639,440	$ 34,845,730	$ 8,890,601	$ 1,455,938	$ 3,170,507	$63,002,216
Exterior Closure	$ 1,006,624	$ 6,109,026	$ 4,519,950	$ 3,379,750	$ -	$15,015,350
Interior Construction	$ 4,899,249	$ 4,874,665	$ 3,000,944	$ 20,267	$ 44,135	$12,839,260
Mechanical	$ 12,092,487	$ 9,543,239	$ 3,643,580	$ 157,845	$ 343,729	$25,780,880
PARKING STRUCTURE:						
Total (Net)	$ 39,651,498	$ 70,827,382	$ 26,367,092	$ 5,817,145	$ 4,612,400	$147,275,517
Total (Including All Indirect Costs)	$ 48,632,562	$ 86,869,784	$ 32,339,238	$ 7,134,729	$ 5,657,109	$180,633,422
G S F:	932,370	2,489,959	157,464	86,445	188,245	3,854,483
$ / G S F:	$ 52.16	$ 32.63	$ 205.38	$ 82.54	$ 30.05	$ 46.86

MIC-MIA CONNECTOR

Responsibility for implementation and funding of this Project Element rests with the Miami-Dade Aviation Department (M-DAD). Current work program allocations are viewed as a "placeholder" pending a formal update from M-DAD.

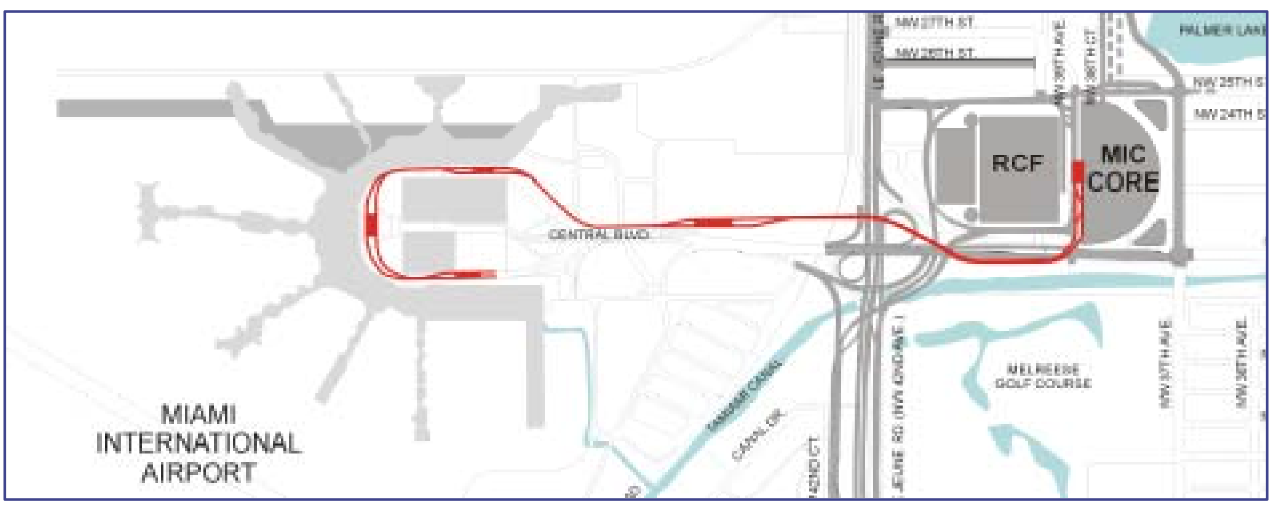
- In November 2000, M-DAD provided a status report that confirmed the $399.68 million budget and the schedule calling for completion by mid-2006. In August 2001, M-DAD provided a status report to the Miami-Dade County Commission that confirmed the $399.68 million budget and the schedule calling for completion by mid-2006 that was included in the original TIFIA application. A contracting plan was presented that consisted of the following elements:

- **System Consultant –** Lea+Elliott initiated work in July 2000 to prepare programming documents, performance specifications and procurement documents for system equipment.

- **Fixed Facility Design A/Es –** Five design packages to include all civil, structural, electrical, architectural and mechanical elements as required to obtain bids for construction.

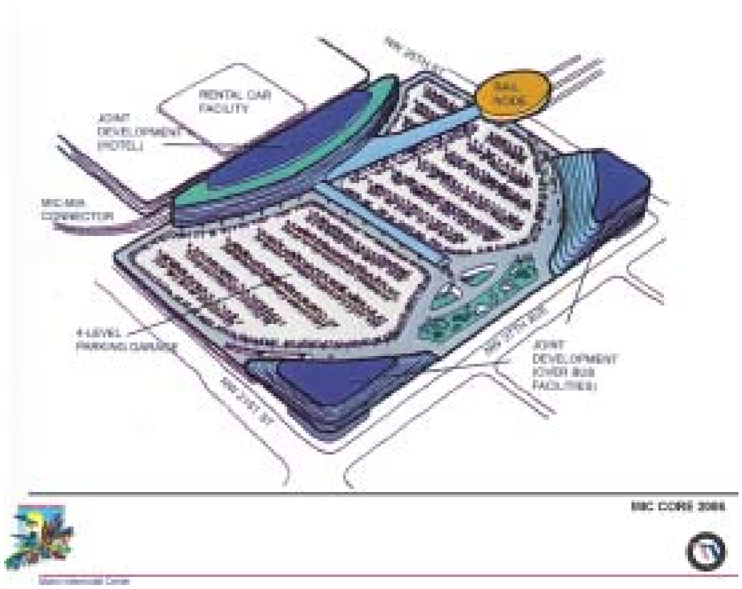
- **Operating Systems Equipment –** Separate, turnkey supply and installation contract that includes future operation and maintenance.

