

Public-Private Partnerships – A Tool for Congestion Management



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Congestion Causes –

- Longer trips
- Disruption of the day
- Impacts on weekend and rural travel
- Delay of freight shipments
- Unreliable travel times
- Wasted time and fuel

Obstacles to Solving Congestion

- Major growth in VMT
- Long implementation timeframes
- Declining revenue sources
- Political considerations in allocating funds
- Opposition by special interest groups

Multiple Solutions are Required

- Maximize use of right-of-ways
- Add road and transit capacity
- Relieve choke points
- Change usage patterns
- Provide more travel choices
- Diversify development patterns

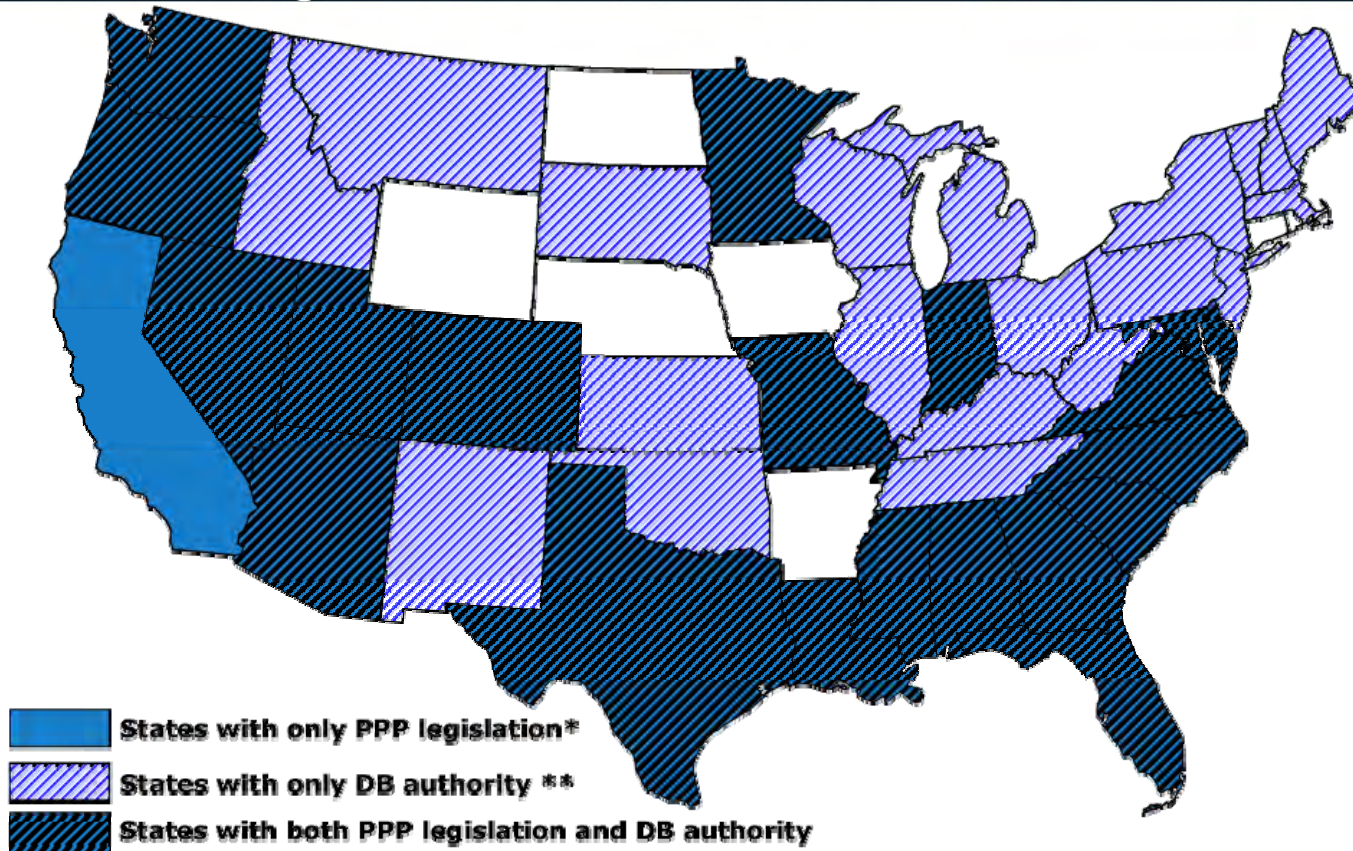
P3 is a New Tool That Can Provide

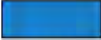


- New ideas to solve the problem
- New money to finance the solution
- Fixed price and guaranteed schedule
- Expedited implementation
- Increased public support

What Makes a Good P3 Deal?

