

Harry Lee James  
Deputy Executive Director/  
Chief Engineer

Brenda Znachko  
Deputy Executive Director/  
Administration



Steven K. Edwards  
Director  
Office of Intermodal Planning

Willie Huff  
Director  
Office of Enforcement

Larry L. "Butch" Brown  
Executive Director

P. O. Box 1850 / Jackson, Mississippi 39215-1850 / Telephone (601) 359-7249 / FAX (601) 359-7050 / GoMDOT.com

July 2, 2008

Mr. Andrew Hughes  
Division Administrator  
Federal Highway Administration  
666 North Street, Suite 105  
Jackson, MS 39202-3199

Re: AMENDED Mississippi Department of Transportation Request for SEP-15 Approval: Request for Waivers/Variations of TIFIA Program Procedures in Connection with Receipt of Conditional Approval of TIFIA Support in a Competitive Procurement for the Airport Parkway Project

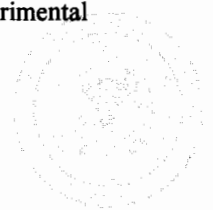
Dear Mr. Hughes,

On April 8, 2008, we filed our original SEP-15 application with you. This letter constitutes the amended application by the Mississippi Department of Transportation ("MDOT"), as authorized by the Mississippi Transportation Commission (the "Commission") for SEP-15 approval of its plan to more effectively utilize the Transportation Infrastructure Finance and Innovation Act of 1998 ("TIFIA") credit assistance program and thereby leverage additional private co-investment opportunities for a surface transportation project of regional significance that will enhance the national highway system. This marks the first time that MDOT has initiated a procurement for the construction, financing, operation and maintenance of a toll road in the State of Mississippi (the "State"), and thus presents a unique opportunity for MDOT to develop a project whose framework may serve as the basis for additional toll road projects elsewhere in the State. The Airport Parkway Project (the "Project") presents a strong value proposition and consists of developing, constructing, financing, operating and maintaining a new, 12-mile toll road located just east of downtown Jackson, MS and extending eastward to the suburbs of Jackson and the Jackson International Airport. The Project will be developed under State law authorizing the Commission to enter into a contract with a private entity, pursuant to a best value procurement process, to construct, finance, operate and maintain the Project.

This amended application relates to MDOT's competitive procurement for the Project, for which both the procurement procedures and the Project are further described in Exhibit A, and is consistent with the SEP-15 applications approved by FHWA for the Florida Department of Transportation with respect to the I-595 Managed Lanes project. The formal application for TIFIA assistance will provide more detailed information regarding the Project and its schedule. MDOT has expended Title 23 federal funding for the Project for engineering and the acquisition of Project right-of-way in the amount of \$23 million and contemplates expending an additional \$7 million in Title 23 money. MDOT also is planning to apply for an allocation of private activity bonds for financing of the Project.

MDOT understands that the approval to use the experimental features identified in this request may be withdrawn from the Project at any time prior to issuance of the conditional term sheet for the Project if it is determined that the experiment for the Project has failed and does not merit further federal participation in the experiment, provided such a withdrawal will not prejudice the ability of the individual proposers to pursue TIFIA assistance on their own. Furthermore, MDOT understands that the approval to use a particular experimental feature may be withdrawn at any time if there is a determination that such feature is not in the public interest, and therefore federal participation in such an experimental feature is not warranted.

As circumstances warrant, MDOT reserves the right to supplement this request to seek approval of other experimental



features relating to MDOT's efforts to develop the Project through a Public-Private Agreement, including features relating to the design and construction of the Project.

## I. Background

MDOT intends to develop the Project through a public-private partnership. Specifically, it intends to conduct a two-phase competitive procurement resulting in a Concession Agreement ("CA") with a private party who would have the right and obligation to develop, design, construct, finance, operate and maintain and charge users fees with respect to the Project.

MDOT has initiated the competitive procurement by issuing a request for qualifications ("RFQ") on June 2, 2008, with the intent of developing a shortlist of qualified Proposers ("Short-listed Proposers"). The RFQ is available at <http://www.theairportparkway.com/>.

Following shortlisting, MDOT intends to issue a Request For Proposals ("RFP") to the Short-listed Proposers. The final proposals for the Project will include specific financial commitments. To promote maximum competition and ensure best value for the public, the RFP will require each Short-listed Proposer to have the essential and material terms of its loan and equity commitments finalized and conditional loan and equity commitments in hand as of the RFP due date. This element of the procurement is crucial because it allows MDOT to provide the basis for comparison of the value to MDOT and the State of each financial proposal and confirm that the Short-listed Proposer is likely to successfully close the financing. If any Short-listed Proposer is interested in seeking TIFIA credit support for the Project, the Short-listed Proposer will need to know whether such credit support is available, the amount available, and the terms and conditions of any TIFIA credit support before it delivers its financial proposal to MDOT. MDOT anticipates that the RFP will require the Short-listed Proposers to have firm financial commitments and arrangements that will enable the Short-listed Proposer to close the Project financing, including TIFIA credit assistance, within approximately two months after its selection.