- **CM at Risk –** Construction manager to undertake construction of fixed facility elements.

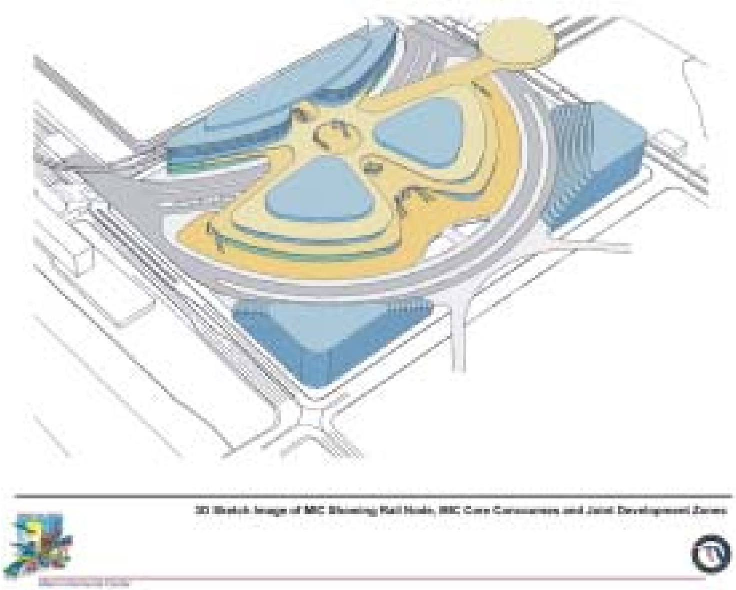


MIC Core

Overview



The intermodal concept for the MIC Core contained in the TIFIA Application for Credit Assistance (July 1999) has not changed. At full build-out, this facility will become a major transportation hub and accommodate a variety of transportation modes, including rail, bus, and other vehicular traffic (private autos, courtesy vehicles, taxis). The MIC Core will accommodate extensions of Metrorail, become the future terminus for AMTRAK and ultimately house a future East-West rail line. It will likewise provide station facilities for existing and future Tri-Rail commuter rail service. The MIC/MIA Connector station, serving the Consolidated Rental Car Facility (RCF) and the Core, will link MIC Core facilities and services to the main terminal at Miami International Airport (MIA). Bus terminal facilities will accommodate local (MDTA) and intercity (Greyhound) bus services, as well as a variety of courtesy bus/vehicles (rental car companies, hotels, cruise lines, etc.). As air travel demand dictates, select MIA related terminal functions will be relocated to the MIC Core (ticketing, baggage handling, etc.). Additionally, joint development opportunities exist based on recent market research that supports such uses as hotel/conference center, office, parking and ancillary retail.



Since the TIFIA Application was submitted, attention to the MIC Core has been focused on site layout, pre-schematic program analysis and phasing as a function of funding, market demand (transportation and private development), and short-term and long-term build-out scenarios. The graphic to the left shows the MIC Core at full build-out, incorporating all anticipated functions. The graphic above, **MIC Core Site Plan 2006**, shows a likely short-term build-out scheme, which specifically incorporates the following -- MIC/MIA Connector station, Tri-Rail station facilities, bus terminal facilities (local and intercity), joint development and parking.

MIC Core Status and Budget Issues

A Pre-Schematic Program Analysis was completed for the MIC Core in April 2001. The exhibits noted above were taken from that document. Schematic design is scheduled to begin in the fall of 2002 and is being coordinated with the procurement of a “master/joint developer”. Initial construction packages are scheduled for state FY 2002/03, consisting of the MIC/MIA Connector station (structure) and the relocation of the existing Tri-Rail station to its ultimate location. The remaining construction for the MIC Core is scheduled for state FY 2004/05 and is being coordinated with the completion of the MIC/MIA Connector.

Approximately $80 million was allocated for the MIC Core in the TIFIA Application. That amount was reduced to approximately $54 million to accommodate short-term funding needs and remove a cost allowance for the proposed East-West rail corridor support columns that are no longer needed. The balance temporarily allocated to the MIC Program Reserve. It is anticipated that as the design effort progresses, identifying program costs, and as financial arrangements are reached with a joint developer, that Reserve Funds will be reallocated to this program element.

SPECIFIC FINANCE PLAN SECTIONS

The FHWA guidance for mega-project finance plans required a series of specific sections that addressed items related to the project. These are outlined in the following sections. There may be some overlap with references made to the previous discussion to the extent possible to prevent duplication.

1. Cost Estimate

As of September 10, 2001, the direct costs of design, right of way and construction (before finance costs) for the Miami Intermodal Center are $1,356,913,000 compared to $1,282,629,000 in the July 1999 TIFIA application. Total Project Costs, including capitalized interest and other finance costs are $1,424,018,000 compared to $1,349,734,000 in the TIFIA application. A breakdown of these costs by element is provided in Exhibit 1A and by segment in Exhibit 1B.

