

## Diversion Authority Achieves Financial Close on P3 Project Agreement

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### FOR IMMEDIATE RELEASE

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**FARGO, ND** (November 1, 2021) – The Metro Flood Diversion Authority (MFDA) achieved a major milestone for the Fargo-Moorhead Area Diversion this month. The Diversion Authority announced Thursday that it reached financial close with the Red River Valley Alliance (RRVA) on the P3 (public-private partnership) Project Agreement. Through negotiations with RRVA and the sale of green U.S. Department of Transportation private activity bonds (PABs) and the use of private placement notes, the original RRVA bid has now been reduced, resulting in a savings to the Authority of \$50 million.

“We’re pleased to announce additional savings on this massive, historic project,” said Joel Paulsen, MFDA executive director. “By using a public-private partnership, or P3, we will be able to construct permanent flood protection for Fargo, Moorhead and the surrounding areas for less time and expense than with traditional funding and construction methods. These additional savings took considerable effort to obtain and mark another money-saving achievement.”

Negotiations with the RRVA, the consortium of companies charged with constructing the FM Area Diversion, resulted in savings from a private placement loan and an associated hedging swap transaction. These approaches will save \$50,610,200 over a 30-year operating period, assisting the MFDA in paying for maintenance while staying consistent with its policy of only using special assessments as a credit backstop.

### ABOUT MFDA

The MFDA is the governing authority managing the FM Area Diversion. The project is designed to provide permanent, reliable flood protection to the Fargo-Moorhead metropolitan area. Construction on the FM Area Diversion began in 2017 with expected completion of the project by 2027. For more information about the MFDA, visit [FMDiversion.gov](http://FMDiversion.gov).

### MEDIA

For additional information or photo needs, contact Jennifer Darling, MFDA director of communications, at [darlingj@fmdiversion.gov](mailto:darlingj@fmdiversion.gov) or 701-660-0914.

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