

PUBLIC-PRIVATE TRANSPORTATION PARTNERSHIP BOARD
SUMMARY MINUTES
HARRISBURG, PENNSYLVANIA
NOVEMBER 24, 2015

CALL TO ORDER:

The sixth meeting of the Public-Private Transportation Partnerships Board (Board) was convened by Secretary Leslie S. Richards, at 1:00 p.m. on Tuesday, November 24, 2015, in PUC Hearing Room 1, Keystone Building, Harrisburg, PA.

ROLL CALL:

Members Present:

Honorable Leslie S. Richards
Honorable Steven Santarsiero
Ms. Anne Baloga, alternate for Honorable Randy Albright
Mr. Ryan Boyer (via phone)
Mr. Ronald Drnevich (via phone)

Members Not Present:

Mr. Michael Murchie

OLD BUSINESS:

On a motion by Representative Steven Santarsiero, seconded by Mr. Drnevich, and unanimously approved, the meeting minutes from the January 14, 2015, were approved.

CHAIR'S REMARKS:

Secretary Richards thanked the Board and the public for their attendance to the sixth P3 Board meeting. Secretary Richards took a few minutes to introduce herself to the Board. She has experience working in both the private and public sector. In the private sector, Secretary Richards served as a senior project manager at a woman-owned civil engineering firm as well as working at a consulting firm.

In the public sector, she served as vice chair of the Montgomery County Board of Commissioners. Under her leadership, the county restructured its road and bridge division resulting in increased efficiencies and \$1 million in savings. She also served as chair of the Delaware Valley Regional Planning Commission (DVRPC) as well as on the boards of the Southeastern Pennsylvania Transportation Authority (SEPTA) and the Greater Valley Forge Transportation Management Association (GVFTMA).

Secretary Richards graduated from Brown University studying economics and urban studies. She received her master's in regional planning from the University of Pennsylvania.

Secretary Richards recently appointed Mr. Michael Bonini as Director of the P3 Office. She thanked him for his hard work for these past few months and his dedication to make the P3 office and its projects a success.

OLD BUSINESS:

RAPID BRIDGE REPLACEMENT:

The Rapid Bridge Replacement project was approved by the Board in September 2013. This was the first P3 project to be approved. Plenary Walsh Keystone Partners was selected as the Development Entity in October 2014. Financial close was achieved this past March. Plenary Walsh Keystone Partners is tasked to replace 558 structurally deficient bridges across the commonwealth. The Department will maintain ownership of the bridges, but the Development Entity is responsible for maintaining each bridge for 25 years after replacement. All bridges are to be replaced by December 2017. To date, twenty-seven (27) bridges have been successfully replaced and open to traffic. Forty-six (46) bridges are scheduled to be completed in 2015.

No actions required by the Board.

SPONSORSHIP AND ADVERTISING:

The Sponsorship and Advertising program was passed by the P3 Board in January 2013. A contract was awarded to Travelers Marketing in December 2013. Travelers Marketing was tasked to create the Program and advise the Department in its consideration of sponsorship and advertising opportunities with respect to marketable assets owned by the Department and the Pennsylvania Turnpike Commission ("PTC"), with Department approval.

- Direct Mail Inserts: In March and April of 2015, Travelers secured Goodyear to provide mailing inserts in Pennsylvania's registration renewal mailing. This was a pilot program which generated \$51,300 in advertising revenue for the Department. Due to concerns from several legislators as well as those who own small auto repair shops, it was decided the program would not move forward.
- Freeway Service Patrol: Travelers secured State Farm to sponsor the Department's roving safety patrol. This 3-year sponsorship will generate \$425,000 in sponsorship revenue for the Department each year. Through the end of September, more than 16,600 motorists were assisted by the State Farm Safety Patrol.
- Rest Area/"Safe Phone Zone": This concept will allow an entity to sponsor the 35 rest areas in the commonwealth. Branding rest areas as "safe phone zones" provides a proactive solution to ban texting while driving. The sponsor's name will be placed on highway signage indicating to the motorist that a rest area is up ahead. The revenue generated will help to offset maintenance and operation costs of the rest areas.

No action required by the Board.

COMPRESSED NATURAL GAS (CNG) INFRASTRUCTURE FOR TRANSIT:

This project was approved by the Board in September 2014. The project will bring fueling stations to selected transit agencies across the commonwealth as they begin to transition from diesel fleets to natural gas buses and vehicles. The Department is looking for a consortium to design, build, finance, operate and maintain CNG fueling infrastructure for transit agencies and also allow them the opportunity to sell to other public and private fleets, providing outside the fence access. This will be a twenty (20) year contract with the selected partner. In January, three (3) teams were short-listed and a series of one-on-one meetings have been held with each proposer. The Request for Proposals (RFP) will be finalized in December and proposals will be due in January 2016. PennDOT anticipates announcing the preferred bidder in February 2016.

Representative Santarsiero asked if school buses could be included in this project.

Mr. Dale Witmer, AICP, Project Manager for this project, clarified that school buses could fill at select transit agency CNG stations that are designed to sell gas to the public. The decision to install pumps for commercial sales is largely up to the selected Development Entity and is based on market conditions at the site of each transit agency. School bus fleet owners, whether public or private, who are considering converting to CNG buses will be advised to express their interest to the selected Development Entity.