At this time, right of way acquisition and design for major elements of the MIC program, such as the road network, the Rental Car Facility, the MIC/MIA Connector peoplemover and the MIC Core, are underway. As a consequence, certain costs assigned to specific projects have been temporarily re-assigned to Project Reserves pending further progress on design. The basis for the initial changes in total costs and costs within various categories shown below is described in Sections 6 – 10, along with a discussion of anticipated trends and risks.

Exhibit 1A
Miami Intermodal Center Cost Estimate – By Segment
(1000's of inflated dollars)

	Jul-99 TIFIA Application	Sept-01 Work Program	Net Change
PE, Feasibility Studies & NEPA	$22,737	$24,014	$1,277
Right of Way	$306,035	$355,992	$49,957
Environmental Remediation	$73,037	$33,998	($39,039)
Design	$123,426	$93,287	($30,139)
Project Administration	$33,152	$43,229	$10,077
CEI	$48,448	$17,717	($30,731)
Construction	$613,480	$688,121	$74,641
Program Contingency	$62,314	$100,555	$38,241
Subtotal, Before Financing	$1,282,629	$1,356,913	$74,284
TIFIA Capitalized Interest - FDOT	$32,327	$32,327	$0
RCF Reserves & Costs	$5,715	$5,715	$0
TIFIA Capitalized Interest - RCF	$29,063	$29,063	$0
TOTAL	**$1,349,734**	**$1,424,018**	**$74,284**

MIC program costs include $42.8 million of "prior" expenditures for PD&E and advance land acquisition that were approved as part of the TIFIA loan package.

At this time, the MIC is comprised of 27 separate projects, each with a unique FM number for project management, contracting and financing purposes. Three of the MIC projects are for debt service payments for the FDOT TIFIA Loan, the RCF TIFIA Loan and the FDOT State Infrastructure Bank (SIB) Loan. The remaining 24 projects relate to various construction, design, right of way and other professional service activities necessary to deliver the Phase 1 MIC Program, as defined under the TIFIA Program.

A summary of the cost of these project segments is provided in Exhibit 1B.

Exhibit 1B
Miami Intermodal Center Cost Estimate – By Segment
(1000's of inflated dollars)

	Jul-99 TIFIA Application	Sept-01 Work Program	Net Change
Right of Way & Environmental	$379,072	$389,990	$10,918
Initial MIC Core	$80,696	$53,459	($27,237)
Road Improvements	$143,424	$116,208	($27,216)
MIC/MIA Connector	$399,680	$399,680	$0
Rental Car Facility	$161,554	$229,778	$68,224
Capitalized Interest	$61,390	$61,390	$0
RCF Reserves & Costs	$5,715	$5,715	$0
Other	$118,203	$167,798	$49,595
Total Cost	**$1,349,734**	**$1,424,018**	**$74,284**

* Other includes general program administration, finance contingency on FDOT elements, and prior outlays for planning, engineering and NEPA studies.

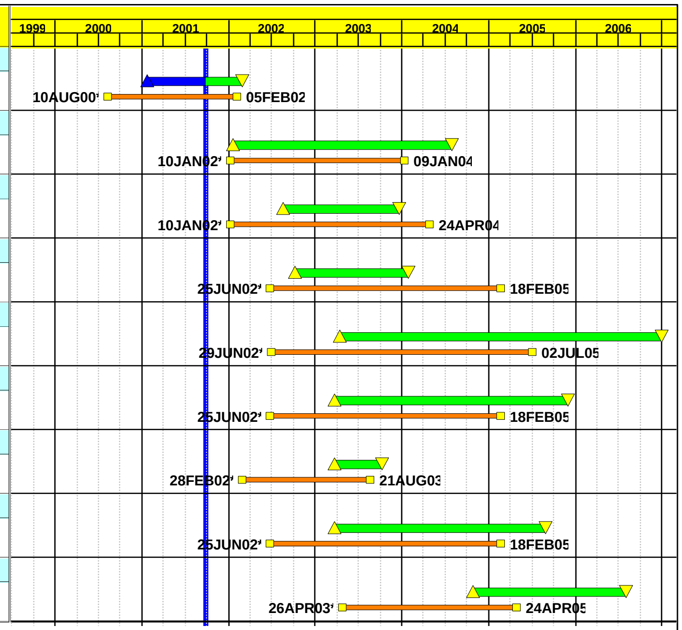
As of September 10, 2001, approximately $145 million had been obligated to the MIC program, including "prior" expenditures. Commitment rates are now accelerating due to right of way acquisition and letting of major design contracts. Please note that right-of-way is not considered committed until the land is purchased through negotiation or an order of taking has been issued by a court order. As of September 10, 2001, the FDOT had expended over $123 million for the MIC program, with the majority being for the purchase of right-of-way land ($86 million).

2. Implementation Plan

The overall schedule for the MIC program is shown in the graphic chart on this page. Discussions related to specific elements were included in the previous sections. Please refer to the discussion of each major program element as appropriate.

