



# P3

## Public-Private Transportation Partnership Board Meeting

# P3 Board Meeting

- **Call to Order and Roll Call**
- **Review and Adoption of Meeting Minutes from the November 24, 2015 Board Meeting**
- **P3 Board Chair's Remarks**

# P3 Board Meeting

## Update on Approved Projects

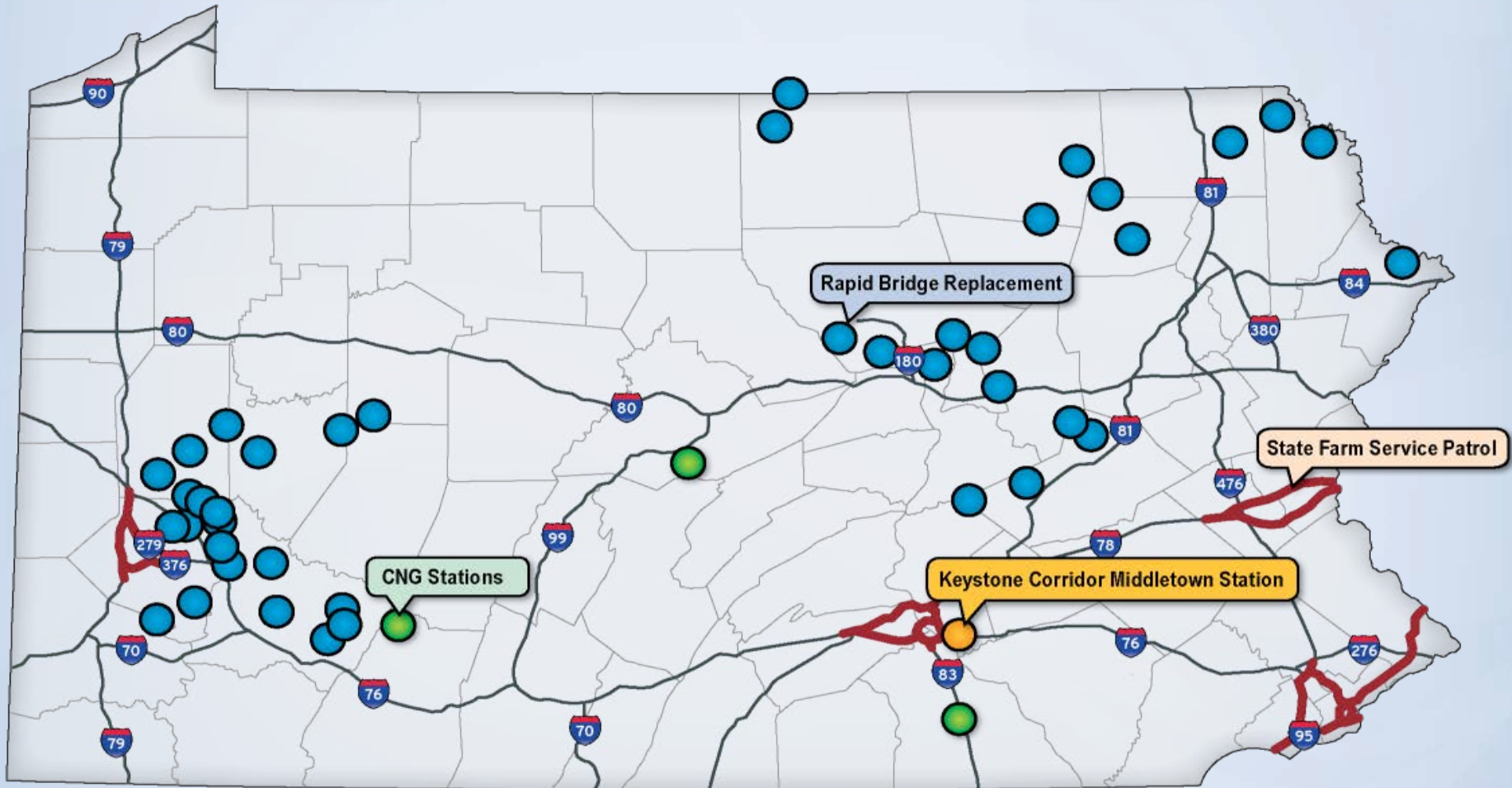
- **Rapid Bridge Replacement Project**
- **Northampton County P3 Bridge Renewal Program**
- **CNG Fueling Stations for Transit Agencies**

