



Capital Projects in Emerging Markets:

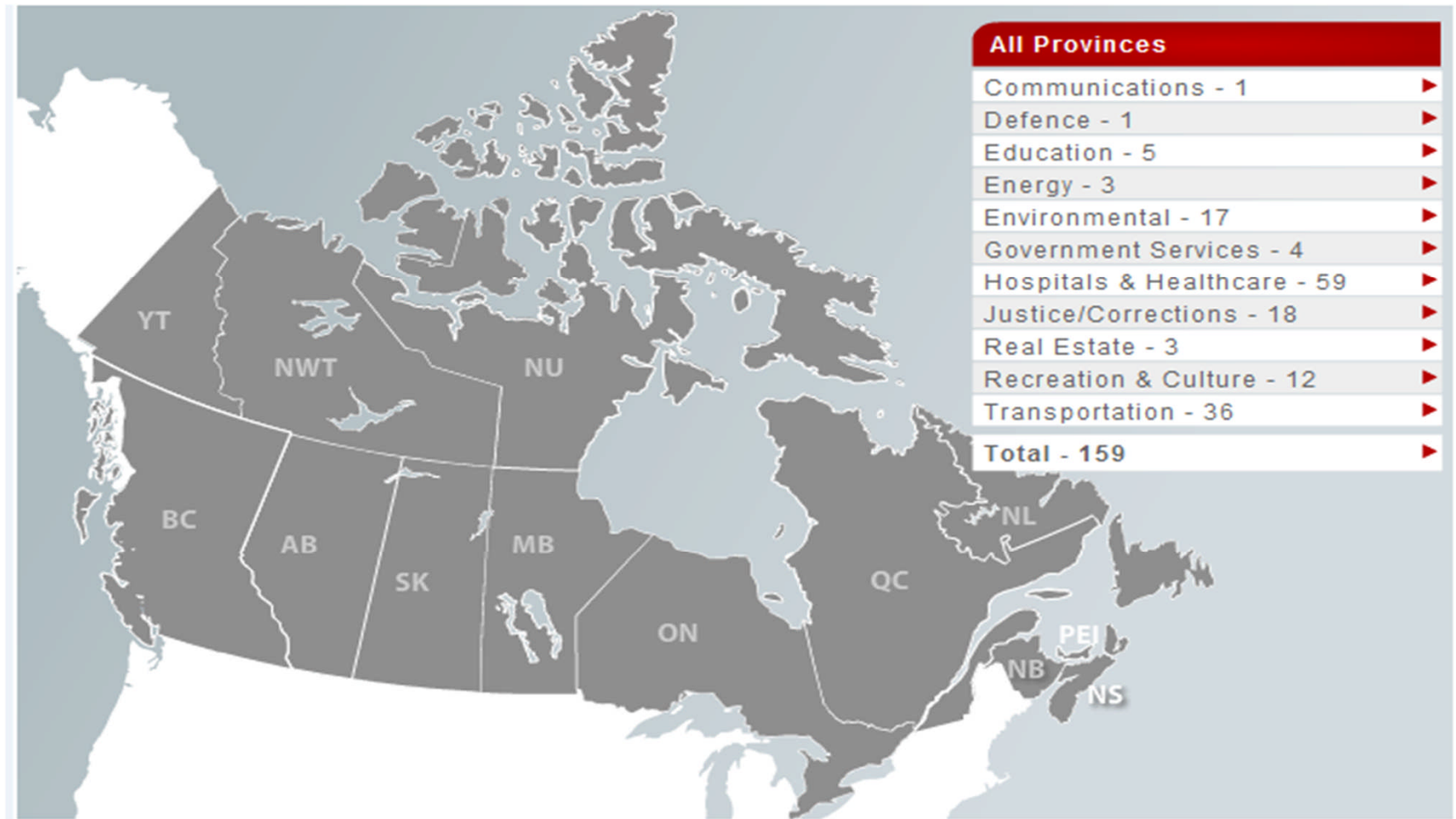
Targeting Infrastructure:

