

## Press Release

**Communications &  
Politics**

# ACS Group/HOCHTIEF achieves Financial Close for its USD 4.9 Billion (EUR 4bn) 30-year PPP rail project at Los Angeles International Airport

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The ACS/HOCHTIEF consortium (LAX Integrated Express Solutions, or LINXS) achieved Financial Close for its important PPP rail project at Los Angeles International airport (LAX) on Friday. The consortium successfully placed USD 1.3 Billion (EUR 1.1 bn) worth of long-term tax-exempt private activity bonds (PABs) in the U.S. capital markets in an issuance that was almost seven times oversubscribed.

### **Rail Project**

The concession, signed back in April of this year, represents the first Automated People Mover (APM) project procured through a public-private partnership (PPP) in the United States. It has a total 30-year term and includes the design, construction and long-term operation and maintenance of the new APM system at LAX. The project includes a total of 6 stations along a 3.6 km, elevated dual guideway to connect passengers to and from the central terminal area of LAX with intermodal transportation facilities as well as a new USD 1+ Billion Consolidated Rent-A-Car facility, which is being separately procured and which the ACS Group is also currently bidding. The consortium will be responsible for the delivery of the 44 Bombardier APM vehicles, as well as the construction of a 7,000 sq meter maintenance and storage facility. Early design and construction works have already begun, and construction is anticipated to be completed by early 2023.

ACS Group participates in the project through its subsidiaries ACS Infrastructure Development and HOCHTIEF PPP Solutions, which each have an 18% share in the concessionaire (ACS Group 36%) and 12.5% share in the operations and maintenance joint venture (ACS Group 25%), as well as through Dragados USA and Flatiron Construction, which each have a 20% share in the construction joint venture (ACS Group 40%). The other members of the consortium include Fluor, Balfour Beatty and Bombardier.

### **Financing Structure**

In addition to the USD 1.3 Billion (EUR 1.1 bn) long-term PABs, underwritten by Bank of America Merrill Lynch, Citigroup, and Ramirez & Co., Inc., the financing for the project also includes a USD 269 Million (EUR 228 mn) short-term bank loan provided by a syndicate of five international banks: CIBC, Mizuho Bank, SMBC, the Korea Development Bank, and TD Bank.

The five equity members will also make equity contributions totalling approximately USD 103 Million (EUR 87 mn), which will be injected at the end of the construction period. LAWA will pay a series of payments during construction totalling USD 1.0 Billion (EUR 850 mn) and performance-based availability payments upon completion of construction until the end of the term. The total value of LAWA's payments during the 30-year term is approximately US 4.9 Billion (EUR 4.0 bn).

### **ACS Group Success in the North American PPP Market**

“This Financial Close demonstrates the strength of ACS/HOCHTIEF in the important North American capital markets. We are proud to have achieved this milestone and to be part of such a transformational project, which is the first of its kind, and which will serve to improve access and mobility to and from LAX Airport.” said Mr. Marcelino Fernandez, CEO for ACS and HOCHTIEF.

**HOCHTIEF** is a leading global construction and services group. The group is present in the transportation, energy and social/urban infrastructure sectors as well as in the contract mining, PPP and services markets. With around 54,000 employees and a sales volume of about EUR 23 billion in 2017, HOCHTIEF's global presence is focused on developed markets. With CIMIC, the Group is market leader in Australia. In the USA, HOCHTIEF is the No. 1 general builder via Turner. Flatiron ranks among the most important players in the field of civil works, mainly in transportation infrastructure. Thanks to its commitment to sustainability, HOCHTIEF has been listed in the Dow Jones Sustainability Indexes since 2006. Further information is available at [www.hochtief.com/press](http://www.hochtief.com/press).

**HOCHTIEF PPP Solutions** develops and realizes concessions and operator projects in the business fields Transportation Infrastructure and Social Infrastructure. Based in Essen, Germany, this subsidiary of HOCHTIEF Solutions has business units and offices in Chile, Greece, the United Kingdom, the Netherlands, Canada and the USA. HOCHTIEF PPP Solutions offers its public-sector partners integrated, intelligent and innovative solutions for infrastructure projects. Further information is available at [www.hochtief-pppsolutions.com](http://www.hochtief-pppsolutions.com)