# P3 Board Meeting

## Update on Approved Projects

- **Wireless Telecommunications**
- **Middletown Station Improvement Project**
- **Sponsorship and Advertising Program**

# P3 Project Overview



● Rapid Bridge Replacement

● Keystone Corridor Middletown Station

● CNG Stations

— State Farm Service Patrol

# P3 Fiber Proposal

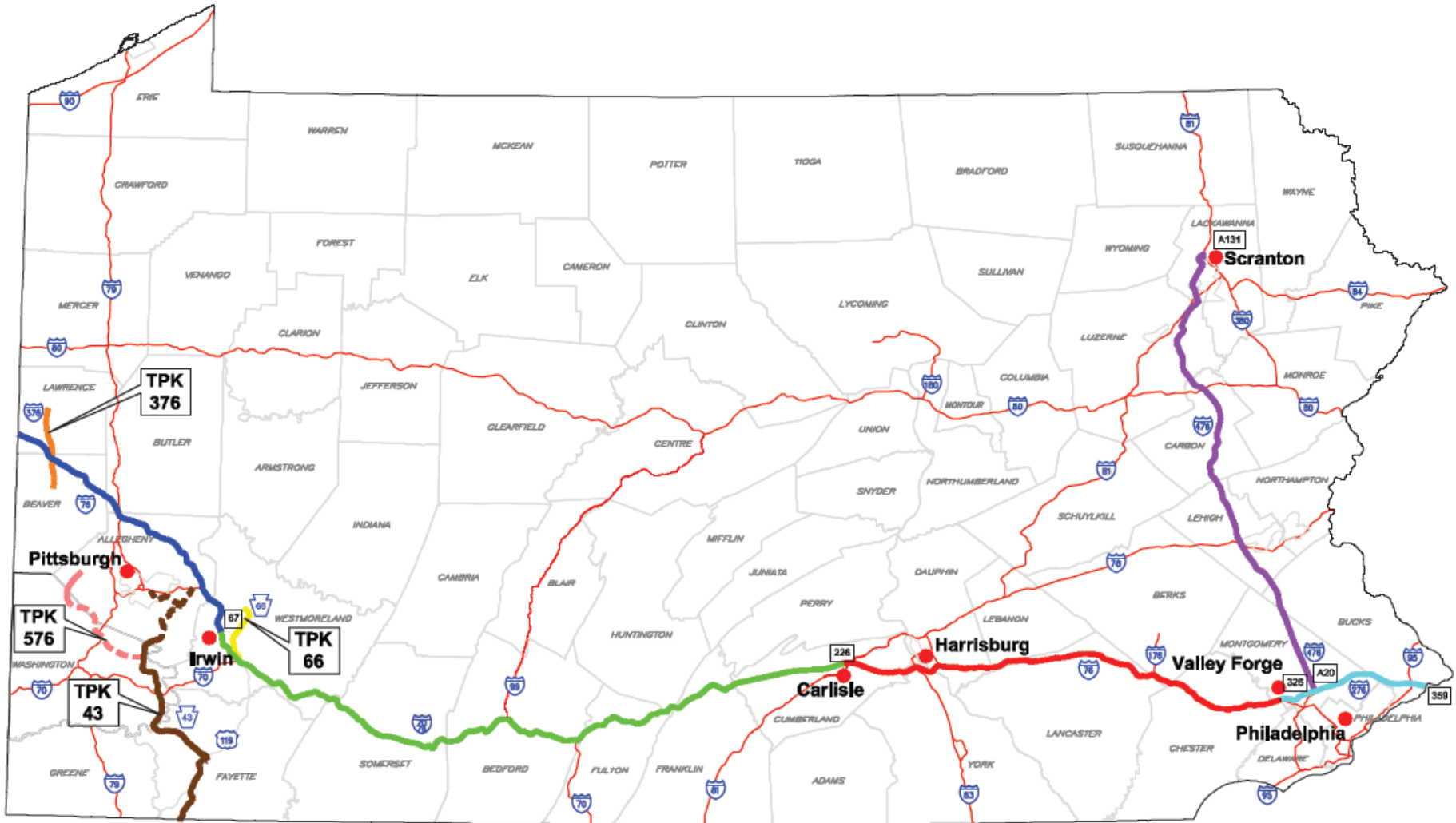


Mark Compton  
Chief Executive Officer  
Pennsylvania Turnpike Commission

# Project Description

- Fiber optic cable with wireless mesh overlay
- Along the 550 mile-extent of the PA Turnpike
- DBFOM
- Provide communication capacity for PTC, PennDOT, and other Commonwealth needs
- Private partner markets and leases remaining capacity