Middle East and North Africa, and South America

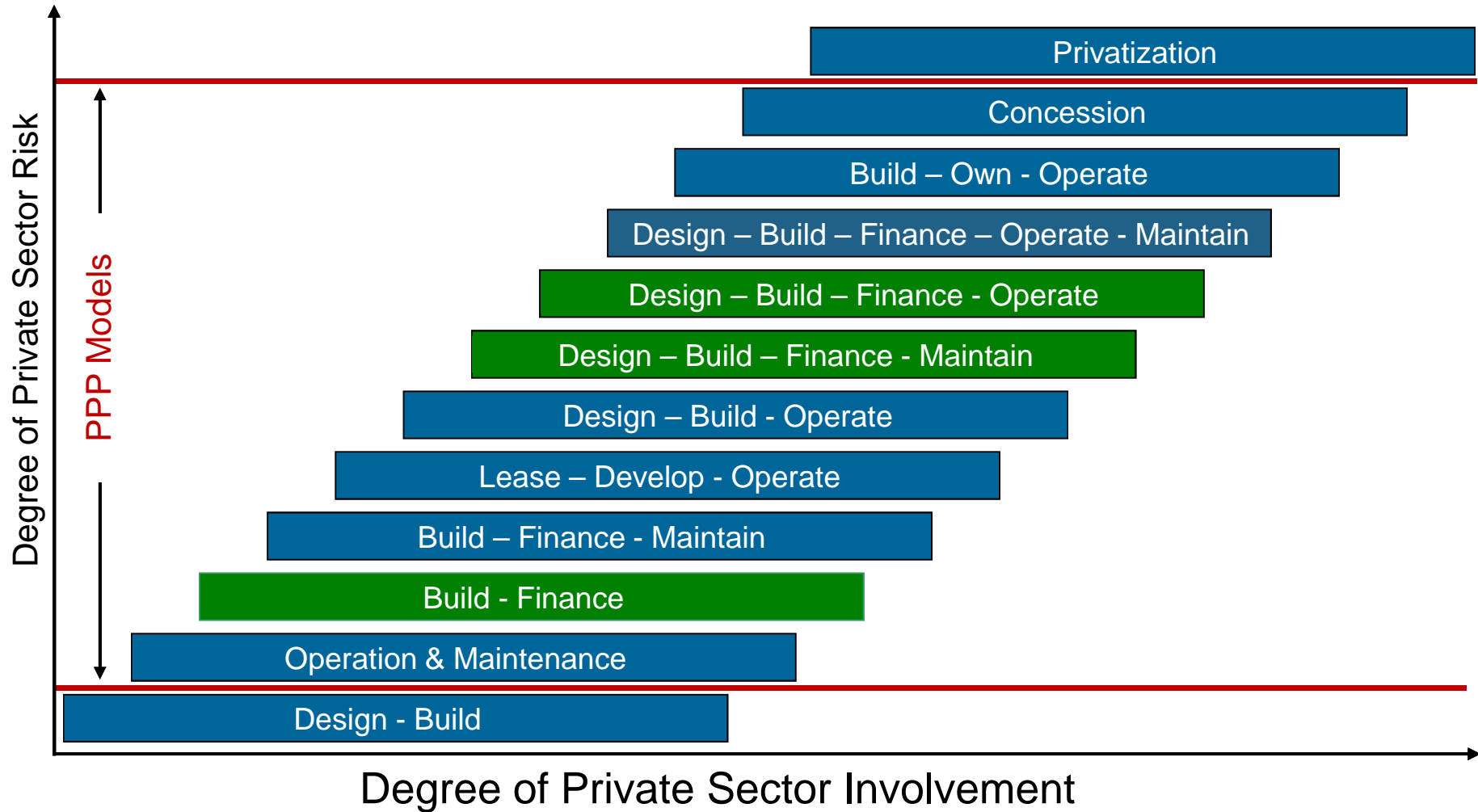
Mark Bain

November 3, 2011

