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Bond Buyer: Indiana Finance Authority Named Deal of the Year.

The Indiana Finance Authority won The Bond Buyer's 12th annual Deal of the Year award Thursday night for its Ohio River Bridges East End Crossing Project.

The public-private partnership was funded through the sale of around $675 million of tax-exempt private activity bonds, including $195 million of milestone PABs, a new security type that can serve as a template for other P3 concessions.

The deal — the largest P3 PAB offering completed to date in the U.S. municipal market — "financed a large infrastructure project that fulfilled a public need. It was innovative, replicable, and took an immense amount of cooperation across a number of sectors to come to fruition," said Michael Scarchilli, editor in chief of The Bond Buyer, when presenting the award at a ceremony held at the Waldorf Astoria hotel in New York City.

The transaction also won the Deal of the Year award for the Midwest region, making this the second consecutive victory for that region. It also marked the first time the Deal of the Year award was given to a P3 transaction. WVB East End Partners, a consortium comprised of Vinci Concessions, Walsh Investors and Bilfinger Project Investments, was the private sector partner.

The East End Crossing was Indiana's portion of the Ohio River Bridges project, which necessitated a bi-state agreement between Indiana and Kentucky to develop two bridges, one in downtown Louisville to be developed by Kentucky, and the East End Crossing in Indiana. Kentucky plans to sell $747 million of tax-exempt and taxable debt in the week of Dec. 9 to fund its portion of the project.

This year's Freda Johnson Award honoring Trailblazing Women Issuers was given to Philadelphia Treasurer Nancy Winkler. The award recognizes a woman affiliated with an issuer who has been a leader, innovator and mentor.

For more than a decade, the editors of The Bond Buyer have selected the outstanding municipal bond transactions for special recognition, honoring the issuers who overcame myriad challenges to bring these deals to fruition.

This prestigious competition has drawn nominations that represent the full diversity of the communities and public purposes that are served by the municipal finance market. The 2013 awards, which considered deals that closed between Oct. 1, 2012, and Sept. 30, 2013, drew a record number of nominations for transactions ranging in size from a few million to billions of dollars.

Nominees this year faced stiff competition from a host of qualified deals. The transactions considered included financings of hospitals, housing, toll roads and airports. Deals ranged from cost-saving refundings representing turnaround stories for issuers once in distress, to alternative energy financing projects to a host of innovative public-private and public-public partnerships. In fact, this year, The Bond Buyer honored three P3 transactions with Deal of the Year awards, a first for this ceremony.

This year, issuers in eight categories were selected as Deal of the Year awardees. The honorees were first revealed Nov. 4-8 via individual video announcements at BondBuyer.com, along with additional information on the awards.

The other finalists were:

NORTHEAST REGION

The Allentown Neighborhood Improvement Zone Development Authority's sale of $224 million in tax revenue bonds to fund a new 8,500-seat arena, which would act as a catalyst for further redevelopment in downtown Allentown, Pa. The bonds were authorized under the Neighborhood Improvement Zone Act, under which certain taxes paid by qualified businesses within the NIZ are pledged as security towards the debt.

Allentown's 50-year concession lease of the city's water and sewer systems through a public-public partnership with the Lehigh County Authority, which generated a significant up-front payment to stabilize the city's rapidly growing unfunded pension liability and provided a foundation and path for fiscal stability.

*The two Allentown transactions, which represent a turnaround story from an economically suppressed area, were co-honorees in the Northeast category.

SOUTHWEST REGION

Dallas and Fort Worth, Texas' $2.73 billion of refunding and new-money transactions on behalf of Dallas/Fort Worth International Airport. The series of financings — mainly to finance the airport's Terminal Renewal and Improvement Program — accounted for 28% of national airport issuance over the Deal of the Year judging period.

SOUTHEAST REGION

Harnett County, N.C.'s $20 million sale of limited obligation bonds, used to purchase the general obligation debt of the county's seven small, unrated water and sewer districts, which had difficulty accessing the public capital markets individually.

FAR WEST REGION

The California Pollution Control Financing Authority's $733 million sale of water furnishing revenue bonds, issued on behalf of the San Diego County Water Authority — to fund the Carlsbad Desalination Project. The deal, executed as a public-private partnership with Poseidon Resources, represents the first-ever project financing of a seawater desalination plant in the municipal market, establishing a new asset class for investors.

NON-TRADITIONAL FINANCING

The New York Metropolitan Transportation Authority's $200 million sale of principal at-risk variable-rate notes, sold via conduit issuer MetroCat. The proceeds effectively collateralize three years of reinsurance coverage from MetroCat, a newly created Bermudan special purpose insurer, for storm surge losses incurred by the MTA through its captive insurer. The innovative, non-traditional structure allowed the MTA to close its storm surge insurance gap, following $4.9 billion in storm surge-related losses as a result of Superstorm Sandy.

HEALTH CARE FINANCING

The billion-dollar financing program resulting from the New Jersey Medical & Health Sciences Restructuring Act, which provided for the dissolution of the University of Medicine and Dentistry of New Jersey, the defeasance of its $668 million in outstanding debt, and the transfer and integration of UMDNJ assets to Rutgers University, Rowan University, and University Hospital. The complex transaction represented the largest higher education merger in United States history, and provided for the complete overhaul of New Jersey's system of public health sciences education and research.

SMALL ISSUER FINANCING

The New York State Energy Research and Development Authority's $24.3 million sale of residential energy efficiency financing revenue bonds. NYSERDA's collaboration on the transaction with the New York State Environmental Facilities Corp., which guaranteed the bonds through its State Revolving Fund program, provided the first-ever linkage between clean water and clean energy programs. Aggregating and applying QECB allocations, along with the SRF wrap, significantly lowered the bond debt service and established a nationally replicable model.

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