# PTC System



- Western Extension
- Turnpike 376 - Beaver Valley Expressway
- Turnpike 66 - Amos K. Hutchinson Bypass
- Turnpike 43 - Mon/Fayette Expressway
- Turnpike 576 - Southern Beltway
- Original Turnpike
- Philadelphia Extension
- Delaware River Extension
- Turnpike 476 - Northeastern Extension



# Background

- Successful Peer Precedents
  - Illinois Tollway
  - New Jersey Turnpike Authority
  - Utah
- Timing appears appropriate
  - Unsolicited vendor interest
  - DotCom leasing agreements ending (20 to 25-year agreements)
  - PTC business need
- Lessons learned from prior attempts
  - Clearly specify needs
  - Set realistic financial expectations
  - Act 88 sets fair framework for procurement

# PTC Need for the Project

- Core business needs
  - Tolling data
  - Traffic operations support – public safety radio, ITS, and connected vehicles
- Condition and capacity of communications infrastructure
  - No more microwave spectrum to purchase
  - Current costs for repairs and leased bandwidth
  - Capacity life – approximately 7 more years
- Identified as need in Long Range Plan

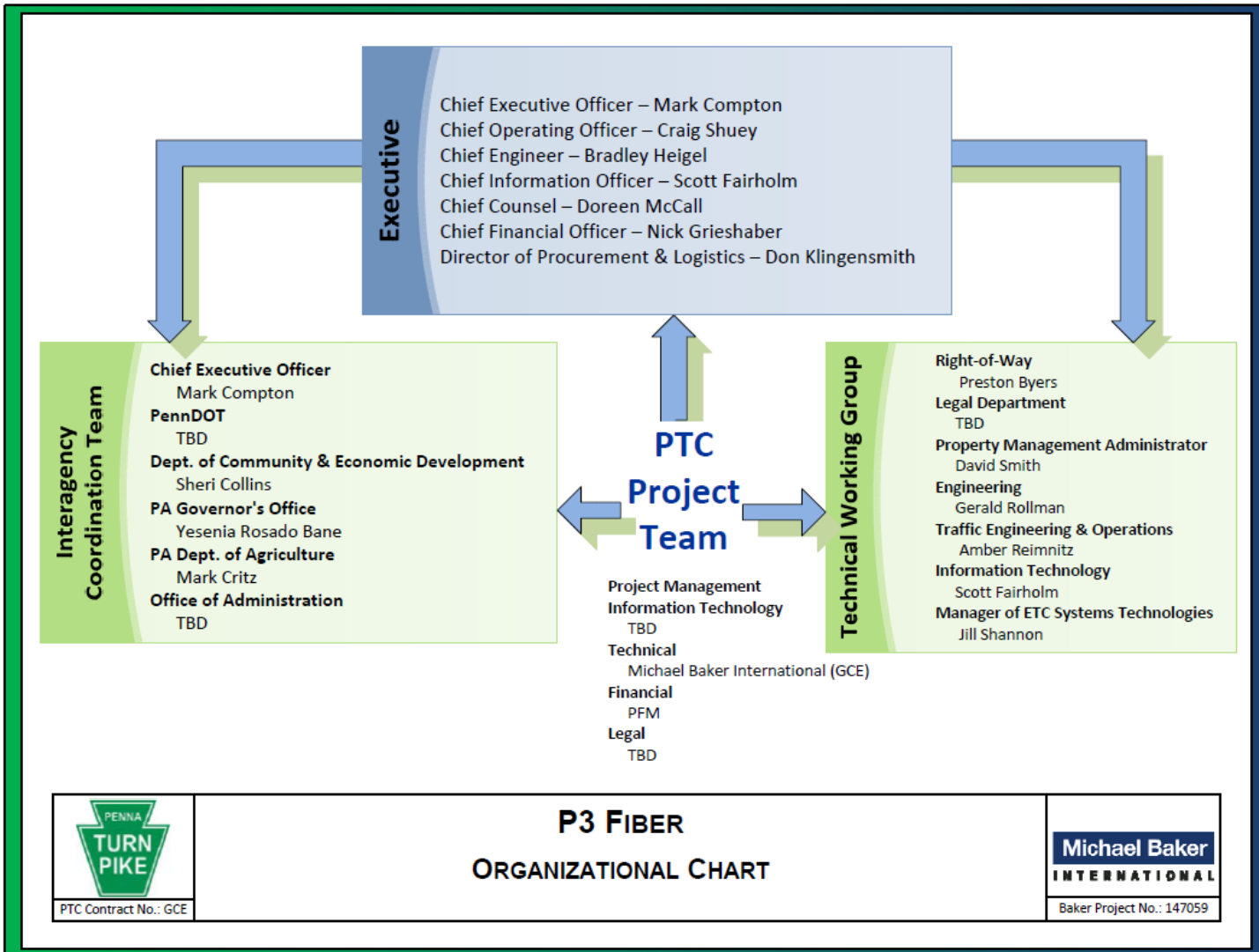
# Why P3?

