

Public-Private Partnerships (PPP)

Assembly Bill (AB) 1467 (Nunez)

June 7, 2006

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Outline

- What is a PPP
- Benefits of PPP
- Public Sector Needs in PPP Agreements
- Key Elements of AB 1467
- Policy Issues
- Process Issues

What is a PPP

- Agreements between a public agency and a private sector entity
- Provides private sector participation in the delivery of transportation projects
- Allows the public agencies to access specialized expertise & project financing
- Transfers risk

Benefits of PPP

- Allocates responsibilities to public and private entities best able to deliver value according to respective skills
- Accelerates project delivery
- Provides new sources of private capital

Public Sector Needs in PPP Agreements

- Protect Public Interest
- Maintain prudent level of control

Key Elements of AB 1467

- Four PPP projects (2 in Northern & 2 in Southern CA)
- Lessee covers all costs
- Primarily for goods movement
- Limited toll setting authority
- Non-compete provisions

Key Elements of AB 1467 (continued)

- Nominations from Caltrans and regional/local transportation entities
- CTC selects projects
- Requires public hearing
- Requires Legislature approval of lease agreements
- Four HOT lane projects for RTAs
- Bill sunsets January 1, 2012

Policy Issues to Consider For Guideline Development

- Select corridor(s) with most need
- Consider environmental constraints or improvements
- Accept solicited vs. unsolicited proposals
- Evaluate best value and qualifications
- Project timing
- Competition

Process Issues to Consider For Guideline Development

- Identify potential projects
- Identify project sponsors
- Solicit proposals
- Develop proposal selection guidelines
- Nominate projects for CTC selection
- Negotiate lease agreements
- Obtain Legislature approval

Questions