Canada – Vibrant PPP Market



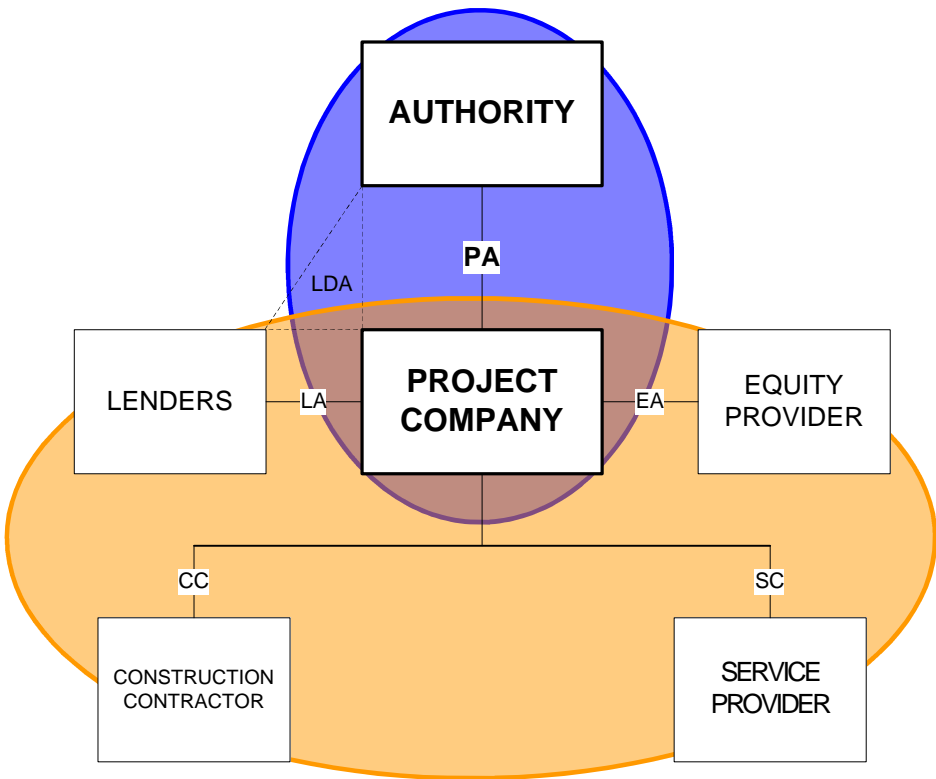
Contractual Structure – Models of PPP in Canada