- P3 vs. conventional procurement methods
  - PTC could bond construction, but would affect other capital projects
  - Not in the fiber business, in the roadway business
  - Fiber is a support function of core business
  - Do not have the resources/expertise to operate, maintain, and market excess capacity
- Resource sharing
  - Benefits to both parties
  - Market for long-haul fiber
  - Turnpike goes border to border

# Project Benefit Summary

- For PTC:
  - Meet core business needs
  - Improved reliability
  - At little to no cost
- For Commonwealth:
  - Potential to build capacity for other Commonwealth agencies, including PennDOT
  - Could reach underserved, rural areas with broadband
  - Redundancy of networks
- For Private Partner:
  - Reduced cost and time for land and ROW
  - Revenue generation
  - National linkage between Chicago, New York, and DC
  - Metropolitan areas of Pittsburgh, Harrisburg and Philadelphia

# PTC P3 Partnerships



# Financial Considerations

- Capital Costs
  - Previous estimate of \$200 million for fiber installation
- Financial Plan
  - Design, build, finance, operate, and maintain – Fiber
  - Design, build, finance, and turn over – Wireless Mesh
  - Goal – zero PTC investment, modest residual income
- Impacted Jurisdictions
  - PennDOT
  - DCED
  - Office of Administration
  - Governor's Office
  - Department of Agriculture

# Best Practices

- Precedents/other states
  - Illinois Tollway – similar project
    - Along entire system
    - Meets their communication business needs – tolling and ITS
    - DBFOM
    - Long haul primarily for banks
    - Modest residual income to Tollway
  - Utah
    - Uses barter system with state agencies
    - Leases discounted bandwidth for other benefits
- Industry resources
  - Leverage past experience in the market

# Schedule

- P3 Board Approval: May 2016
- Start industry input and due diligence: June 2016
- Advertise RFQ: October 2016
- Select shortlisted firms: January 2017
- Issue Request for Proposals: February 2017
- Select preferred proposer: June 2017
- Commercial and Financial Close: August 2017

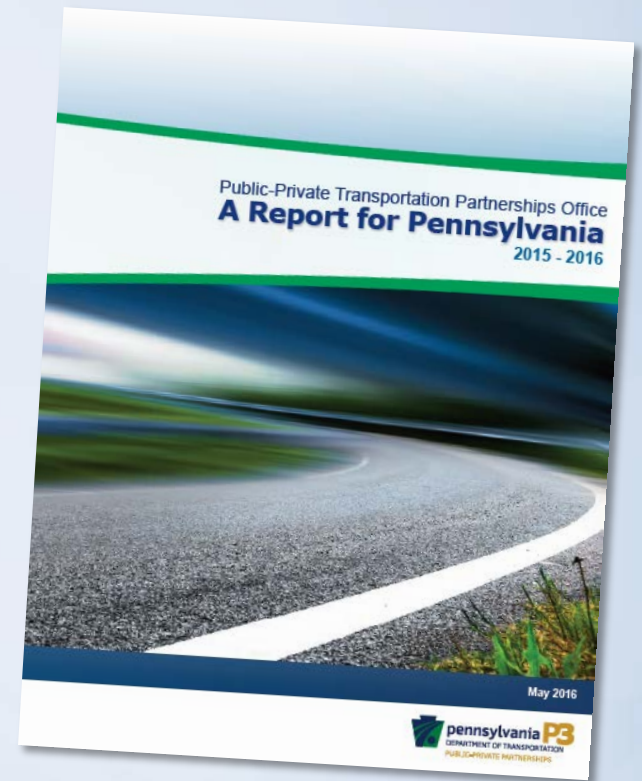




**Questions?**

# P3 Board Meeting

- **Unsolicited Proposals**
- **Approval of 2015-2016  
P3 Report for Pennsylvania**
- **Next P3 Board Meeting:  
Tuesday, November 29, 2016**



# P3 Board Meeting

- **Other Business**
- **Public Comments**
- **Adjournment**