- Provides significant direct user benefits – at least cost
- Enhances mobility – to entire network
- Increases accountability – shared risk, cost control, asset management
- Better customer service – increases perceived user value
- Retains flexibility – for changing conditions
- Helps government be more efficient – reduced need for public funds

P3 and D-B Authority Growing Nationally



-  States with only PPP legislation*
-  States with only DB authority **
-  States with both PPP legislation and DB authority

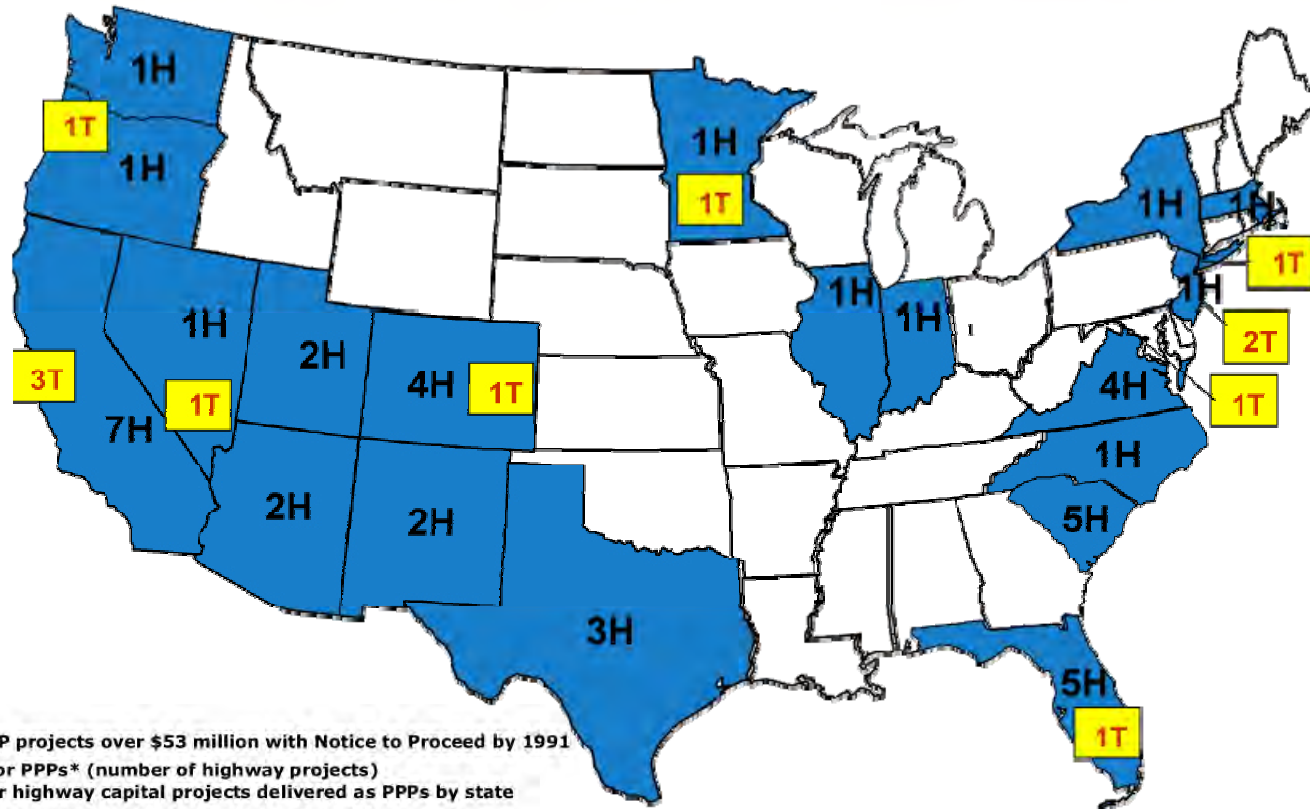
*Also includes Alaska, Hawaii, and Puerto Rico, Guam, and the Virgin Islands. PPP legislation pending in Tennessee and Pennsylvania. Source: Nossaman Guthner Knox & Elliott. Data valid through April 2007.