Contractual Structure – Generic DBFM/O Contractual Framework



LEGAL AGREEMENTS

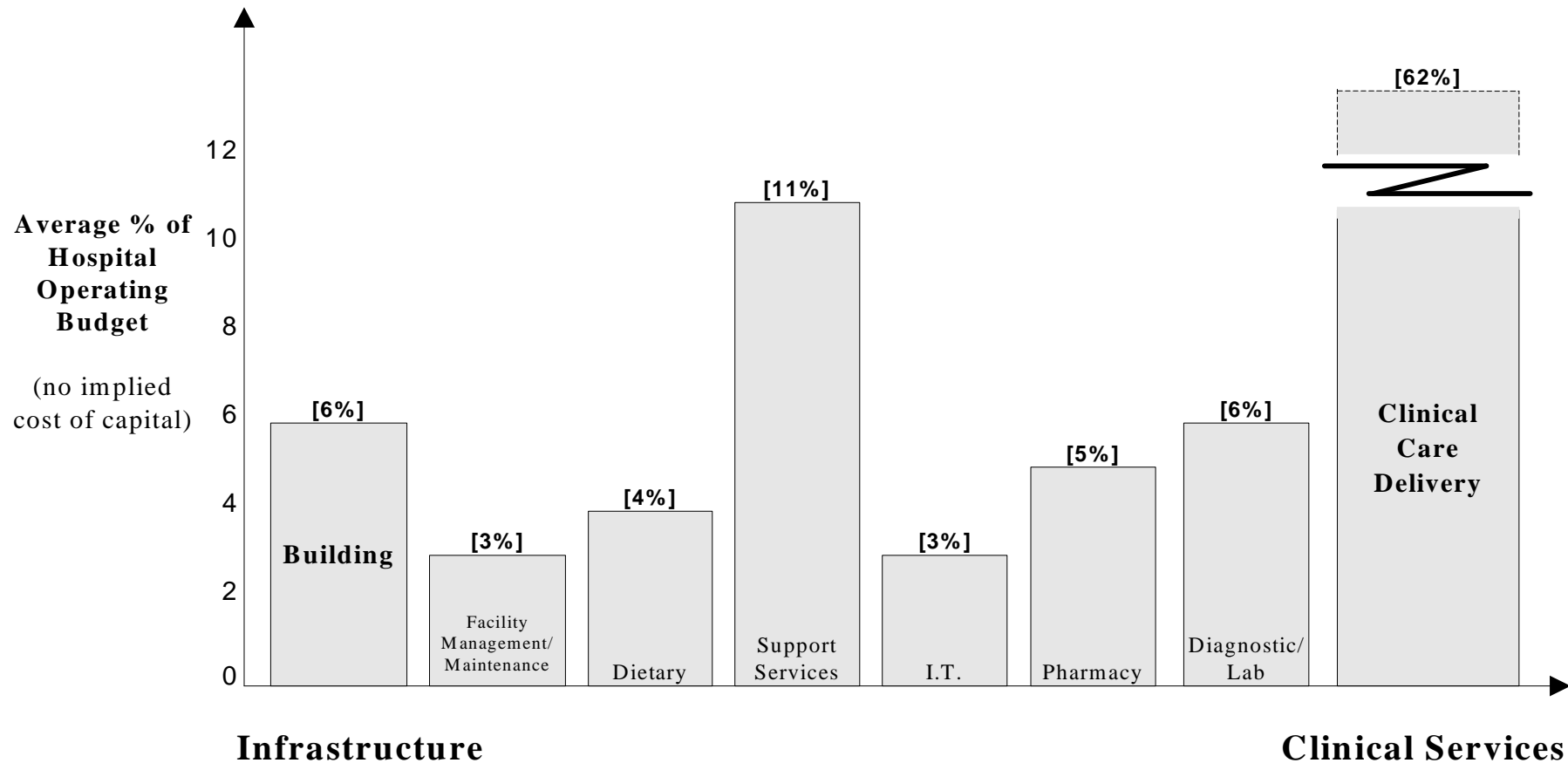


— PROJECT AGREEMENT

— IMPLEMENTATION AGREEMENTS

PA	=	Project Agreement
LA	=	Lending Agreements
LDA	=	Lenders' Direct Agreement
EA	=	Equity Agreements
CC	=	Construction Contract
SC	=	Service Contract

Contractual Structure – Scope of O&M – Current Hospital Funding Model



Figures provided by OHA, based on up-front capital funding model. Building and IT proportions would rise significantly if some cost of capital was measured for whole-life cycle costing.

Case Studies – Niagara Health System St. Catharines, Ontario

Niagara Health System is Ontario's largest multisite hospital amalgamation, comprising six hospital sites and an ambulatory care centre that serve the 12 municipalities that make up the Regional Municipality of Niagara.

The C\$535 million, 1 million square-foot project – Ontario's first DBFM concession since the credit crisis began – required monumental efforts by the Province of Ontario and the initial sponsor Plenary Group to overcome the impact of the Global Financial Crisis. Several adaptations had to be made, most notably in Ontario providing milestone payments to make up for part of a financing shortfall requirement. Plenary Group also brought in Borealis Infrastructure as an equity participant, and the project was de-levered from an initial 90/10 debt-equity split to approximately 83/17. The attempt to procure a companion ambulatory health centre with distinct funding streams was abandoned, but provided useful experience in the challenges and opportunities for co-locating associated capital projects with a hospital DBFM project.



Case Studies – Niagara Health System St. Catharines, Ontario



Torys' Role and Responsibilities

Torys' team members Mark Bain, Dan Ford and Tara Mackay represented Infrastructure Ontario and Niagara Health System on the DBFM procurement for the project, including negotiations with MOH on funding approvals.

Project Status or Outcome

Construction commenced in April 2009. Financial close was reached on March 27, 2009. Substantial completion is expected in November 2012.

Project Structure

DBFM

Financing Structure

83:17 Debt : Equity

Public Authority

Niagara Health System and Infrastructure Ontario.

Consortium

Plenary Health (Plenary Group, PCL and Johnson Controls).

Project Value

Approximately C\$722 million (NPV).