Five Year Program Construction Schedule
TIFIA Compared to Current Program Schedule

Activity Description	Orig Dur	Early Start	Early Finish
INTERIM ROADWAYS (BY D-6) FM# 25023-1			
Construction	400	22JAN01A	24FEB02
RENTAL CAR FACILITY (CM @ RISK) FM# 249937-3			
Construction	925	18JAN02	30JUL04
MIC TERMINAL ACCESS RDWAYS (CM@RISK) FM#249937-2			
Construction	493	17AUG02	22DEC03
LE JEUNE RD. SOUTH- SOUTHBOUND CD FM#250234-3			
Construction	478	07OCT02	27JAN04
MIC/MIA CONNECTOR (MDAD 204) FM#408320-1			
Construction	1,356	14APR03	29DEC06
LE JEUNE RD. SOUTH- NORTHBOUND CD FM#250234-2			
Construction	983	24MAR03	30NOV05
SR-836/NW 37TH AVE. INTERCHANGE FM# 250234-2			
Construction	198	24MAR03	07OCT03
MIC/MIA INTERCHANGE FM#408834-1			
Construction	890	24MAR03	29AUG05
MIC CORE (CM@RISK) FM#406800-2			
Construction MIC Core Phase I	641	29OCT04	31JUL06



Start Date	01JAN99
Finish Date	05DEC07
Data Date	24SEP01
Run Date	01OCT01 08:34

Current
TIFIA
Progress Bar
Critical Activity

FLORIDA DEPARTMENT OF TRANSPORTATION
MIAMI INTERMODAL CENTER PROGRAM
FIVE-YEAR PROGRAM SCHEDULE
September 2001

3. Construction Financing and Revenues

The major categories of funding sources identified in the FDOT Work Program as of September 10, 2001 are virtually identical to those in the TIFIA Application with the sources of funds within these major categories undergoing a number of changes as outlined below. Even with these changes the overall funding levels have remained solid with movement of funds primarily from Federal to more state sources of funding.

As discussed below, all funding commitments identified as "Other State" have been incorporated into the TIP/LRTP and are now reported in the TIP/LRTP line for non-federal funds, rather than on the "Other State" line.

- Overall, non-federal funding (net of TIFIA repayments) is proposed to increase by $91.4 million primarily as a consequence of an increase in state STTF funding commitments of $75.2 million and an increase of $38.2 million in early collections of CFCs for the rental car facility. These increases are partly offset by a decrease in non-federal transit funding attributable to deferral of the East-West Rail Corridor Project in the wake of an unsuccessful dedicated tax referendum and a more conservative estimate of ancillary revenues.

- The increase in non-federal funding is partially offset by a decline in anticipated net federal funding (net of SIB loan repayments) of $43.6 million due to the East-West Rail deferral (Federal Transit Administration funding) and lower commitment forecasts for FHWA funding categories.

- Dedicated revenues for the RCF have increased as a consequence of the plan to impose early collections beginning January 2002 to cover a portion of the increased construction costs.

- The TIFIA loan is projected to increase approximately $30 million over the current level of $432.8 million to cover a portion of the increase in construction costs of the RCF.

Overall, the gross federal funding commitment to the MIC is now projected to be $177.4 million, down from $203.0 million in the TIFIA Application. (Non TIFIA) Federal resources now comprise 12.46% of the new program total of $1,424,018,000, down from 15.04% of the initial program level of $1,349,734,000. TIFIA funds would comprise 32.50% of total sources, up slightly from the original level of 32.33%.

Exhibit 3A provides a reconciliation of the revenue forecast as of September 10, 2001, with those projected in the TIFIA Application of July, 1999. The cash flow is based upon a 10-year revenue projection. This assumption is based upon the same premise made in the TIFIA Application – that were it not for TIFIA, the MIC Phase I program would require 10 years to implement and TIFIA is permitting the available revenues to be accelerated into the first five years.

Key funding areas of interest to FHWA include –

State Funds – All anticipated State Transportation Trust Fund allocations and FDOT bonds for right of way and construction have been assigned in the Work Program. These commitments can be confirmed by FHWA through review of various work program and long-range transportation plan documentation.

SIB Loan – The $25 million SIB loan anticipated in the TIFIA Application has been approved and assigned to design and construction of the MIC Core. The actual loan is on more favorable repayment terms than was assumed in the TIFIA application.

MDX – An MOU with MDX committing the $86.5 million to the Le Jeune South (right of way and northbound and southbound CD road) and SR 836/37th Avenue Interchange projects has been completed.

M-DAD – The MIC/MIA Connector and the necessary financing is being issued as part of the adopted Airport Capital Improvement Plan.

RCF/CFC – Miami-Dade County has approved the necessary legislation for the RCF and imposition of the CFC. Twenty-two rental car companies, including all of the major entities, have agreed to participate. Utilization forecasts developed subsequent to the TIFIA Application indicate greater strength than was assumed in July, 1999, permitting full financing of the RCF at lower CFC levels than was originally contemplated. Due to changes in the economy, the actual transaction days compared to the forecast for 2000 and 2001 are revealing a drop in the utilization of rental cars in the Miami-Dade County market. Even with the reduction in the January 2001 revenue forecast due to the slowdown in the economy, the forecast in use as of September 10, 2001 is much higher than the forecasted revenue in the TIFIA application. The overall rental car revenues were in the process of being reevaluated prior to September 11, 2001; however this evaluation was not complete at that point in time. For analysis purposes, the MIC Team and MDAD were utilizing a very conservative estimate of rental car transaction days. This is discussed in more detail in the finance section for the rental car facility.

Funding from the Federal Transit Administration (FTA) and Miami-Dade Transit Authority have been dropped from the MIC Program as a consequence of the defeat of a tax measure that was intended to support construction of the East-West Metrorail Extension. These revenue reductions have been offset by the elimination of $17.8 million of scope associated with columns that were necessitated by construction of the rail system.