## II. Purpose of Experiment

Federal policies generally encourage price competition, which this concession procurement contemplates. However, MDOT recognizes that it would be unduly burdensome for the TIFIA Office to be required to work with multiple Short-listed Proposers during the RFP preparation period, when, ultimately, MDOT will award only one of them the contract. The primary goal of this request is effectively to utilize the TIFIA program and to streamline the TIFIA approval process in connection with procuring a final proposal for the Project by having the TIFIA JPO and interested proposers meet and agree to a conditional term sheet, reflecting TIFIA requirements and key commercial terms, prior to the proposers submitting proposals. These individualized conditional term sheets would function as the USDOT's commitment to the proposer to execute a TIFIA credit agreement with that proposer using the provisions of the term sheet if MDOT selects that proposer for the project, subject to the satisfaction of the terms set forth in the conditional term sheet and such other terms as the Department may require, and all associated Federal requirements. In this procurement, Short-listed proposers are required to submit firm, fixed price offers to MDOT that would not otherwise be possible without this experimental feature.

This process will enable proposers to prepare substantially final financial plans and include these plans in their proposals with the reasonable assurance that they can successfully close the financing if selected. By reducing the risk to the Short-listed Proposers concerning the availability of TIFIA assistance, MDOT believes that Short-listed Proposers will be encouraged to submit more detailed and complete financial proposals that do not price this risk. The end result should be more competitive financial packages. Furthermore, TIFIA staff, consultants and officials will be relieved of the burden of having to negotiate full credit agreements with multiple potential borrowers. MDOT expects this approach to produce time savings, costs savings and innovation in the procurement process as well as the Project's development and financing.

Although each Short-listed Proposer may refer to the same revenue and Project cost information obtained from MDOT, each is likely to have a different Project financial plan, with a different combination of equity and debt, different debt structure and terms depending in part on whether they are utilizing bonds, bank loans or privately placed debt and different assumptions concerning Project revenues and costs over the term of the concession. Another goal of this request is to streamline the financial review process by TIFIA and to involve the TIFIA Joint Project Office ("JPO") in the procurement process by keeping it informed of the legal and financial structure of each of the Short-listed Proposers that wish to use TIFIA credit assistance, as well as their financial plans. At the same time, MDOT will work with the TIFIA JPO to ensure that information shared will be handled in a manner that, consistent with

applicable law, preserves the confidential and sensitive nature of Short-listed Proposers' financial and legal information, particularly during the ongoing procurement process.

This exchange of information will result in a seamless final approval of the TIFIA credit assistance and execution of the Credit Agreement upon final selection by MDOT of the successful Short-Listed Proposer (the "Developer").

### III. Experimental Features Relating to USDOT's acceptance of a Plan of Finance for the Project for Use by Project Short-listed Proposers

The implementing regulations for the TIFIA program appear at 49 CFR 80.1-80.21. These regulations appear to have been drafted based on the assumption that TIFIA applications involving private concessionaires would not be submitted to the USDOT until after the public entity has selected a proposer pursuant to its competitive procurement process. The USDOT would typically then evaluate that selected proposer's application for TIFIA credit assistance and decide whether to approve it. The USDOT, the project sponsor and the lenders would also negotiate and agree on the details of the TIFIA financing in a term sheet and a Credit Agreement.

MDOT expects the Developer to complete its financing arrangements within approximately two months after selection with few, if any, contingencies. To ensure maximum value to the public from the competitive proposals, MDOT would like the Short-listed Proposers to be able to specifically include TIFIA financing, to the extent available and desired, in their final Proposals. For the Project procurement, MDOT therefore requests the opportunity for project proposers to meet with the TIFIA JPO before submitting a project proposal to agree to individual conditional term sheets for TIFIA credit assistance. Each proposer's conditional term sheet would function as the USDOT's commitment to execute a TIFIA credit agreement with that proposer if MDOT selects that proposer for the Project, subject to the satisfaction of the terms set forth in the conditional term sheet and such other terms as the Department may require, and all associated Federal requirements.