** Also includes Alaska, Hawaii, and Puerto Rico; California – Transit agencies and certain cities and counties; Illinois – Regional Transportation Authorities; Texas – Comprehensive Development Agreements; Massachusetts – authority for one project. Source: FHWA and Nossaman Guthner Knox & Elliott. Data valid through 2007.

Sources: Infranews and Public Works Financing for highway projects and FTA Budget and Policy Office, November 2006



Major P3 Road and Transit Projects Increase

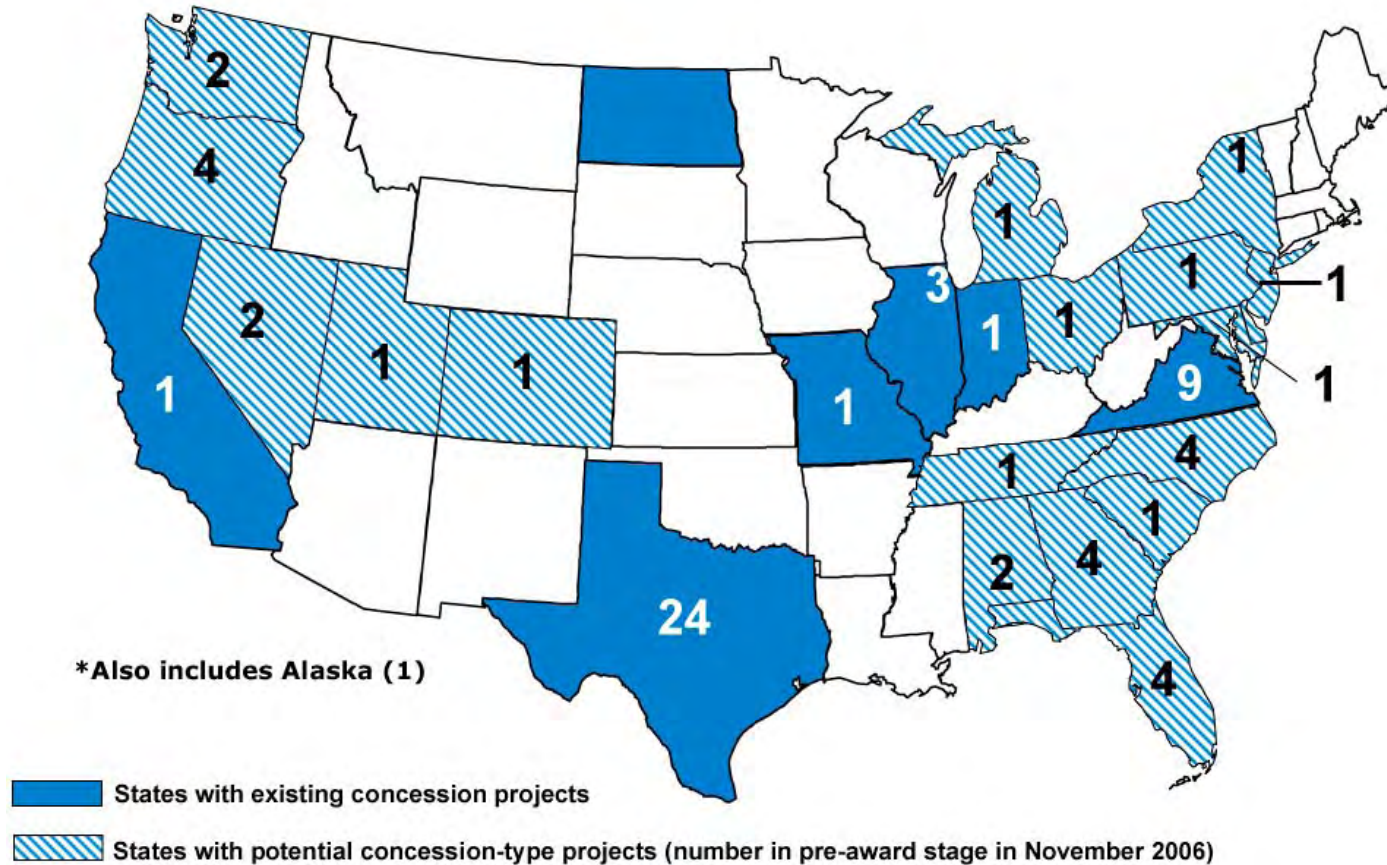


- *States with PPP projects over \$53 million with Notice to Proceed by 1991
- #H States with Major PPPs* (number of highway projects)
- #H Number of major highway capital projects delivered as PPPs by state
- #H States with Major PPPs* (number of highway projects)
- #T Number of major transit capital projects delivered as PPPs by state