Exhibit 3A
Miami Intermodal Center Revenue Estimate
(1000's of inflated dollars)

Sources of Funds	**Jul-99 TIFIA Application**	**Sept-01 Work Program**	**Net Change**
Federal Funds			
TIP/LRTP & Prior	$91,718	$63,089	($28,629)
2000-04 MDTA @ 50%	$15,000	$0	($15,000)
Subtotal, Federal Grants	$106,718	$63,089	($43,629)
Non-Federal Funds			
TIP/LRTP, Prior & Other State	$157,033	$232,229	($54,836)
Airport Capital Improvement Plan	$399,680	$399,680	$0
Dedicated Revenues - RCF*	$25,000	$63,224	$38,224
MDX Tolls	$86,568	$86,568	$0
MDTA - Non-Federal @ 50%	$15,000	$0	($15,000)
Ancillary Revenues	$37,000	$30,000	($7,000)
Subtotal, Non-Federal Grants	$720,281	$811,701	$91,420
Financing			
TIFIA Loan + Capitalized Interest* *	$497,735	$524,228	$26,493
SIB Loan	$25,000	$25,000	$0
Subtotal, Financing	$522,735	$549,228	$26,493
TOTAL	$1,349,734	$1,424,018	$74,284

* RCF TIFIA Increase proposed of $30 million and does not include additional capitalized interest.

* * Includes $38 million of "early collections" customer facility charge revenues.

Notes:

1. Derivation of TIP/LRTP Federal Fund Factor in TIFIA Application

					Sep-01
Prior + 1999/00 WP (Per B. Boyd)		$60,464			$49,839
1999/00 LRTP MIC & IC Allocation	$196,230			$196,230	
Assumed Federal % = 65%		$127,550			$127,550
Less: Cash Flow Surplus per TIFIA Sources & Uses	($128,916)		Exhibit IX(A)	($156,614)	
Assumed Federal % = 65%		($83,795)			($101,799)
Less: SIB Repayments per TIFIA Sources & Uses		($12,500)	Exhibit IX(A)		($12,500)
		$91,718	Page E-2 TIFIA Application		$63,089

2. Derivation of TIP/LRTP State/Local Fund Factor in TIFIA Application

Prior + 1999/00 WP (Per B. Boyd)		$133,336			$348,258
1999/00 LRTP MIC & IC Allocation	$196,230			$196,230	
Assumed State % = 35%		$68,681			$68,681
Less: Cash Flow Surplus per TIFIA Sources & Uses	($128,916)		Exhibit IX(A)	($156,614)	
Assumed State % = 35%		($45,121)			($54,815)
Less: TIFIA Repayments		($129,895)	Exhibit IX(A)		($129,895)
		$27,001	Page E-2 TIFIA Application		$232,229

SCETS – State Comprehensive Enhanced Transportation System Fuel Tax

	SCETS FUEL TAX ($ IN MILLIONS) Jul 99 TIFIA Application		SCETS FUEL TAX ($ IN MILLIONS) Sep 2001 Work Program	
FISCAL YEAR	MIAMI-DADE COUNTY	STATEWIDE	MIAMI-DADE COUNTY	STATEWIDE
1995	37.10	312.59	37.10	312.59
1996	38.21	329.41	38.21	329.41
1997	41.22	351.26	41.22	351.26
1998	42.70	466.94	42.77	365.28
1999	44.50	385.13	45.01	388.91
2000	46.20	399.92	46.18	397.88
2001	47.80	415.99	48.58	416.26
2002	49.40	432.24	51.88	444.48
2003	51.40	451.64	54.85	469.85
2004	54.90	474.54	56.78	487.54
2005		501.10	58.35	501.04
2006		523.30	60.92	523.07
2007		551.70	63.99	549.38
2008		756.80		637.90
2009		600.40		666.40
2010				692.70
2011				726.70

The SCETS funding has meet or exceeded the estimates included in the TIFIA application or as shown.

4. Cash Flow

The MIC Program is a small part of the overall work program for the FDOT (all elements except the MIC-MIA Connector) and the MDAD (MIC-MIA Connector). For example, the Florida State Transportation Trust Fund (STTF) is a comprehensive fund that receives all major revenues directed to the Florida Department of Transportation with the exception of toll revenues, which accrue to the respective toll facility funds. In the year ended June 30, 2001, the STTF received over $3.9 billion in revenues and disbursed approximately $3.8 billion in transportation expenditures. At June 30, 2001, the cash balance of the STTF was $350 million.

The projects that form the overall MIC program are paid from the STTF. These projects are part of the overall FDOT Work Program and are programmed, budgeted, managed and paid the same as all other FDOT projects. Cash flow payouts are developed by the FDOT in the finance plan and cash forecast based on project and phase types such as roadway design, roadway construction, major bridge construction, major buildings, etc. This process has been in place for many years and is routinely monitored, balanced and reconciled to actual amounts and two independent systems (finance plan and cash forecast). This is a very sophisticated process and is well respected in Florida and across the country.

The FDOT has an array of options to assist in managing cash flow to ensure that adequate funds are on hand to pay contract obligations as these come due. These include Federal-aid project advance construction conversions (to generate cash from FHWA), timing of bond issuance for bond programs, drawing TIFIA loan proceeds, etc. To date the FDOT has supported MIC program expenditures programmed with TIFIA loan funds from the STTF and has not drawn TIFIA loan proceeds. This totals approximately $18 million as of September 10, 2001. The TIFIA loan requires that FDOT pay project expenses up-front and then obtain reimbursement from TIFIA loan proceeds.

