P3
Georgia’s Public Private Partnership Program

Investing in Georgia
Definition of Public Private Partnerships

• A partnership between government and the private sector for the purpose of more effectively providing services and infrastructure traditionally provided by the public sector (MSN Encarta Dictionary).

• A government service or private business venture which is funded and operates through a partnership of government and one or more private sector companies. ...the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project (Wikipedia).
Benefits of Public Private Partnerships

**Project Delivery**

- P3 will deliver projects for Georgia that would not be possible through traditional processes or under existing funding constraints.
- Competition for P3 projects drives innovative project delivery methods and new technologies.
- Project delivery timeframes can be accelerated and with greater cost certainty.
- Projects advanced under the program will increase mobility, provide greater choices in travel options and support economic development.
Benefits of Public Private Partnerships

**Funding**

- The state is able to leverage the financing capabilities and resources of the private sector.
- P3 shifts a majority of financial risk from the state to the private sector.

**Economic Development**

- Jobs are created during the construction phase and for ongoing operations and maintenance.
- Increased travel options and reliable trip times will make the surrounding region more attractive to companies looking to locate or expand in the area.
P3 Program Timeline

May ’09 – SB 200 signed by Governor Perdue
June ’09 – State Transportation Board elected Commissioner Smith
Jun – Jul ’09 – Biennial list of P3 candidate projects developed and delivered
Jun – Sep ’09 – P3 Program Implementation Plan developed, P3 Rules developed and presented to State Transportation Board for first time
Aug ’09 – Ongoing – Project screening for near, medium, and long term projects
Oct – Dec ’09 – Met with House and Senate Transportation Committees and state transportation partners
Dec ’09 – Hosted P3 Industry workshop drawing over 300 participants
Jan ’10 – P3 Rules presented for approval by the House and Senate Transportation Committees and State Transportation Board
Feb 26, ’10 – Initiated first project solicitation – West by Northwest Project
Nov ’10 – RFP to be issued- West by Northwest Project
May ‘11 – All proposals due- West by Northwest Project
Selecting Projects for P3

• The P3 program targets projects that afford the greatest gains in congestion mitigation or promotion of economic development.

• The Department’s P3 Division worked with the Director of Planning to identify the most viable projects for delivery as P3s.

• A comprehensive screening process was developed that takes into account factors such as:
  o Project scope suitability;
  o Project maturity;
  o Financial feasibility;
  o Potential value add from private sector;
  o Market interest; and
  o Institutional/political support.
Creating A Pipeline of Projects

• The Department’s goal is not to build one or two projects, but foster a program that delivers many complementary projects.

• The program identifies near, mid and long-term projects.

• The list of potential projects is not static. It will evolve as factors such as environmental work advancement and cost/benefit dynamics change.

• An ongoing rollout of projects makes Georgia’s P3 program more attractive to the industry, ensuring continued involvement.
Managed Lane Systems

Managed Lane System Plan

• GDOT has a plan to develop a larger network of complementary managed lane systems.
• Goal is to provide a seamless system across multiple major corridors.

Benefits of managed lanes

• Provide another travel option for motorists in addition to the free general purpose lanes that exist today.
• Offer reliable trip times.
• Reduce congestion on existing general purpose lanes.
• Support existing transit providers like GRTA Xpress and CCT.
Managed Lane Systems

Value-priced tolling
- Toll rates increase during peak travel times and decrease during periods of low demand.
- Rates set based on consumer demand.

Tolling technology
- All electronic toll collection means no toll booths.
- Rely on transponders similar to Cruise Card system.
- Traffic is able to maintain highway speed throughout system.
The West by Northwest Project

• The project bundles two complementary managed lane project segments, the Northwest Corridor and Western Corridor.

• The Northwest corridor proposed project includes 2 reversible lanes along I-75 from Akers Mill Road to I-575 and 1 reversible lane along I-75 to Hickory Grove Road and along I-575 from to Sixes Road.

• The anticipated schedule to have a final RFP issued in September, 2010 and reach financial close by July 2011.
Economic Impact of Northwest Corridor

Analyzing estimated costs and schedule for construction of the project, the following economic benefits have been identified:

• The project is estimated to lead to the creation of 9,705 private sector jobs in Georgia. Jobs are calculated as person-years of full-time equivalent employment.

• Estimated income for jobs generated during the project’s construction period is $528,654,362 in Georgia.

• Total economic output for the state is expected to be over $1.5 billion, with over $1.4 billion concentrated in the metro area.

The study was conducted by the Fiscal Research Center, part of the Andrew Young School of Policy Studies at Georgia State University.
Non-Roads P3 Projects

• Multi-Modal Passenger Terminal (MMPT) – creation of a centralized facility in downtown Atlanta that will bring together various ground and rail transit services.

• Economic Impact Study results for the Miami Intermodal Center (MIC):
  o Total cost $1.7 billion.
  o 29,233 jobs created during construction.
  o 8,066 permanent jobs created.
  o $3.2 billion in total economic impact during construction.
  o $1.3 billion in total annual impact post construction.
Non-Roads P3 Projects

• Rest Areas and State Welcome Centers – program designed to offset operations and maintenance costs of facilities through advertising and sponsorships.

• Right of Way Usage – program designed to generate revenue through leasing of space within state-owned right of way for communications towers and/or fiber optics.
Become a Part of the Process

• Public understanding is critical to the success of Georgia’s P3 program.

• The Department has a dedicated P3 web site located at www.georgiap3.com

• Please help spread the word within your community.

• Let us know how we can help you.