Sources: Infranews and Public Works Financing for highway projects and FTA Budget and Policy Office, November 2006



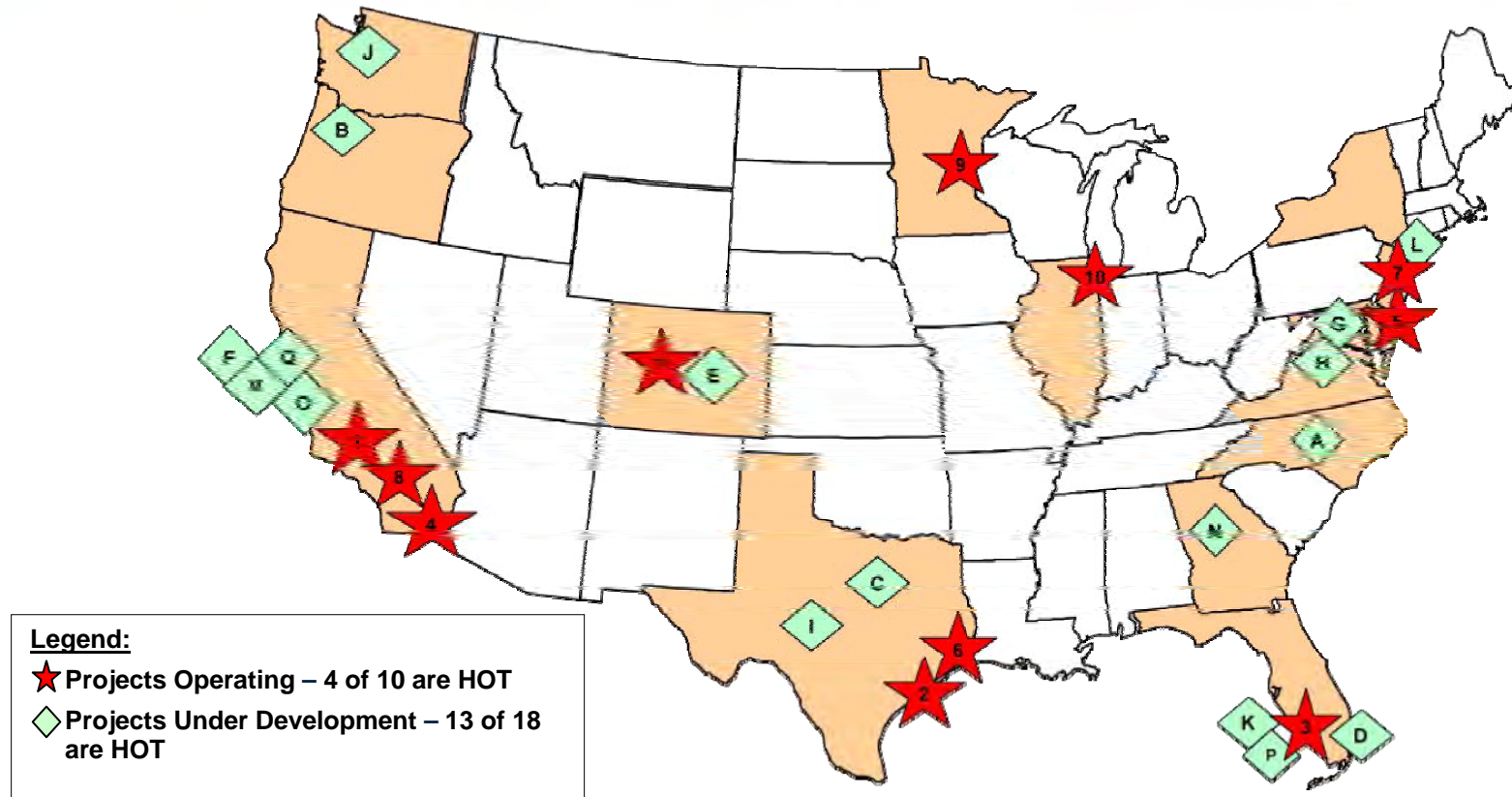
Concession Interest Has Also Increased



Sources: *Infranews and Public Works Financing for highway projects and FTA Budget and Policy Office, November 2006*



