

PARTNERSHIPS IN TRANSPORTATION WORKSHOP

CASE STUDIES

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WHY?

- Needs Greater than Resources
- Attract New Capital
- Streamline Processes
- Reduce Time/Reduce Cost
- Economic Opportunities

VIRGINIA DULLES GREENWAY

- Virginia Highway Act of 1988
- Regulated Utility Model
- Project Specific “Greenfield” Toll Road
- Private Road/Development of Adjacent Land

Name	Dulles Greenway
Description	New 14-mile private toll road extension of Dulles Toll Road connecting Leesburg to the Dulles Airport area
Cost	\$350 million
Contract	Design-Build-Operate
Owner	Toll Road Investors Partnership (TRIP II)
Financing	1999 Refinancing Bonds issued to satisfy all previous note agreements and all other outstanding agreements \$35 million of current pay interest only bonds \$297 million zero coupon maturing in 2003 and 2005 with blended interest rate of 7%
Revenue	Tolls
Status	Opened in 1995

CALIFORNIA

- 1989 – AB680 Authorized Agreements for the Construction and Lease of Four Demonstration Projects
- Orange County Transportation Corridor Agencies (OCTCA) Multi Jurisdictional Authorities Charged with Construction of Toll Road Facilities

Name	SR 91 (Riverside Freeway) Express Lanes
Description	Four-lane toll highway in the median of a 10-mile section of the Riverside Freeway connecting Orange and Riverside Counties
Cost	\$130 million
Contract	Franchise, Design-Build-Operate-Maintain-Finance
Owner	Orange County Transportation Authority (OCTA)
Financing	\$65 million in 14-year variable rate bank loans \$35 million in longer term loans (24 years) \$20 million private equity \$9 million subordinated debt to OCTA to purchase previously completed engineering and environment work
Revenue	Variable Rate Tolls
Status	Opened in 1995 Purchased by OCTA December 2002

Name	SR 125 South San Miguel Mountain Parkway
Description	New 9.5-mile toll road from SR 905 near the International Border to SR 54 connecting the only commercial port of entry to the regional freeway system
Cost	\$257 million
Contract	Franchise, Design-Build-Maintain-Finance
Owner	CalTrans
Financing	\$94 million TIFIA loan guarantee \$33 million TIFIA line of credit \$132 million federal and local funding
Revenue	Tolls
Status	Begin design/construction 2002 Completion 2005

ARIZONA

- Authorized Two “Privatization” Models
 - Regulated Utility Model
 - AB680 Franchise Model
- Solicited Proposals under Franchise Model for Two Development Routes Specified in the Legislation (Squawpeak Parkway and Pima Highway)
- Unsolicited Proposals for Other Projects were Allowed
- No Projects Approved

WASHINGTON PUBLIC PRIVATE INITIATIVES IN TRANSPORTATION ACT

- Based on California's AB 680 Model
- Authorized Six Demonstration Projects
- Legislative Amendments:
 - Required Public Advisory Vote on Projects with Opposition (Petitions with 5,000 Signatures)
 - Stopped Projects or Changed the Private Role

MINNESOTA

- Authorized the Public Private Development of Toll Roads
- Allowed Local Governments the Option to Veto Development Agreements
- One Community Exercised Veto Power Ending the TH212 Toll Road Project

VIRGINIA

- PPTA of 1995 – New Legislation
- Solicited/Unsolicited Proposals
- All Models of Transportation
- Operations, Maintenance and Capital Projects

Name	Pocahontas Parkway/-895 Connector
Description	New 8.8-mile toll road connecting I-95 and I-29 near Richmond International Airport, including a high-level bridge over the James River
Cost	\$324 million
Contract	Design-Build-Finance
Owner	DOT
Financing	\$297 million in tax exempt revenue bonds sold by 63-20 corporation \$9 million in federal funds for design costs \$18 million in SIB loans
Revenue	Tolls
Status	Completed 2002

Name	Virginia Route 288
Description	10.5-miles New Highway 7-miles of Expansion 6 New Interchanges & 2 Modified 23 Bridges
Cost	\$236 million
Contract	Design-Build-Warrant
Owner	DOT
Status	Complete
Savings	\$47 million and three years
Bonus	20-year Pavement Warranty

