

# US\$1.18B Green Financing for First North American Flood Prevention P3

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In what is a first-of-its-kind project in the North American infrastructure market and among the largest climate change/resiliency projects in the world, Winston & Strawn LLP represented the underwriters of US\$273.4M of tax-exempt private activity bonds (split into two tranches), the lenders on a US\$642.56M revolving credit facility and the related interest rate swap providers, and the note purchasers of US\$197.76M of privately placed secured notes, the proceeds of which will be used by Red River Valley Alliance, LLC (RRVA) to pay a portion of the costs incurred to design, construct, finance, operate, and maintain the Diversion Channel and Associated Infrastructure Work Package of the Fargo-Moorhead Metropolitan Area Flood Risk Management Project (the Project). RRVA established a framework that allowed the loans, notes, and bonds to be issued as “green,” which then allows for direct investment into debt that supports climate change adaptation and resilience projects – a novel arrangement in the current public-private partnership (P3) market. The Project involves a proposed 30-mile diversion channel, two aqueducts, two river inlets, drainage inlets, four railroad bridges, four interstate highway bridges, and 10 county road bridges, which will collectively help protect the Fargo-Moorhead-West Fargo metro area (Fargo, Cass County in North Dakota and Moorhead, Clay County in Minnesota) during times of flooding. In addition to the Project serving as the first flood management project in North America to be delivered as a P3, it serves as a blueprint for communities at risk of extreme flooding to similarly establish a flood risk mitigation protocol. With climate change expected to influence severe weather, including increased frequency and intensity of precipitation and exacerbated sea levels, both of which serve as catalysts to extreme flooding, the Project stands alone as a viable solution to minimizing damage to those communities situated in harm’s way.

The project received the “Climate Adaption Award” at the 2022 *IJGlobal ESG Awards*. It was also recognized as the 2022 “Project Finance Deal of the Year” by *IFLR Americas Awards*, the 2021 “Americas P3 Deal of the Year” by *PFI*, the 2021 “North America Deal of the Year” by *Proximo*, and as the “Water Deal of the Year – North America” at the 2021 *IJGlobal Awards*.

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