Financial Controls

The Florida Department of Transportation has a number of financial and planning controls in place that assure that financial management is sound and responsive. Key elements include:

Five Year Work Program Development Process
All of the Department's transportation projects are contained in a five-year work program as prescribed in law. The work program is officially updated twice each year and is continuously balanced to available finances during the year. (Section 339.135, Florida Statutes)

Monthly Cash Forecast Process
The FDOT Comptroller prepares and publishes each month a multi-year monthly cash forecast for the State Transportation Trust Fund, the Right of Way Acquisition and Bridge Construction Trust Fund, and each of the Turnpike trust funds. The results are presented each month to the Department's Executive Committee and a hard copy of the forecasts and accompanying analyses

are broadly distributed both within and outside the Department. (Sub-section 20.23(3)(I)2, Florida Statutes)

Multi-Year Finance Plans

The FDOT Office of Management and Budget prepares multi-year (five, ten and twenty year) Finance Plans for each of the Department's trust funds. The Finance Plans are reconciled monthly to the Comptroller's Cash Forecasts. They are used extensively in the planning of alternative financing and work program scenarios. (Section 339.135, Florida Statutes)

Revenue Estimating Conference

The Transportation REC is comprised of members of the Executive Office of the Governor, Division of Economic and Demographic Research of the Joint Legislative Management Committee, professional staff of the House and Senate committees and the Departments of Transportation, Revenue and Highway Safety. The REC provides projections, developed by consensus, of revenues and other economic assumptions for use in all state planning and budgeting activities. The Transportation REC meets and updates its revenue projections of transportation revenues at least three times a year. (Section 216.135, Florida Statutes)

Florida Transportation Commission

The Florida Transportation Commission is charged with the responsibility to annually assess the financial soundness of the Department's work program. This assessment includes a detailed review of the Department's finance plans and assumptions as well as continuous monitoring of financial performance. (Sub-section 20.23(1)(b) 4., Florida Statutes)

Independent Auditors

FDOT operations are also subject to financial compliance, and operational audits conducted by the Florida Auditor General and the Department’s Inspector General. Copies of audits are available upon request.

5. Other Factors

Impact of the MIC on State Transportation Funding

As discussed in section 4 above, the MIC program is a small overall component of the FDOT programs statewide. There have been no major changes in the overall level of state and Federal funds committed to the MIC program since the TIFIA application in July 1999. The MIC program has not created a draw upon any other state transportation funding than previously committed.

Governance/Division of Responsibilities

The governance and overall division of responsibilities is the same as the TIFIA application. The FDOT is responsible for the design and construction of all MIC program elements other than the MIC-MIA Connector, which is the responsibility of MDAD. MDAD will be responsible for the operation and maintenance of the Connector and the rental car facility. FDOT will be responsible for the operation and maintenance of all other MIC program elements.

Unique Agreements/Laws

There is a series of major agreements that pertain to the MIC program. These include:

- Miami-Dade County and FDOT agreement. This agreement was executed prior to closing the first TIFIA loan. Outlines the governance and division of responsibilities discussed in the paragraph above.
- MDX and FDOT agreement. This agreement was executed in April of 2001. This agreement outlines the funding commitment of MDX and for the specific projects that are part of the MIC program.
- MDAD, FDOT, and Rental Car Companies memorandum of agreements on the rental car facility. These were executed in July 2000. These agreements are with each rental car company that plans to participate in the rental car facility and outline the parameters of the process, major items and time frames to complete the rental car facility design and financing.
- MDAD and Rental Car Company concession agreements. These are in process and should be completed by October or November 2001 (note, this was the status as of September 10, 2001). These agreements formalize the rental car facility process, financing and long-term management structure.
- TIFIA agreements. The first loan agreement was executed in June 2000 for $269 million. The second loan agreement is still under negotiation.

Impact Fees and Building Permits

The State of Florida delegated the permitting process for state buildings from the central Department of Management Services to local city and county permitting authorities over the past few years. The cost of permits and possible impact fees due to Miami-Dade County is unknown at this time and could possibly result in a significant cost in the future.

Operating & Maintenance Costs

Operating and maintenance costs for the MIC are allocated in the following manner:

Program Element	Operator	Source of O&M Funds
MIC/MIA Connector	M-DAD	50% from CFC (actual cost to be allocated based upon percentage of passengers renting cars at RCF) and 50% from M-DAD revenues.
MIC Roadways	FDOT	District 6 fund allocations
MIC Core	FDOT	Parking and concessions, joint development and rents from "tenant modes" for common areas and individual space occupied
Rental Car Facility	M-DAD	Customer Facility Charges (CFC) and certain rents from car rental companies for individual space occupied and services utilized

6. Cost and Revenue History

Costs

The cost of each major element is outlined in the section related to that element. Overall the MIC program is managing within the cost estimated in the TIFIA application in an effort to deliver a minimum operating program at the end of the 5-Year MIC Work Program. The lone exception at this point is the rental car facility, which was discussed previously.