To facilitate the TIFIA process and enable proposers to agree to terms of conditional credit assistance with the TIFIA JPO prior to submitting project proposals, MDOT is asking for several waivers of or variations from the usual TIFIA approval process, in particular, the provisions of Sections 49 CFR 80.7 and 80.11. As the procurement process progresses, supplemental requests may be necessary.

#### A. Experimental Feature 1— Waiver of Letter of Interest Requirements

1. MDOT requests that you consider this amended SEP 15 application its letter of interest to use TIFIA credit assistance for the Project. MDOT believes that this deviation is appropriate because (i) MDOT is providing the general project-related information it could submit in a letter of interest for the Project in this application and (ii) MDOT cannot provide the additional information normally contained in a letter of interest (e.g., information regarding the project sponsor and that sponsor's plan of finance), because MDOT will not have that information until award of the concession agreement. Accordingly, MDOT is requesting the following waivers/variances:

a. **Waiver of Information Relating to Final Project Sponsor.** As stated above, MDOT is considered the initial applicant for TIFIA assistance. As the procurement process proceeds, MDOT will keep the TIFIA JPO informed concerning the Short-listed Proposers, their qualifications and their legal structures.

b. **Waiver of Proposed Plan of Finance.** MDOT will be seeking input from prospective proposers concerning such plan of finance information as Project cost and revenue estimates.

Experimental Feature 1 would deviate from Chapter 4, Section 4-1 of the TIFIA Program Guide: MDOT does not believe that this feature requires variances or waivers from any other statute, regulation or policy.

While MDOT will not submit a letter of interest for the Project, it will keep the TIFIA JPO informed of key project information as it became available. For example, as the procurement process for the Airport Parkway Project proceeds, MDOT would provide information regarding the prospective proposers, their qualifications and their legal structures.

## B. Experimental Feature 2 – Waiver of TIFIA Application Requirements

1. MDOT requests that you consider this amended SEP-15 application together with the preliminary financial model prepared by J.P. Morgan Securities and the Level 2 Traffic and Revenue Study prepared URS to be MDOT's application to use TIFIA credit assistance.. MDOT believes that this deviation is appropriate because MDOT is unable to provide further project-related information, including detailed financial information and definitive information about the final project sponsor, until it awards the concession agreement. For example, MDOT will not have a detailed financing plan, preliminary rating opinion or the other financing documents it would include in a TIFIA application until it receives these documents from the Short-Listed Proposers. As a result, it would be inefficient for MDOT to submit a TIFIA application in addition to submitting this SEP-15 application. The SEP-15 application includes sufficient information for the TIFIA JPO to make determinations on project eligibility. Related to this request, MDOT proposes the following waivers/variances and procedures

2. The USDOT's Major Project Guidance for financial plans states that TIFIA applicants are to submit a TIFIA "Plan of Finance" with each TIFIA loan application. The Major Project Guidance also states that the USDOT Secretary of Transportation must approve a TIFIA loan prior to FHWA being able to accept the TIFIA "Plan of Finance" for a project. Furthermore, FHWA's acceptance of this plan is required before a project owner can award a design-build agreement.

a. MDOT will submit in the initial application for TIFIA assistance a financial model prepared by J.P. Morgan Securities based in part on a forecast of Project revenues prepared by URS Corporation. The model will include MDOT's pro forma financial plan. The model, together with the URS Traffic and Revenue Study, will include sufficient data to enable the TIFIA JPO to determine the financial viability of the Project and the Project's ability to support the repayment of the TIFIA credit assistance proposed in the pro forma financial plan. This review will give the TIFIA JPO a sense of the detailed financing plans the project proposers may submit to the TIFIA JPO for consideration.

b. For the purposes of this experiment, the TIFIA JPO's review and acceptance of the financial model and pro forma financial plan will meet the TIFIA "Plan of Finance" requirement for the Project and will authorize MDOT (and project proposers) to continue to pursue TIFIA financing. Under the experimental process proposed, the TIFIA JPO would not be required to secure the USDOT Credit Council's and USDOT Secretary of Transportation's conditional approval of the TIFIA credit assistance in order to accept the financial model. The TIFIA JPO will document its decision by providing MDOT with a written notice of acceptance. This variance will not change the requirement that the USDOT Credit Council and USDOT Secretary of Transportation must ultimately approve any final TIFIA credit assistance. This feature will have the benefit of creating a "Plan of Finance" review and approval process that efficiently approves a project for further consideration before the TIFIA JPO directly negotiates a TIFIA credit assistance term sheet with the Short-listed Proposers.

