

APG commits \$42m to Texas toll road project

BY GAIL MOSS 14 AUGUST 2019

Dutch pension fund investor APG is committing \$42.3m (€37.8m) to help fund an extension of the North Tarrant Expressway toll road in Texas.

APG has a 28.8% stake in equity consortium NTE Mobility Partners, along with Spanish developer Cintra Infraestructuras and infrastructure manager Meridiam holding 53.7% and 17.5% respectively.

The consortium is reported to be contributing \$146.86m of the \$662m cost of building Segment 3C of the Expressway, located in the so-called Dallas-Fort Worth metroplex.

Funding will also come from private activity bonds (PABs), reportedly to the value of \$674m.

The Expressway itself was built by Ferrovial Agroman and is managed by Cintra.

The \$1.64bn North Tarrant Express (NTE) 35W project is its second phase and was delivered under a 52-year concession agreement (effective 2009) between Texas Department of Transportation (TxDOT) and NTE Mobility Partners.

The now-completed 10.1-mile project includes the reconstruction, widening, and addition of tolled managed lanes along Interstate 35W.

The third segment, Segment 3C, will extend this a further 7.2 miles towards Fort Worth Alliance Airport.

Segment 3C is being built as a change order to the facility agreement entered into between TxDOT and the consortium in 2013 for segments 3A and 3B.

The PABs will be issued by Texas Private Activity Bond Surface Transportation Corporation and secured by revenues from Expressway segments 3A, 3B and 3C.

The principal repayment for the bonds will begin in June 2047, with a final maturity of June 2058.