



URBAN
INNOVATIONS



Public Private
Partnership Process
~ *Save the Queen* ~

March 11th, 2008

PPP Overview

- Public-private partnerships (PPPs) are contractual agreements, formed between a public agency and private sector entity
- PPPs can achieve public goals through private investment
- Start with a clear concept of what you want to achieve

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NOTES/COMMENTS:

Recognizing Different Delivery Systems

- The diagram below depicts how the range of responsibilities shifts from the public sector to the private sector with different PPP options
- Urban Innovations, along with the Save the Queen team and the city of Long Beach, will analyze the best delivery system



NOTES/COMMENTS:

Different Motivations – Public Sector

- Economic recovery
- Job creation
- Tax base
- Participation by minority-owned business
- Environmental protection
- Open space
- Historical / Cultural resource preservation
- Long-term quality of life
- Community support and acceptance

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NOTES/COMMENTS:

Different Motivations – Private Sector

- Return on investment
- Identifying new investment opportunities
- Improving infrastructure
- Minimizing risks
- Enhancing marketability

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NOTES/COMMENTS:

FTA Grant Planning Process

- Request for Proposed Project to be included in the Transportation Improvement Plan (TIP)
 - Review Federal Transportation Grant programs that are "good fits" for PPPs
- Urban Innovations has identified the following federal funding sources:
 - 5303, 5304, 5305 – (planning & research) must be a metropolitan planning organization or state DOT to apply, funds used to make transportation investment decisions
 - 5309 bus & bus-related facilities – (capital investment funds) must be a public body to apply for these funds, discretionary
 - 5309, new starts, small starts – (capital investment funds) must be a public body to apply for these funds, used to acquire new fixed guideway systems or extensions systems or extensions to existing fixed guideway systems

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NOTES/COMMENTS:

Additional Grant Funding

- Urban Innovations has identified the following federal funding sources:
 - 5320 – alternative transportation in parks & public lands, funds used to enhance the protection of national parks and federal lands
 - Flexible funding for highway & transit, which include STP (capital improvements & planning), CMAQ (promote congestion mitigation and air quality improvement, and NHS (facilities for parking a, bike/pedestrian connections) funds through the FHWA and Urban Formula Funds through the FTA. Once funds are granted to a certain agency, they are flexed to the FTA under one of the following programs: 5307, 5310, 5311

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NOTES/COMMENTS:

State Grant Funding

- Urban Innovations has identified the following state funding sources:

Proposition A & C Funds

TIFIA Financing

Port Fields Funding

Certificates of Participation (COPS)

Private Equity Reimbursement Eligibility

New Market Tax Credits

Historical Tax Credits

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NOTES/COMMENTS:

Developer Sole-Source Opportunity

- Developer's experience with public-private partnerships
 - Working relationship with local government
 - Responsiveness to the community
 - Quality of the development
 - On time and on budget?
 - Creativity in solving difficult problems
- Developer's experience with multiple land uses and mixed-use development
- Developer's financial resources

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NOTES/COMMENTS:

Working with a Master Developer

- Clear vision with public support
- Clear understanding of the community's priorities
- Match performance incentives with progress towards those priorities
- Establish performance measures
- Set milestones and schedules
- Structure a process to resolve disputes

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NOTES/COMMENTS:

California PPP Guideline Summary

- AB 1467, enacted by the Governor and Chaptered by the Secretary of State in May 2006, added §§143 and 149.7 to the California Streets & Highway Code. The bill authorizes the department and regional transportation agencies to enter into lease agreements with public and private entities.

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NOTES/COMMENTS:

California PPP Guidelines

<p>Does the relevant law permit all kinds of procurement for PPP project delivery? These might include, for example, calls for projects, competitive RFQ and RFPs, qualifications review followed by an evaluation of prosper concepts, use of design build, procurements based on financial terms such as return on equity rather than on price, long-term asset leases for some period of up to 60 years or longer from the time operations commence?</p>	Yes	<p>§143(d)(2) allow the transportation agency to utilize a variety of procurement approaches.</p>
<p>Is the authority to enter into PPPs restricted to the state DOT or state tumpike authority or may regional or local entities also do so?</p>	Restricted	<p>§143(b)(2) allows only the department in cooperation with regional transportation agencies, to solicit PPP proposals. However, CAL GOV CODE §§5956-5956.10 gives local governments the authority to pursue PPPs.</p>

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NOTES/COMMENTS:

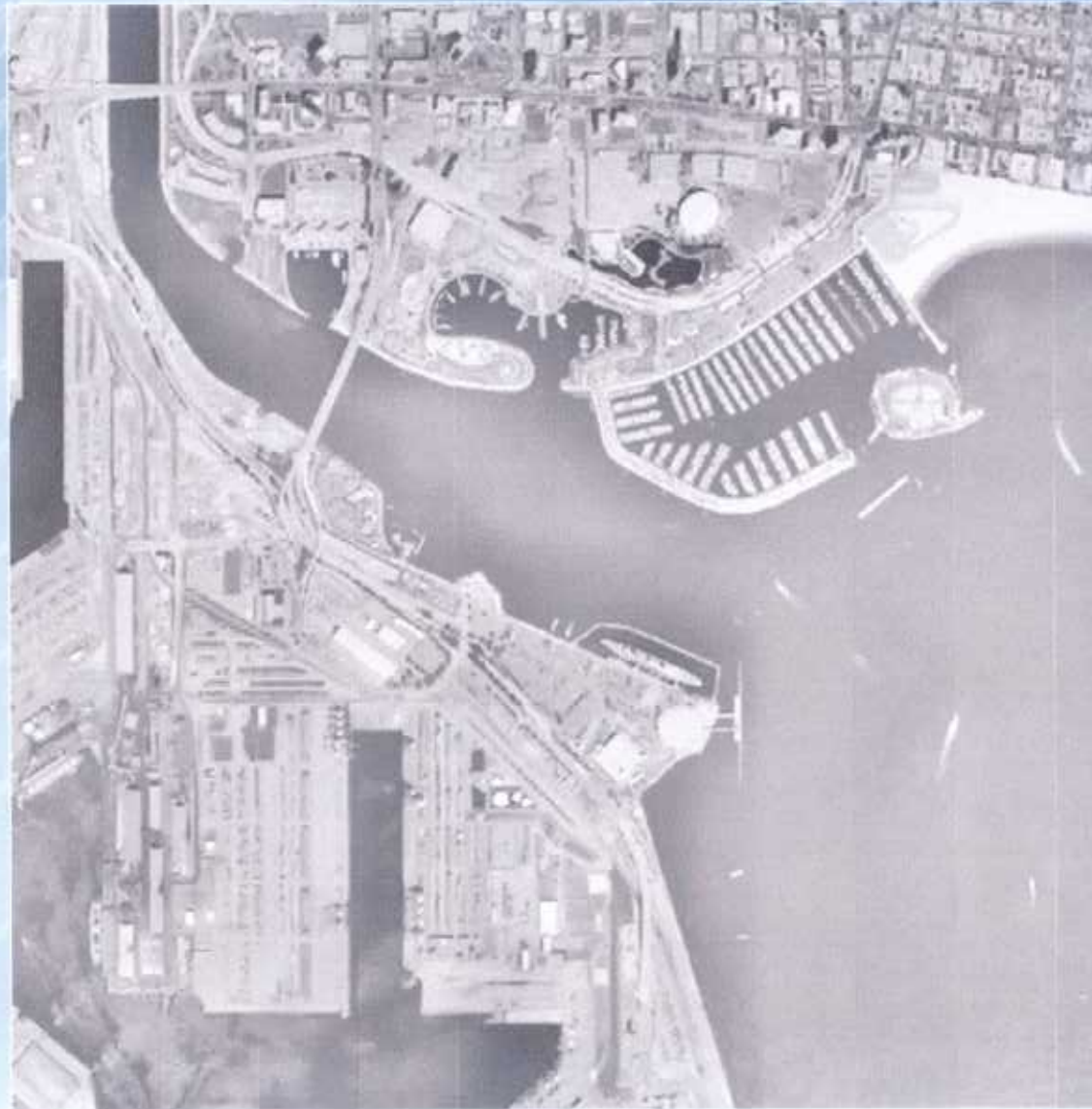
3 Examples of PPPs

- "California SH 125" - Privatized Transportation Project between San Diego Expressway Limited Partnership and the State of California, Dept. of Transportation
- "Pocahontas Parkway" - Route 895 Connector between Virginia Dept. of Transportation and FD/MK Limited Liability Company
- "Chicago Skyway" - Toll Highway project between City of Chicago and Skyway Concession Company, LLC

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NOTES/COMMENTS:

GSA Map



Thank You