c. Instead of MDOT submitting a preliminary investment grade letter with this SEP-15 application or in an official TIFIA application, the Shortlisted Proposers that wish to enter into a conditional term sheet with USDOT will be required to submit this letter prior to the TIFIA JPO making its recommendation on conditional TIFIA credit assistance to the Credit Council.

d. To further streamline the TIFIA review, Short-listed Proposers will have equal opportunity to meet with the TIFIA JPO staff in one-on-one meetings following receipt by MDOT of FHWA's acceptance of the TIFIA "Plan of Finance" for the Project. At these one-on-one meetings, each interested proposer and the TIFIA JPO would negotiate a term sheet (see Experimental Feature 3).

e. Upon acceptance of the financial modal and pro forma financial plan, FHWA will also provide a letter signed by the Director of the TIFIA program which will state that the Project is eligible for TIFIA credit assistance.

The MDOT RFP for the Project will require proposers that plan to use TIFIA credit assistance to submit with their proposals a Plan of Finance that contains all of the required elements specified in the TIFIA Program Guide.

i. TIFIA will agree in the Early Development Agreement (EDA) to non-discriminatory procedures so that all proposers receive equal treatment regarding TIFIA's availability to negotiate, TIFIA's sharing of non-confidential information, TIFIA's credit requirements, and similar measures to assure a fair competitive process;

ii. To preserve and maximize competition, both MDOT and the Short-listed Proposers will have a strong interest in maintaining the confidentiality of their financial negotiations and in not disclosing to the other proposers the terms and conditions of their respective project financial plans. TIFIA will agree in the EDA to adhere to all federal laws and regulations regarding nondisclosure and confidentiality of information supplied by Short-listed Proposers, to cause TIFIA's advisors to enter into an identical Confidentiality Agreement with the Short-listed Proposers, and to not disclose to any other Short-listed Proposer another Shortlisted Proposer's ideas, positions taken in negotiations and agreements with TIFIA JPO on the negotiable terms.

- C. Experimental Feature 2 would require a waiver from the statutes and regulations set forth in 23 USC 182(b)(2)(B), 49 CFR 80.7(a) and (b), 80.11(a) and 80.15(b). Experimental Feature 2 will also require a waiver from the portion of USDOT's Major Project Guidance related to TIFIA projects and from Chapter 3, Section 3-5 (Rating Opinions), Chapter 4, Section 4-2 (Application), Chapter 5 (Selection Process) and any other requirements or processes related to the application submittal or evaluation process in the TIFIA Program Guide, including requirements to submit a Project Management and Compliance Monitoring Plan and a Description of Project Operations and Maintenance.

In this regard, MDOT will require the Short-listed Proposers to include required TIFIA application supporting documents, such as financial statements and Project Management and Compliance Monitoring Plan or its equivalent, in their final proposals.

Notwithstanding the waivers contained in this paragraph, MDOT acknowledges that it will be required to pay the \$30,000 TIFIA Credit Assistance Application Fee upon submission of the financial model described in III.B.2 above.

**D. Experimental Feature 3 — Provision of Detailed Conditional Term Sheets**

1. The TIFIA JPO will negotiate a conditional term sheet for TIFIA credit assistance with each of the Shortlisted Proposers interested in pursuing such assistance. The TIFIA JPO will make recommendations to the Credit Council on the amount of credit assistance and the commercial terms for such assistance. If the Credit Council and Secretary of Transportation approve a Short-listed Proposer's request for conditional credit assistance, the DOT will execute a conditional term sheet with the proposer, not later than 15 days before the proposal due date stated in the RFP for a project. Under its usual procedures, the TIFIA JPO would not begin negotiation of a final Credit Agreement until MDOT has completed its procurement process and selected a concessionaire. In connection with the experiment suggested above, MDOT believes it is critical to ensuring that the competitive procurement process results in the best value to the public that the shortlisted proposers have a conditional conditional term sheet for TIFIA credit assistance finalized while they prepare the financial plans for their proposals for the purpose of submitting a firm, fixed price offer to MDOT. Furthermore, agreement between the selected proposer and the TIFIA JPO on a term sheet before the proposal due date will facilitate financial close within the necessary time frame. Accordingly, MDOT requests that the TIFIA JPO meet with Short-listed Proposers interested in pursuing

TIFIA credit assistance to negotiate and agree upon individual conditional term sheets not later than the deadline set forth above.

MDOT recognizes that the Short-listed Proposers must be responsive to meeting the TIFIA's due diligence requirements. MDOT will address TIFIA's documentation requirements for a conditional term sheet, such as an investment grade traffic and revenue (T&R) study, the base case financial model, and preliminary rating assessment letter, in its final RFP.

