INFRASTRUCTURE: INNOVATIVE FINANCE

The Federal Government and PNWER regional accelerator:

STATE AND LOCAL GOVERNMENT RESPONSE:
BUSINESS CASES FOR PUBLIC PRIVATE PARTNERSHIP
JEANNIE BECKETT, THE BECKETT GROUP
Port of Newport, OR
TIGER FY15

Newport International Terminal Facility
The Public-Private Partnership

- The Port of Newport
- Teevin Brothers, Terminal Operator
- Silvan Forest, LLC, Log Broker and Investor

### Proposed Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>$ Millions</th>
<th>Interest rate</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIGER VII grant</td>
<td>$2.00</td>
<td>0%</td>
<td>Performance must be reported for 3 years</td>
</tr>
<tr>
<td>Oregon IFA Loan</td>
<td>$2.00</td>
<td>3.3%</td>
<td>25 years, Interest rate can drop to 2.3% if additional commodities moved</td>
</tr>
<tr>
<td>Silvan Loan</td>
<td>$2.50</td>
<td>2.4%</td>
<td>Until paid off through fee abatements Estimated at 8.73 years with 7.5 ships/year</td>
</tr>
</tbody>
</table>
Glacier Rail Park/Kalispell Core Area Development and Trail
TIGER FY15

A Transformative Transportation Solution
Kalispell, Montana

US Environmental Protection Agency Brownfields Area-Wide Planning Pilot
US Department of Commerce EDA Community Trade Adjustment Assistance Program
Glacier Rail Park/Kalispell Core Area Development and Trail TIGER FY15

The TIGER funds are directed toward improvements on Flathead Drive and East Oregon Street, a traffic signal at U.S. Highway 2 and Flathead Drive, rail in and out of the rail park, development of the linear park’s trail system, and four complete street connectors.

<table>
<thead>
<tr>
<th>Source of Project Funds</th>
<th>Contribution</th>
<th>Total</th>
<th>Percentage of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIGER 2015</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>47%</td>
</tr>
<tr>
<td>BNSF Contribution</td>
<td>$500,000</td>
<td>$11,175,375</td>
<td>53%</td>
</tr>
<tr>
<td>City of Kalispell Contribution</td>
<td>$4,500,000</td>
<td>$11,175,375</td>
<td>53%</td>
</tr>
<tr>
<td>Flathead County Economic Development Authority (FCEDA)</td>
<td>$6,175,375</td>
<td>$21,175,375</td>
<td>100%</td>
</tr>
<tr>
<td>Total Project</td>
<td>$21,175,375</td>
<td>$21,175,375</td>
<td>100%</td>
</tr>
</tbody>
</table>
The Challenges

- Complicated Deal Structure – Multiple funding sources with sometimes conflicting covenants. You need qualified Financial Advisors and Legal Counsel to put these deals together.

- Multiple project partners – Figure out how to include Private Companies into your project.

- Make sure you meet the Funder’s Eligibility Requirements as well as project criteria- i.e. what is the Funder looking to fund, vs. what you want to get funded.

- Require Local Commitment from all Stakeholders.

- Financing must come in all shapes and sizes.

- Have to make the project revenue producing if want to secure a loan of any type.

- Must have a dedicated set of staff and probably consultants to keep the project on track to make all commitments. Scope, Schedule, Budget, Financing, etc.
Questions

Contact information

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