



Port of Miami Tunnel News Clip

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Subject: **Port of Miami tunnel project gets OK on new cash backer**

Port of Miami tunnel project gets OK on new cash backer

By Risa Polansky

After a troubled equity partner nearly sank the Port of Miami tunnel project, the Florida Department of Transportation has approved a solvent replacement.

The team slated to dig and operate twin tunnels to the Port of Miami includes now French equity partner Meridiam Infrastructure as the state and project contractor work to set a deal to beat a June 1 deadline.

Transportation department officials have agreed to allow the Paris-based investment fund to replace the project's original 90% equity partner, Australian investment and asset manager Babcock & Brown, after that company's financial troubles nearly sank the long-planned tunnel.

Department Secretary Stephanie Kopelousos tried in December to shelve the \$1 billion-plus project, citing equity issues with Babcock & Brown.

Local leaders immediately balked, pointing out that the contract team had already found a willing — and flush — replacement: Meridiam.

Still, it was months before Ms. Kopelousos agreed to keep the project alive, and even then she suggested re-bidding it entirely.

Again, local officials resisted, fearing re-opening procurement would add years to the project and insisting negotiations continue with the original contractor team selected in 2007.

Ms. Kopelousos acquiesced in April but set strict deadlines: business terms must be set by June 1 and the contractor must get financing by Oct. 1.

The French firm is also providing half the mezzanine financing for the Limerick Tunnel, one of Ireland's largest infrastructure projects.

Now, "discussions are continuing on how to move the [local tunnel] project forward," said Gus Pego, district transportation secretary.

The June 1 deadline is "tight," he said, "but we're both [the state and the contractor] marching toward that goal."