

Bond Case Briefs

Municipal Finance Law Since 1971

Fitch Ratings: U.S. Managed Lanes Speeding Past Projections

Fitch Ratings-New York-11 June 2019: Performance is exceeding projections for eight managed lanes that are currently up and running, according to Fitch Ratings in its latest peer review for U.S. managed lane projects.

Strong performance led to Fitch upgrading two SR-91 express lane projects in Southern California, owned by Orange County Transportation Authority (OCTA) and Riverside County Transportation Commission (RCTC). "The opening of the RCTC SR-91 project in 2017 was very successful in its own right and also led to lasting revenue gains for the connecting OCTA project," said Director Scott Monroe.

The sector's better-than-expected performance reflects a combination of strong traffic and revenue trends in a sound overarching economic environment, solid demonstrated pricing power as an asset class, and a degree of conservatism in the development of Fitch's cash flow cases.

Fitch changed its Managed Lanes characteristics assessment for four facilities to Midrange from Weaker. Three of them, 95 Express Lanes, LBJ Infrastructure Group, and NTE 1 & 2 are exiting ramp-up with an adequately long history of strong demand and revenue generation, solid pricing power and adequate protections against exempt vehicles. The remaining facility, RCTC, has a short operating history but is performing far in excess of Fitch's projections and represents an extension of a long-lived facility with a good track record.

Fitch also rates five managed lane projects under construction, which are broadly on their way to being completed on time and within budget, according to Fitch Ratings in its latest annual peer review for U.S. managed lanes.

Fitch's "Peer Review of U.S. Managed Lanes" is available at www.fitchratings.com.

Contact:

Scott Monroe
Director
+1-415-732-5618
Fitch Ratings, Inc.
650 California Street
San Francisco, CA 94108

Media Relations: Sandro Scenga, New York, Tel: +1 212 908 0278, Email: sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com