It should be noted that the MIC/MIA Connector peoplemover is the largest, single component of the MIC Phase I program, with a budget of approximately $400 million for design, acquisition and construction. This element is entirely funded by the Capital Program of Miami International Airport and is being managed directly by the Miami-Dade Aviation Department (M-DAD). As of August 2001, M-DAD and its consultants are retaining the cost estimate developed for the July 1999 TIFIA Application. Escalation in the cost of this project will be funded entirely by the Capital Program of Miami International Airport.

Other Cost Changes

Program Reserves – The contingency budget for the MIC program TIFIA application was $61.4 million. It was calculated as a 10% program-level allowance on all elements except the Rental Car Facility and the MIC/MIA Connector. The program-level contingency was ***in addition to*** the contingency factors built into the cost estimates for each of the individual projects.

During the course of implementation, many individual projects that comprise the major elements (Right of Way and Environmental, Initial MIC Core, Road Improvements and Other Costs) were re-configured, re-scheduled, and re-budgeted. For the period when a project is being re-evaluated most of, or its entire budget is transferred to the reserve contingency. Once a new schedule or scope definition is established, the resources are returned to the project line item. Any differences from the original, TIFIA application budget are either retained in the reserve, added from the contingency pool, or transferred to a replacement line item.

The net result of the "adds" and "deducts" in the individual line items comprising the major program elements has been an increase in reserves from the original $61.4 million to approximately $100.6 million. The individual "adds" and "deducts" are summarized in Table on the following page. Explanation of the factors resulting in the decisions to add, drop, or modify individual line items can be found in the documentation for changes in Right of Way and Environmental, Highway Improvements, Initial MIC Core, and Other Costs.

Financing Costs – As a consequence of a revised implementation and commitment schedule, the draw down of TIFIA loan funds will be less aggressive than was anticipated in the July, 1999 TIFIA application resulting in significant reductions in capitalized interest costs. Fees and reserves anticipated in the original, RCF loan calculations have not carried forward into the actual loan agreements and are another area of cost savings.

Revenues – See Discussion in Section 3 above.

MIC Program Reserve Analysis

Contingency Reserve (FM #408225-1)

(1000's of Inflated$)

	Changes Through Sep-01		Changes Through Jul-01	Changes Through Nov-00	Changes Through Jul-00
MIC Project Contingency - TIFIA	**$62,314**		**$62,314**	**$62,314**	**$62,314**
Deduct: Increase in MMC Contract Project	($4,603)		$1,906	$5,786	$5,799
Deduct: New Project for MIC Legal Services	($1,650)		($1,100)	($550)	($550)
Deduct: Additional Design Review Projects	($5,950)				
Add: Reduction in M-TAR	$485	PE still in progress	$7,921	$7,381	$12,111
Deduct: Reduction in Priority 1 Land	$2,975		($12,428)	($24,640)	($24,640)
Deduct: Increase in RCF Cost	($68,224)		$6,264	($4)	($4)
Add: Allowances for East-West Rail Columns & Bag Tunnel	$17,800		$17,800	$17,800	$17,800
Add: Additional Revenues - Early Collection CFC	$38,224	New Revenues			
Add: Additional Revenues - Increase in TIFIA	$30,000	New Revenues			
Add: De-Scope Le Jeune North & shift to other projects	$23,575		$23,575	$23,090	($264)
Deduct: Scope shift with Okeechobee Road Fly-Over	($20,288)		($20,288)	($20,288)	($20,288)
Deduct: Okeechobee Road Flyover Cost Increase since 7-00	($14,006)	D-6 Management	($8,921)	($8,808)	0
Add: D-6 Reserves for Change in Okeechobee Road Flyover	$14,006	D-6 Funded	$8,921	$8,808	
Add: Reduction in Phase 1/Interim Roads	$1,307		$1,310	$1,217	$1,235
Deduct: Change in Priority 2 Right of Way	($14,171)		($20,835)	($9,483)	($21,191)
Deduct: Change in Le Jeune South Roadways	($355)	Design in progress	$7,745	$7,204	$8,999
Add: Re-evaluate High Level Bridge at 37th Avenue	$52,667		$52,842	$52,842	$52,842
Deduct: Change in 37th Ave Interchange	($77)	Design in progress	($1,971)	($1,521)	($1,095)
Deduct: Change in Priority 3	($66,123)		($55,323)	($11,779)	($6,250)
Add: Change in MIC Core Design & Construction	$9,437	Design in progress	$16,735	$0	$0
Add: Deferral of CSX Relocation	$4,164		$4,164	$4,164	$4,164
MIC/MIA Peoplemover	$0	Placeholder	$0	$0	$0
Baggage Handling System	$0	May be deferred	$0	$0	$0
Add: MIC/MIA Interchange Project Scope Modification	$65,414		$69,392	$68,361	$93,833
Add: SR 836/Interconnector Interchange Project De-Scoped	$30,099		$30,099	$30,099	$30,099
Deduct: New project for Geotechnical Services	($826)		($825)	($825)	$0
Deduct: Separate Project for Environmental Mitigation	($33,998)		($33,998)	($33,998)	
Deduct: New Project for Utility Design & Construction	($13,695)		($7,828)		
Opening Reserve Balance	**$62,314**		**$62,314**	**$62,314**	**$62,314**
Net Changes from TIFIA Application Budget	**$46,187**		**$85,157**	**$114,856**	**$152,600**
Calculated Closing Reserve Balance	**$108,501**		**$147,471**	**$177,170**	**$214,914**
Work Program Reserve, Actual	**$100,555**		**$139,812**	**$169,923**	**$207,296**
Reduction in MIC Program Reserve	**$7,946**		**$7,659**	**$7,247**	**$7,618**

7. Cost and Revenue Trends

The MIC has not advanced far enough into construction to identify specific cost drivers affecting the anticipated cost to complete. Most major changes to date, plus and minus, are scope-related due to Roadway Master Plan and redefinition of RCF in collaboration with rental car companies. Land acquisition is explained in a prior section. The primary issues affecting cost escalation thus far are identified in the discussion of the major elements of the MIC program.