Name	Virginia Asset Management Maintenance
Description	251-miles of Total Responsibility for Interstate Maintenance
Cost	\$131.6 million Lump Sum (no change orders) for first 5.5 years
Contract	Performance Based Asset Management (fence line to fence line)
Owner	VDOT
Status	Ongoing and Extended for 5 years
Savings	\$16-23 million on initial 5-year contract

VIRGINIA PPTA PROJECTS ACTIVE & UNDER CONSIDERATION

- Route 28 (Northern Virginia) \$200 million
- Coalfields Expressway (Southwest Virginia) \$30.6 million for Preliminary Engineering for First Phase
- Jamestown 2007 Improvements to Routes 199, 31 and Relocation of Route 359 for 400th Anniversary of Jamestown \$31.8 million
- Route 58 Improvements
- Capital Beltway (I-495) Hot Lanes
- Dulles Rail
- I-81 Widening
- Third Hampton Roads Crossing

THE SECOND WAVE

- More Projects
- Greater Use of 63-20 Not for Profit Corporations
- Maintenance and Asset Management Contracts
- Joint Development Agreements
- Tax Increment Finance
- Design-Build and Alternative Procurement

COLORADO

Name	E-470 PHA Toll Road
Description	New 47-mile toll road along the eastern edge of the Denver metro area linking major arterials and new Denver International Airport
Cost	\$1.2 billion
Contract	Design-Build-Finance
Owner	E-470 Public Highway Authority
Financing	Revenue Bonds
Revenue	Tolls Vehicle Registration Fees Highway expansion impact fees on adjacent properties Lease revenues from cellular towers Easement permit fees
Status	Segment I opened in 1991 Segment IV completed in January 2003

Name	Transportation Expansion Project (T-REX)
Description	Widen 17-miles of I-25/I-225 and construct a 19-mile Light Rail Transit (LRT) line extension along the west side of I-25 and median of I-225 linking the Denver Central Business District with the Southwest Business District, the two largest employment centers in the region
Cost	\$1.7 billion
Contract	Design-Build
Owner	DOT/RTD
Financing	<p>Transit:</p> <ul style="list-style-type: none"> \$525 million FTA grant \$30 million local funds \$324 million bonds backed by future local sales tax revenues <p>Highway:</p> <ul style="list-style-type: none"> \$680 million GARVEE bonds of future federal allocations \$115 million state sales and use tax revenue
Status	Completion of all phases in 2006

MASSACHUSETTS

Name	Route 3 North
Description	Improvements to existing 21-mile corridor from Boston to the New Hampshire border
Cost	\$385 million
Contract	Design-Build-Maintain-Finance
Owner	DOT
Financing	\$385 million tax-exempt revenue bonds through 63-20 Not For Profit Corporation
Revenue	Surface, Sub-surface and fiber optic rights Annual appropriation from Legislature Construction and lease of service plaza Development of adjacent land
Status	Completion Spring 2004

