



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Agenda Item 2d

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Memorandum

TO: Legislation Committee

DATE: April 3, 2015

FR: Executive Director

W. I. 1131

RE: AB 1265 (Perea): Public Private Partnerships: Removal of 2017 Sunset Provision

Background

Current law authorizes the state and regional transportation agencies to enter into public-private partnerships (P3s) until January 1, 2017. AB 1265 (Perea) would extend this authorization indefinitely.

Recommendation: Support

Discussion

MTC has long supported increased flexibility for transportation agencies to make use of a variety of financing and contracting methods for the delivery of transportation improvements. Since 2009, California has allowed the state and regional agencies to solicit proposals and accept unsolicited proposals to develop comprehensive development lease agreements with public or private entities for transportation projects. The California Transportation Commission is charged with responsibility for reviewing projects proposed to enter into such an agreement and verifying that they are consistent with certain objectives. The project's sponsor — whether a regional agency or the state — must also conduct at least one public hearing and submit the project to the Legislature and the Public Infrastructure Advisory Commission for review at least 60 days prior to executing the agreement.

To date, only one project has taken advantage of California's P3 framework, the Presidio Parkway Project. Under the terms of the agreement entered into by Caltrans and the San Francisco County Transportation Authority, a private partner will design, build and finance the second phase of a roadway replacing Doyle Drive, the 1.6-mile segment of Route 101 that provides southern access to the Golden Gate Bridge. The private entity is also responsible for operating and maintaining the structure for 30 years. In return, the State agreed to pay the private partner an estimated \$1.1 billion over the life of the contract. According to Caltrans, another seven P3 candidate projects are in the early development/environmental review stage.

Despite the fact that only one project has taken advantage of this authority to date, staff supports this effort to extend public-private partnership authority for transportation projects in California and recommends a support position on AB 1265.

Known Positions

Support

Laborers International Union of North America

Oppose

None on file

American Council of Engineering Companies
CEI Engineering Associates
EFS Engineering
HMI Engineers
Holdrege and Kull
Kennedy and Associates
Michael Baker International
Rick Engineering Company
See's Consulting and Testing
Transportation California
Tri City Engineering



Steve Heminger

SH: RL

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