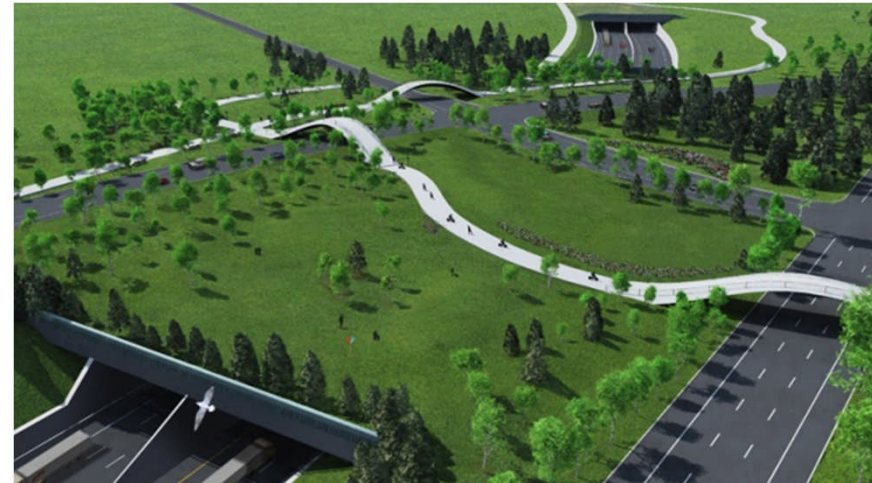
Project Awards

Euromoney *Project Finance* 2009 North American Social Infrastructure Deal of the Year.

Canadian Council for Public-Private Partnerships 2009 Award of Merit for Project Financing.

Case Studies – Windsor Essex Parkway Windsor, Ontario

The Windsor-Essex Parkway will be a below-grade, 11-kilometre, six-lane highway with 11 tunnels and a four-lane service road that will connect Highway 401 to a new international crossing over the Detroit River to Interstate 75 in Michigan. Other components of the project include community and environmental features, such as 300 acres of green space, 20 kilometres of recreational trails, extensive landscaping throughout the corridor, and noise and environmental mitigation measures. The Windsor-Essex Parkway will be the most significant single highway investment made in Ontario history.



Client Name and Location

Windsor Essex Mobility Group, an SPE formed by ACS, Acciona and Fluor.

Torys' Role and Responsibilities

Torys represented Windsor-Essex Mobility Group as the consortium counsel.

Case Studies – Windsor Essex Parkway

Windsor, Ontario



Project Status or Outcome

Initial construction began in December 2009. Financial close was achieved in December 2010, one month ahead of the original target date. Full construction began in 2010.

Financing Solution

The selected financing strategy included a soft mini-perm through a club of 10 banks (WestLB, Dexia Group, Grupo Santander, BNP Paribas, Banesto, Bank of Tokyo-Mitsubishi UFJ, Caja Madrid, Crédit Agricole Group, Société Générale and ING Bank), with related hedges – both short-term (paid out through substantial completion payment) and long-term – an equity bridge loan, committed equity and contingent equity.

Project Structure

DBFM, with availability-based payments.

Financing Structure

Soft mini-perm club bank loan (two tranches).

Project Value

Approximately C\$1.4 billion NPV/ \$2.2 billion nominal value.

Project Awards

One of Canada's top infrastructure projects in 2010 (ReNew Canada).

Case Studies – Brampton Civic Hospital (Formerly William Osler Health Centre) Brampton, Ontario

Brampton Civic Hospital is a modern facility with advanced medical equipment and a comprehensive range of health services. The hospital is the largest operational healthcare P3 project to be completed in Canada and is one of the first greenfield hospitals to be built this century.



Case Studies – Brampton Civic Hospital (Formerly William Osler Health Centre) Brampton, Ontario



Torys' Role and Responsibilities

Torys' team members Mark Bain, Dan Ford and Tara Mackay represented The Healthcare Infrastructure Company of Canada, the private partner on this C\$550 million project, the first major Canadian social infrastructure project to be procured under a DBFO transaction.

Project Status or Outcome

Financial close was reached in November 2004. The Brampton Civic Hospital opened on October 2007.

Financing Solution

\$468 million of senior debt placed with institutional lenders and noteholders.

Project Structure

DBFO, including a range of non-clinical services.

Public Authority

William Osler Health Centre.

Project Co

The Healthcare Infrastructure Company of Canada, formed by Borealis Infrastructure, Carillion Canada and EllisDon.

Project Value

C\$550 million.

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www.torys.com

Toronto	416.865.0040
New York	212.880.6000
Calgary	403.776.3700