#### IV. **Work Plan**

Critical to the success of the experimental features and use of TIFIA financing for the Project is adherence to a work plan and schedule that is consistent with MDOT's procurement schedule. MDOT proposes that the EDA include the commitment of the TIFIA JPO and MDOT to a work plan and schedule as set forth in Exhibit B to this application.

#### V. **Goals**

MDOT believes that the process for obtaining federal credit assistance under the TIFIA program in connection with the procurement process as described herein will serve the following goals:

- Expedite delivery of the Project, consistent with available public and private funding and maximize use of public-private partnerships and private equity in Project delivery;
- Attract proposals from the highest quality, most capable and innovative domestic and international transportation and infrastructure entities and consortia;
- Encourage flexibility, innovation and alternative approaches to financing, design, construction, operation and maintenance;
- Create a process that encourages private sector competition and creates the maximum opportunity to leverage public contributions with private investment;
- Maximize project eligibility for all available forms of financing, allowing a plan of finance to be developed involving a combination of private sector funds (including revenue-based financing), federal, state and other public funds (including both loans and grants), and leveraging scarce public funds to the maximum extent possible;
- Make available to the Project and the private sector the benefits of the TIFIA credit program and allow for the maximum use of the most effective and efficient financing tools to finance the Project; and
- Ensure open, fair and wide competition for Project development.

#### VI. **Measures/Evaluation**

This experiment in the process for obtaining federal credit assistance under the TIFIA Program, with its innovative features, will be evaluated on a range of factors, including:

1. **Time Savings.** MDOT will (a) compare the actual schedule for receiving TIFIA credit approval and execution of a Credit Agreement with the Developer with the estimated schedule based on a traditional approval process, (b) evaluate the effect of the experiment on the receipt of final proposals and financial close, and (c) attempt to quantify the value of the streamlined TIFIA credit approval approach described herein.

2. **Innovation in Financing.** MDOT will analyze the financing structures and methods developed in connection with the projects and how those structures and methods compare to historical experience with Project financing structures and methods for comparable projects. As part of this analysis and comparison, MDOT will particularly focus upon the levels of financing and Project risk shifted to the private sector and strategies employed to minimize public and MDOT risk.

#### VII. **Reporting**

MDOT anticipates filing an Evaluation Report as described below:

- The Evaluation Report will be filed within 180 days after the award execution and financial close of the Concession Agreement for the Project and will include an analysis of the Concession Agreement procurement. This

report will:

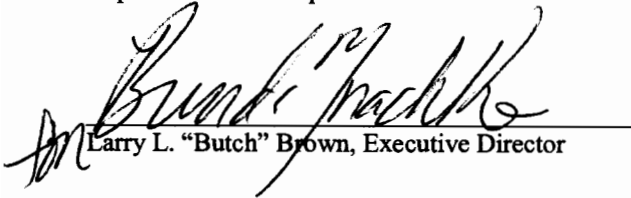
- Describe the process used to select the Developer;
  - Identify any reaction by the industry to use of the TIFIA approval process as described herein;
  - Document major innovations contained in the proposals received; and
  - Discuss any major problems or issues that have occurred and how they were resolved.
- This report will also provide an overall evaluation of the role of the TIFIA approval process in the procurement of proposals and the execution of the final Concession Agreement for the Project.

Time is of the essence in obtaining the approval of the experiment requested by this letter in order for MDOT to proceed with the Project procurement. We would greatly appreciate your earliest consideration of our application.

If you have any questions as you review this application, **please contact Brenda Znachko, Deputy Executive Director/CFO, Mississippi Department of Transportation, 401 N. West Street, Jackson, Ms 39201, 601-359-7024, [bznachko@mdot.state.ms.us](mailto:bznachko@mdot.state.ms.us)**

Sincerely,

Mississippi Transportation Commission  
By and Through the duly authorized  
Executive Director of the Mississippi  
Department of Transportation



Larry L. "Butch" Brown, Executive Director

Enclosures: Exhibit A, Exhibit B

## **Exhibit A - the Airport Parkway Project**

### **Project Description and Schedule**

MDOT has requested qualifications of and intends to request project financing and development proposals from Proposers desiring to develop, construct, finance, operate and maintain a new, 12-mile toll road facility located just east of downtown Jackson, MS and extending eastward to the suburbs of Jackson and Jackson International Airport. The proposed alignment will start at I-55 in the west, extend to the east into the cities of Flowood and Pearl, and, after diverging at the proposed West Rankin Parkway, will terminate at MS 25 north of the Airport and at MS 475 to the south of the Airport.