Revenue trends are all on target with projections in the TIFIA Application of July 1999. The only significant variance is elimination of the transit-related revenues from federal and Miami-Dade County sources due to voter rejection of a dedicated revenue source in 1999 that would have funded rail construction and permitted elimination of MDX tolls. This transit-related revenue loss is offset by a reduction in scope to eliminate construction of columns for the rail line that was proposed as a MIC expense.

The rental car transaction days discussed previously are being impacted by the economic downtown. As noted previously the current amount being used for analysis purpose, even with the reduction due to the economic downturn is higher than the revenue estimate included in the TIFIA application. The full extent of the longer-term impact is still being assessed.

SCETS revenues underwriting repayment of the FDOT TIFIA loan continue to match or exceed projections in the July 1999 TIFIA Application. (See chart on page 30.)

8. Revenue Shortfall Mitigation

Revenue trends are all on target with projections in the TIFIA Application of July 1999. The only significant variance is elimination of the transit-related revenues from federal and Miami-Dade County sources due to voter rejection of a dedicated revenue source in 1999 that would have funded rail construction and permitted elimination of MDX tolls. This revenue loss is offset by a reduction in scope to eliminate construction of columns for the rail line that was proposed as a MIC expense.

As noted in the discussion in the various sections the FDOT understands its mission to deliver the MIC program within a reasonable budget and timeframe. The program has been adjusted where needed to live within available revenues and still deliver an operating MIC program as outlined in the TIFIA application an the overall needs of MIA and the transportation community. Scope definition is managed consistent with phasing and the need to minimize future sections that may only be functional for a short period of time before being redone.

The rental car facility finance plan is being refined to fund the total costs needed to build the facility within revenues that can be generated from the customer facility charge and a contingent rent fee charged to the rental car companies. A very conservative analysis of this plan reveals an additional amount needed from the second TIFIA loan for the rental car facility of $30 million (to total $194 million).

9. Summary of Significant Cost Reductions

Potential Cost Reductions in Excess of $10 Million
Miami Intermodal Center
(1,000's of Inflated Dollars)

Decreases of $10 Million or More	***Cost*** *7-99*	*9-01*		***Notes***
Right of Way/Environmental				
IC/836 Interchange	$18,521	$0	($18,521)	ROW not required
IC/MIC-MIA Interchange	$68,453	$0	($68,453)	Scope redefined
NW 32nd Avenue High Level Bridge	$15,950	$0	($15,950)	Bridge under study, see Highway and Road Improvement Section for details
Environmental Remediation	$73,037	$33,998	($39,039)	Adjusted to anticipated risk
Initial MIC Core				
MIC Design & Construction	$60,348	$50,911	($9,437)	See MIC Core Section for details
E-W Columns & RCF Baggage Tunne	$17,800	$0	($17,800)	See MIC Core Section for details
Road Improvements				
IC/836 Interchange	$6,948	$0	($6,948)	See Road and Highway Section for details
Le Jeune North	$23,590	$15	($23,575)	See Road and Highway Section for details
NW 32nd Avenue High Level Bridge	$33,528	$799	($32,729)	See Road and Highway Section for details

As noted in Section 10 below, the NW 32nd Avenue Bridge project reflects a temporary shift of funds to the program reserve, pending further development of the design concept.

10. Summary of Significant Cost Increases

Potential Cost Increases in Excess of $10 Million
Miami Intermodal Center
(1,000's of Inflated Dollars)

Increases of $10 Million or More	*Cost* 7-99	*Cost* 9-01		*Notes*
Right of Way/Environmental				
MIC Core	$61,830	$143,410	$81,580	Escalating Real Estate value and expected litigation cost
Le Jeune South	$80,643	$114,975	$34,332	Escalating Real Estate value and expected litigation cost
Okeechobee Flyover	$0	$16,065	$16,065	Scope redefined
Utility Relocation	$0	$13,695	$13,695	Estimate not available at time of TIFIA application
Road Improvements				
IC/MIC-MIA Interchange	$8,267	$28,419	$20,152	Scope redefined, original estimate design only
Okeechobee Flyover	$0	$18,229	$18,229	Scope redefined
Rental Car Facility	$161,554	$229,778	$68,224	See RCF Section for details
Other				
Administration	$33,152	$43,229	$10,077	Expanded to cover some early production activities
Program Contingency	$62,314	$100,555	$38,241	

Note: The Okeechobee Fly-Over Project was omitted from the original TIFIA cost estimate and was subsequently added. Its cost has escalated $13.4 million since July 1999. This growth is largely a consequence of scope transfers from the Le Jeune North and M-TAR projects. Funding for the Fly-Over is entirely from District 6 resources and the cost escalation has not affected the MIC contingencies or program reserve.

The facts in this report are valid as of September 10, 2001.

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