Value Pricing Likewise is Increasing



Sources: *Infranews and Public Works Financing for highway projects* and *FTA Budget and Policy Office, November 2006*

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What is a HOT Lane?



- Tolls are value priced
- Shared vehicles ride free
 - HOV3+
 - Vanpools
 - Buses
- One or two riders pay toll
- No trucks or toll booths
- Actively managed
- Popular with the public

Two Successful P3 Solutions

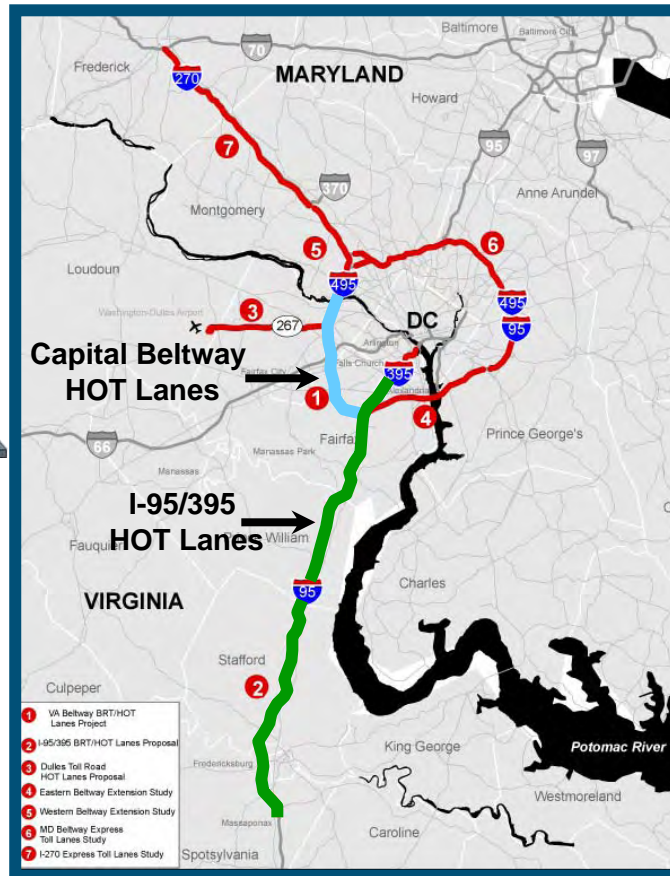
\$1.4 Billion

Capital Beltway
HOT Lanes



- Shoulder
- General Purpose Lanes
- HOT Lanes

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\$1 Billion+

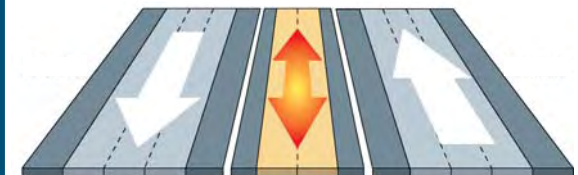
I-95/395
HOT Lanes



Reversible

Northern Section ▲

▼ Southern Section



Reversible

Congestion Relief Results

- Guaranteed congestion-free routes
- Construction of 70 new center-line miles
 - 112 new lane miles
 - 168 new managed lane miles
- New transit/carpool services
- Concept is expanding into a regional system

Things the Two Projects Have in Common

- A reliable public partner
- Started as unsolicited P3 proposals
- Offered a new technical solution
- Financed by private revenue
- Shared risk and revenue
- Favorably received by the public

Who Will Directly Benefit?

- All motorists
- Public transportation users
- The community
- Taxpayers

The Private Sector Brings to the P3 Partnership –

- New ideas to solve old problems
- New money to finance solutions
- Fast delivery with guaranteed price and schedule
- Greater public support

in solving urban congestion problems

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