### **Mississippi's New PPP Authority**

MDOT issued its Request for Qualifications ("RFQ") in accordance with the provisions of Title 65, Chapter 43 of the Mississippi Code of 1972 (as amended by House Bill 3, 2008 First Extraordinary Session of the Mississippi State Legislature). This RFQ marks the first time that MDOT has initiated a procurement for the construction, financing, operation and maintenance of a toll road in the State under this legislation, and the resulting Project framework may serve as the basis for additional toll road projects elsewhere in the State.

### **Growing Demand**

The Jackson metropolitan area has been experiencing substantial population and economic growth over the past decade. In particular, within the last five years, the Jackson Metropolitan Statistical Area ("MSA") has seen its population grow at an approximate annual rate of 3.5%, outpacing the rate of growth in the State as a whole and in the United States. Census data suggests this population increase has been significant in the outer northern and eastern portions of the MSA along I-55 and I-20. The current age distribution for Jackson area residents, in which approximately 45% of residents are 34 years old or younger, portends continued population growth in the Jackson metropolitan area. Per-capita income in the Jackson MSA over the past ten years grew at an average annual rate higher than experienced within the State as a whole and the United States.

The demands created by this growth have created congestion on the roadways in the Jackson metropolitan area, including the corridors east of I-55 along MS 25 and I-20 in the cities of Flowood and Pearl. Given the anticipated future growth in residential and commercial development, these congested conditions are projected to worsen in the future.

The proposed Project has been proposed to address this growth and resulting congestion. The proposed Project consists of an access-controlled, high-speed toll road to be constructed on new alignments. The proposed alignment will start at I-55 in the west, extend to the east into the cities of Flowood and Pearl, and, after diverging at the proposed West Rankin Parkway, will terminate at MS 25 north of the Airport and at MS 475 to the south of the Airport. The Project will be comprised of approximately twelve (12) miles of roadway, to be opened to traffic by 2012.

