

# **Bond Case Briefs**

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## **Price Set for Rapid Bridge Replacement Bonds.**

Two of the lead partners on the Pennsylvania Rapid Bridge Replacement Project have priced \$800 million in private activity bonds (PABs) to help finance the effort.

The bonds, issued by Plenary and Walsh and priced by JP Morgan and Wells Fargo, will complement \$60 million in equity from Plenary and Walsh and \$225 million in milestone payments, some of which will pay down the shorter-dated PABs. The bonds carry a rating of BBB from Standard & Poor's, reported IJ Global.

The bonds will mature between 2018 and 2047, have yields of between 1.5 percent and 4.3 percent, and have an all-in interest cost of 4.1 percent.

In January, the Pennsylvania Department of Transportation finalized all terms for the \$899 million Rapid Bridge Replacement P3 and signed a contract with the Plenary Walsh Keystone Partners, clearing the way for the replacement of 558 bridges throughout the state. The project is made possible by a state P3 law enacted in 2012 and approved by the state Public-Private Transportation Partnership Board in September 2013.

The project will allow the state to replace structurally deficient bridges throughout the state in a more cost effective manor than traditional procurement. In addition, the Plenary Walsh Keystone Partners will be responsible for maintenance on the bridges for 25 years after they are built.

NCPPP

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