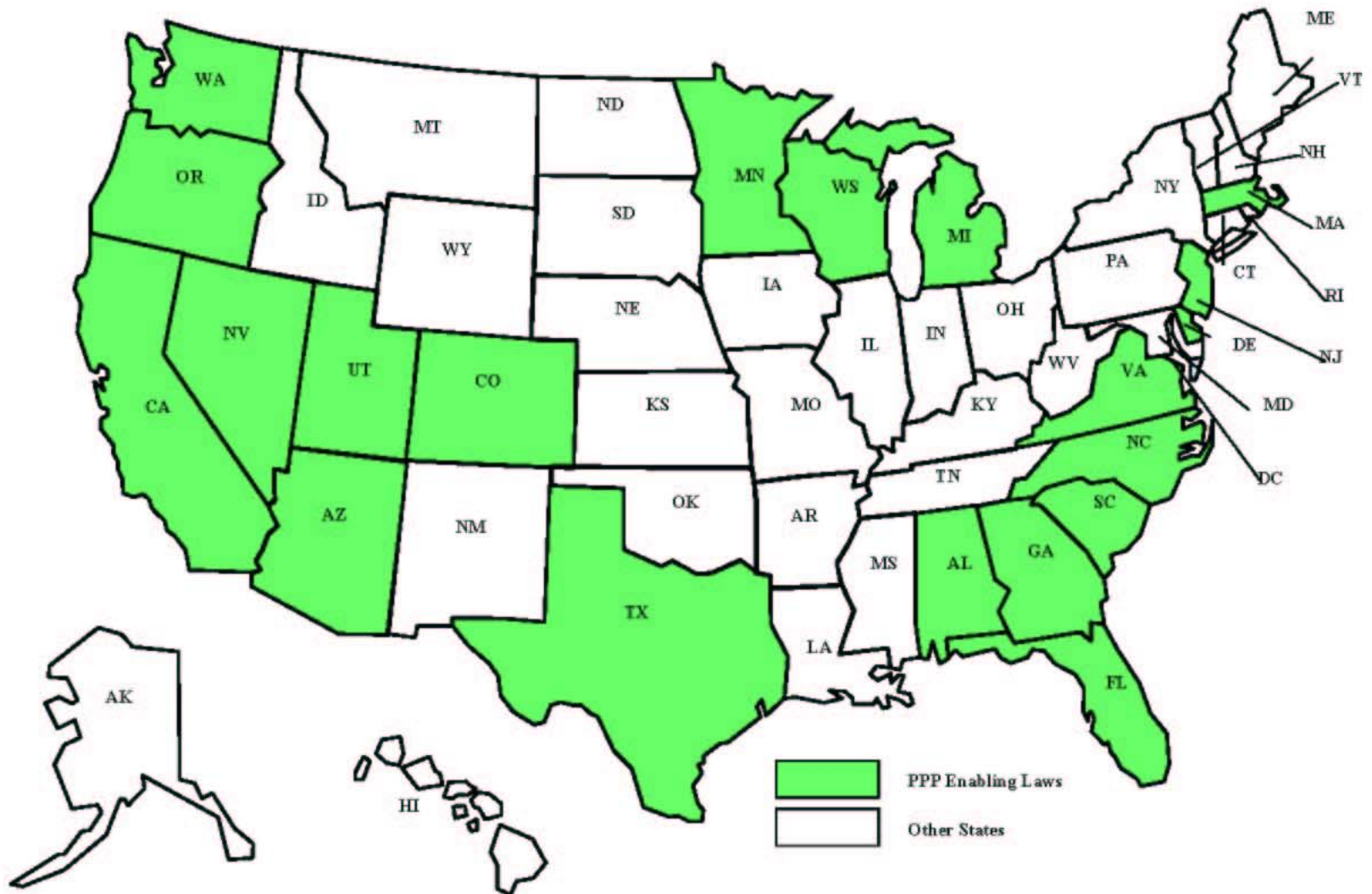
NEW JERSEY

Name	Atlantic City/Brigantine Connector
Description	2.2-mile highway with a 2,200-foot tunnel connecting Atlantic City Expressway to the north end of Atlantic City and resort city of Brigantine
Cost	\$330 million
Contract	Design-Build
Owner	DOT
Financing	\$125 million South Jersey Transportation Authority bond sales \$95 million State Transportation Trust Fund \$110 million Mirage Resorts
Revenue	Casino Parking Fees Atlantic City Expressway Tolls
Status	Completed 2001

WHAT NOW?

- Changing Federal Policy
 - Transportation Reauthorization Bill
 - Private Activity Bonds
- New Models Emerging
 - Concessions –Skyway, Greenway, Dulles Toll Road...
- It's Not New Anymore – A Greater Level of Knowledge and Expertise

States with Enabling PPP Laws



Data from *Public Works Financing/January 2004*.

OBSERVATIONS

- Governments (Federal, State & Local) are Financially Unable to Meet All Transportation Needs Using Traditional Revenues
- Public Private Partnerships are an Option for Some but Not All Transportation Needs
- Public Private Partnerships are Not a Silver Bullet or a Substitute for Conventional Public Financing but an Important Tool to Financing, Operating & Maintaining Facilities
- Each Venture Must be Treated as Independent & Unique – A Cookie Cutter Approach Doesn't Work