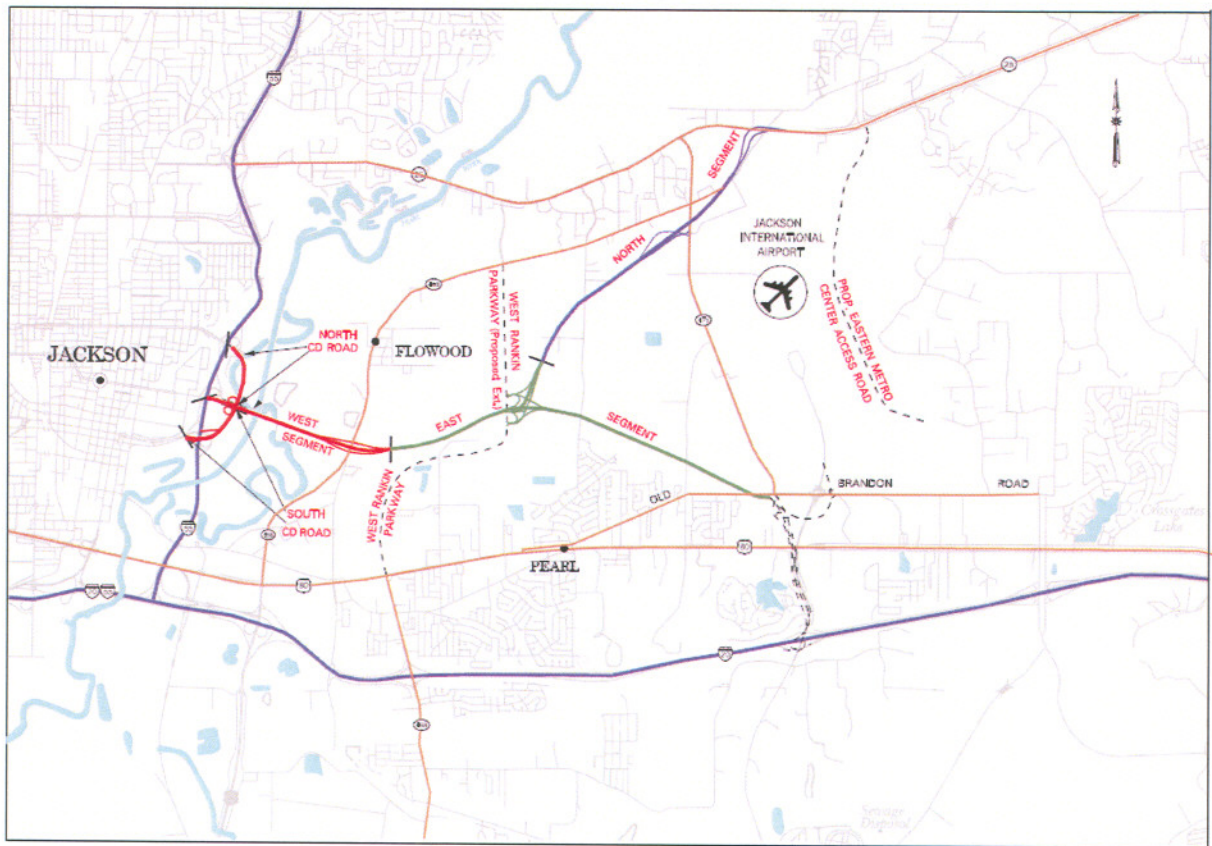
### **Project Description**

The Project will start at I-55 in the west and extend to the east toward the Airport. As illustrated in Figure 1, below, the Project corridor consists of three segments as follows:

- West Segment from I-55 to MS 468 (Flowood Dr.);
- East Segment from MS 468 to MS 475; and
- North Segment from proposed West Rankin Parkway to MS 25 (Lakeland Dr.).



Figure 1



Proposed Alignment for Airport Parkway  
Mississippi Department of Transportation

As currently designed, the West Segment will include two elements: (1) the Project mainline that connects I-55 in the west with MS 468 to the east; and (2) collector-distributor (“CD”) roads from Pascagoula St. to Fortification St. that intersect the Project. The West Segment of the Project mainline will begin on existing High Street, bridge over the Pearl River, and terminate at MS 468. This segment will include a diamond interchange at MS 468. The plan for the south CD road is to link the existing I-55/Pearl Street interchange to the Project near the existing eastern end of High Street. The north CD road is planned to link the existing I-55/Fortification Street interchange to the Project near the existing eastern end of High Street.

The East Segment will include one semi-directional interchange that, when constructed, will provide connectivity between the North and East Segments as well as the proposed West Rankin Parkway. The East Segment will tie into the existing four-lane section of Old Brandon Road near MS 475.

The North Segment will include two interchanges: (1) a semi-directional interchange at MS 475; and (2) a semi-directional interchange at MS 25.

The Project will be a closed toll facility, where all users of the facility will pay, and will include electronic tolling.

### Environmental Compliance

A final Environmental Impact Statement (“EIS”) for a non-tolled version of the Project has been completed, and the Record of Decision (“ROD”) was issued by the Federal Highway Administration (“FHWA”) on November 30, 1999. The addition of a toll as a financial strategy, as well as a three-year lapse since the most recent federal action, will require MDOT to perform a re-evaluation of the current environmental documentation. MDOT has initiated the re-evaluation process which should be completed by August, 2008.

The EIS and ROD documents for the non-tolled version of the Project are available for review on the project website: <http://theairportparkway.com>. The Environmental Assessment/Finding of No Significant Impact for the proposed West Rankin Parkway project was completed and approved in April 2004 and is also available for review on the website.

### **Construction Cost Estimate**

MDOT's current construction cost estimate for the Project is approximately \$345 - \$500 million (in 2008 dollars), depending on the design of the Project improvements.

### **ROW Acquisition**

Approximately 45% of the right of way parcels required to construct the Project have been acquired. MDOT will continue right of way acquisition activities during the procurement. After award of the Contract, the Developer will be responsible for the costs of acquiring the remaining right of way necessary for the Project and will be responsible for providing right-of-way acquisition services. MDOT will conduct any eminent domain proceedings, if necessary, and assist the Developer in the necessary acquisition of right of way, at the Developer's expense.

### **Legal Authority**

MDOT is undertaking this project in accordance with the provisions of Title 65, Chapter 43 of the Mississippi Code of 1972 (the "Act"), as amended by House Bill 3, 2008 First Extraordinary Session of the Mississippi State Legislature that increased the maximum term of any contract entered into by the Commission and any developer from 30 years to 50 years and provided for enforcement and penalties for toll violations.

### **Other Project Information**

The Developer will be responsible for performing or causing to be performed necessary utility relocations/adjustments in accordance with applicable standards and will be responsible for the costs associated with utility relocations/adjustments, except to the extent the utilities are legally responsible for such costs.

With respect to railroad impacts, the Project will cross a spur of the Kansas City Southern (KCS) line that parallels MS 468. The Project will be grade separated from the rail line and shall not have any effect on the rail's operation. A crossing of the railroad's right-of-way will require permits from the railroad. In order to obtain the necessary permits, review and approval of the Developer's proposed plans will be required by the railroad in accordance with its individual requirements.

URS has completed a final Level II traffic and revenue study for the Project. MDOT does not plan on performing additional traffic and revenue studies.

