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Miami Beach Hits Rewind on Streetcar P3

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BRADENTON, Fla. - Miami Beach put the brakes on its modern light rail streetcar project to let voters have a say in a larger plan that boosters hope can tap the Trump administration's infrastructure financing plan.

The City Commission decided not to move forward – at least for now - with a 35-year public-private partnership with France-based, Alstom-led Greater Miami Tramlink Partners to construct, finance and operate the first phase of the light-rail plan.

That plan, estimated to cost nearly \$400 million, would have built a 3.5-mile-long, double-tracked rail system in existing South Beach streets.

The commission voted unanimously last week to continue further work on a larger transit plan that would link Miami Beach with the city of Miami across Biscayne Bay's MacArthur Causeway.

Mayor Philip Levine sponsored the measure halting contract negotiations with Tramlink Partners after city residents pushed back because they were not given a chance to comment on the project before commissioners voted on it five months ago.

Levin also said his support for the smaller project changed due to a number of circumstances in recent months, including the election of Donald Trump as president.

The Trump administration's proposed \$1 trillion infrastructure finance plan, he said, would give the city an additional opportunity to seek federal funding for the larger transit plan.

"Hopefully, Florida will be entitled, and Miami-Dade County and even Miami Beach, will be entitled to some of these funds," Levin said, referring to Trump's plan.

Details have not been released about Trump's 10-year infrastructure plan, though the "American Energy and Infrastructure Act" likely will rely primarily on public-private partnerships and tax credits to leverage \$167 billion in private funds, Trump advisors Wilbur Ross and Peter Navarro wrote in an October op-ed piece.

Tax credits, they said, would lower the total cost of financing a project by as much as 20%, and would be available only to projects, such as toll roads, toll bridges, and airports, with revenues that would be attractive to private investors.

Had Miami Beach moved forward with the smaller Tramlink P3, the city may not have qualified for federal funding due to the fact that environmental studies have not been completed.

The mayor said the smaller plan also would have moved forward without assurances from Miami-Dade County and the city of Miami that they would participate in planning and financing the larger 6.5-mile Beach Corridor plan, a link across the bay that has been in the works for several years.

By suspending negotiations with Tramlink, the city will wait and see if Miami-Dade County will eventually "commit to the Beach Corridor," he said.

If the county approves the larger plan, it would come back to Miami Beach commissioners to approve.

City voters ultimately would decide its fate in a referendum, according to the resolution approved last week.

"At this stage, we're going to now wait for the county, the state and the federal government to make absolutely 100% sure that they will guarantee that there will be a bay link," Levine said.

Last year, Tramlink sent the city an unsolicited proposal, which said that it would finance a smaller project with private activity bonds, bank loans, and equity.

When the P3 was approved in July for initial contract negotiations, the city was reviewing multiple sources of funding such as its resort tax, parking revenues, and tax increment financing as well as contributions from the Miami Beach Redevelopment Agency, Miami-Dade County, and the state.

Tramlink's plan said 80% of the equity would come from the independent global investment firm InfraRed Capital Partners Limited through its InfraRed Infrastructure Fund III.

Other investors and participants in the consortium are Walsh Investors LLC with 15% of the equity and Alstom with a 5% contribution as well as Alstom Transportation Inc.; ArcherWestern Contractors LLC; Jacobs Engineering Group Inc.; and Serco Inc.

On Monday, Miami Beach spokeswoman Melissa Berthier said the city had not received any feedback from Tramlink Partners about the postponement of contract negotiations.

However, negative public response to the smaller project led the mayor to request last week's delay in negotiations.

One woman told commissioners last week that the public was outraged by the Tramlink plan they called "a train to nowhere" because it represented only one-third of the more widely supported bay link.

She also complained that residents were not given an opportunity to weigh in on the project before commissioners voted.

Levin said he commissioned a poll Dec. 10-12 that found widespread community support for a larger project.

The poll, conducted by McLaughlin & Associates, asked 300 local voters if they supported or opposed the city's efforts to work with the county, state and federal governments to create a light rail connection between the city of Miami and Miami Beach.

Some 71% of respondents supported a larger transit system, according to the poll, which McLaughlin & Associates said had an accuracy of plus or minus 5.6%.

Miami Beach Commissioner Michael Grieco said he was also concerned about using the city's already congested streets for the rail system.

Grieco said he will propose a city charter amendment in January requiring a referendum any time there is a plan to place tracks in the city's rights of way.

"I think it's good that we're pumping the brakes" on the Tralink plan, Grieco said.

Miami Beach is not alone expressing expectations that new federal funding will become available as a result of Trump's \$1 trillion infrastructure stimulus outline.

It was "cautiously" supported recently by Kirk Dillard, chairman of the Illinois Regional Transportation Authority.

The RTA, which oversees the Chicago Transit Authority, Metra, and Pace systems in northeastern Illinois, is experiencing operational and capital funding problems due to the state's 18-month budget impasse.

"Without a budget, state-aid payments to the RTA have lagged due to a cash crunch that has driven the state's backlog of unpaid bills past \$10 billion.

At the federal level, Dillard said the passage last year of the Fixing America's Surface Transportation FAST Act marked a bright spot for transit because the five year plan provides \$61 billion for public transportation.

Dillard, a Republican who spent 20 years as an Illinois state senator, also said he sees hope with the incoming Trump administration given statements about his plans for infrastructure investments and the fact that he hails from New York City where transit is central to the city's transportation system.

"We are cautiously optimistic," Dillard said. "The devil is always in the details."