**Tentative Project Milestones**

Activity	Tentative Schedule
Issue Request for Proposals (RFP)	September, 2008
Issue Final RFP	December, 2008
Proposals Due	January, 2009
Contract Execution; Financial Close	April, 2009
Notice to Proceed	April, 2009

**Exhibit B**

**MDOT Work Plan and Schedule for TIFIA Credit Assistance/PABs Allocation**

**MISSISSIPPI DEPARTMENT OF  
TRANSPORTATION  
Airport Parkway Project**

**Workplan (To Distribution of Final RFP) as of  
June 23, 2008**

<b>Date</b>	<b>Time</b>	<b>Activity</b>	<b>Responsible Parties</b>	<b>Comment/Status</b>
<b>TIFIA/PABS PROCESS</b>				
		<b>1. SEP-15 Process for TIFIA Program</b>		
04/08/2008		Finalize SEP-15 application and submit to FHWA	JPM, MDOT, NGKE	
04/16/2008		Conference call regarding SEP-15 application	JPM, MDOT, NGKE, FHWA	
06/23/2008		Submit amended SEP-15 application to FHWA		
07/01/2008		Approve SEP-15 application		
07/15/2008		Prepare and submit draft EDA to MDOT		

Date	Time	Activity	Responsible Parties	Comment/Status
<b>TIFIA/PABS PROCESS</b>				
07/20/2008	COB	Conference call regarding draft EDA	JPM, MDOT, NGKE, FHWA	
07/21/2008	COB	Distribute revised draft EDA to MDOT	FHWA	
07/23/2008	COB	Transmit MDOT comments to revised draft of EDA to FHWA	JPM, MDOT, NGKE	
08/05/2008		Conference call regarding comments to revised draft EDA	JPM, MDOT, NGKE, FHWA	
08/08/2008		Sign EDA re approved SEP 15 application	MDOT, FHWA	
		<b>2. TIFIA/PABS Process</b>		
07/11/2008		Circulation of first drafts of TIFIA and PABs applications (without finance plan) and memorandum re additional information needed	JPM, NGKE	
07/23/2008		Provide comments to first drafts of TIFIA and PABs applications, including additional information requested	MDOT Working Group	
07/25/2008		Conference call to discuss first drafts of TIFIA/PABs applications	MDOT Working Group	
07/28/2008		Distribute revised TIFIA and PABs applications (including first drafts of finance plans) for TIFIA and PABs applications to MDOT Working Group <sup>1</sup>	JPM, NGKE	
08/04/2008		Provide comments to revised TIFIA/PABs applications and first drafts of finance plans	MDOT Working Group	
08/07/2008		Conference call to discuss revised TIFIA/PABs applications and first drafts of finance plans	MDOT Working Group	

<sup>1</sup> Assumes prior delivery of cost and revenue inputs

Date	Time	Activity	Responsible Parties	Comment/Status
<b>TIFIA/PABS PROCESS</b>				
08/11/2008		Distribute final drafts of TIFIA LOI and TIFIA/PABS applications, including finance plans, to MDOT Working Group	JPM, NGKE	
08/14/2008		Provide comments to final drafts of TIFIA/PABS applications, including finance plans	MDOT Working Group	
08/18/2008		Conference call to discuss final drafts of TIFIA/PABS applications, including finance plans	MDOT Working Group	
08/26/2008		Finalize TIFIA/PABS applications and submit to FHWA/USDOT	MDOT, JPM, NGKE	
09/09/2008		Conference call regarding TIFIA/PABS applications	MDOT, JPM, NGKE and TIFIA/PABS officials	
09/15/2008		Meeting and presentation regarding TIFIA/PABS applications with TIFIA/PABS officials	MDOT, JPM, NGKE and TIFIA/PABS officials	
09/22/2008		Issue draft of Acceptance of Finance Plan, TIFIA Term Sheet	FHWA counsel	
09/25/2008		Conference call to discuss draft of Acceptance of Finance Plan and TIFIA term sheet	TIFIA officials and MDOT, JPM, NGKE	
10/02/2008		Provide revised form of Acceptance of Finance Plan and TIFIA term sheet to MDOT	FHWA counsel	
10/06/2008		Distribute revised form of Acceptance of Finance Plan and TIFIA term sheet to proposers	MDOT, JPM, NGKE	
10/13/2008		Provide Final Acceptance of Finance Plan, Indicative Term Sheet and PABS allocation	TIFIA/PABS officials	
10/17/2008		Distribute Final Acceptance of Finance Plan, Indicative Term Sheet and PABS allocation to proposers	MDOT, JPM, NGKE	