Mr. Drnevich requested clarification as to how PennDOT would be paid through this partnership agreement. Mr. Witmer explained PennDOT would receive royalty payments. This would be from a portion of the commercial fuel sales revenue which will be used to support future capital projects for transit agencies.

Secretary Richards explained to the Board that SEPTA will not be participating in this project as their fleet will be converted to electronic vehicles.

No action required by the Board.

WIRELESS TELECOM PARTNERSHIPS:

Under this partnership, the private sector would identify and market existing PennDOT assets (bridges, signs, buildings, maintenance facilities, towers, land, etc.) where wireless antennas and related equipment could be attached or constructed and market those opportunities to wireless service providers. Three shortlist firms, Crown Castle, Parallel Infrastructure, and SASI have been selected to submit their proposal. The RFP is in draft phase and will be issued in December.

No action required by the Board.

NEW BUSINESS: PRESENTATION AND CONSIDERATION OF P3 PROJECT CANDIDATE:

AMTRAK STATIONS IMPROVEMENT PROJECT: KEYSTONE CORRIDOR – MIDDLETOWN STATION:

Presented by Toby Fauver, AICP, Deputy Secretary for Multi-Modal Transportation

The proposed project structure for the Middletown project is a long-term land lease agreement with operations and maintenance concession agreement. The length of the project will depend on the funds available and the list of terms and responsibilities of the private sector. Under this arrangement, PennDOT will lease the property to the private developer who will design, build, and finance, parking facilities, and transit oriented development for a specified time. The developer will also be responsible for maintenance at the station.

The procurement will be in two phases. The first phase will include issuing a Request for Qualifications (RFQ). Developers will be short-listed based on the criteria in the RFQ. In the second phase, the short-listed developers will be invited to submit a RFP. It is anticipated that the RFQ will be issued in early spring of 2016 and the RFP being issued in the fall of 2016. PennDOT anticipates announcing the winning developer in early 2017.

Secretary Richards was interested in knowing the level of interest from the private sector. Eight (8) to ten (10) developers have reached out to Mr. Fauver expressing interest for the project.

Representative Santarsiero asked Mr. Fauver who would be responsible for building the platform as well as why this project was needed. Mr. Fauver clarified the platform would be built by Amtrak. As for the purpose of this project, Mr. Fauver explained that current PennDOT subsidies to the Keystone Corridor are approximately \$25 million/year. Routine maintenance and operation of these stations has been lacking. Transferring these services to the private sector through a P3 is a more cost effective means to improve safety and conditions. Revenues for the parking facilities can be used to offset costs. While the existing station only includes 72 parking spaces, projected parking at the station when constructed will consist of approximately 400 spaces. The project could possibly include transit oriented development that has the potential to bring private sector investments in infrastructure.

On a motion by Representative Santarsiero, seconded by Ms. Baloga, and unanimously supported, the Amtrak Stations Improvement Project, Middletown Station was approved to proceed.

NORTHAMPTON COUNTY P3 BRIDGE RENEWAL PROGRAM (UNSOLICITED PROPOSAL):

Presented by Mr. John Brown, Northampton County

This proposal includes the design, construction, financing, and maintenance for the replacement and rehabilitation of 34 bridges in the county. Twenty-eight bridges will be replaced and 6 will be rehabilitated within a 4-year timeframe. The project objectives include enhancing the overall condition of the county bridge inventory, eliminating structurally deficient bridges, reducing the quantity of functionally obsolete bridges, addressing safety needs, removing weight limit postings, and exceeding traditional delivery schedule. If the County imposes a \$5 car registration fee for local use, it may be used for this project. The P3 Steering Committee recommended to move forward as a P3 project.

On a motion by Representative Santarsiero, seconded by Ms. Baloga, and unanimously supported, the Northampton County P3 Bridge Renewal Project was approved to proceed.

UNSOLICITED PROPOSALS UPDATE:

This year, the P3 Office has received 3 unsolicited proposals including the Northampton County P3 Bridge Renewal Project.

- Commercial Vehicle Enforcement –This proposal includes a weigh-in-motion scale which would identify the truck ownership and configuration, weigh the truck and assess compliance to state and federal laws and regulations. It was recommended by the P3 Steering Committee to not move forward with this proposal and that the proposal be deferred to the Pennsylvania State Police for their consideration.
- Valley Crest Access/PA-309 Bus/Mundy Street Enhancement –This project is located in Wilkes-Barre, Wilkes-Barre Township and Plains Township. Proposal is to improve the intersections of Bus Route 309 with Mundy-Street, Valley-Crest Blvd., and Route 309 as well as intersections at Wyoming Valley Mall, East End Blvd., and Bear Creek Blvd. The project will also include a roundabout on Mundy Street. This project is anticipated to take 3-years to complete. The P3 Steering Committee recommended not to move forward with this proposal since it does not meet the requirements as a P3 project.
- Damage Claims Recovery Operations –This conceptual proposal would allow PennDOT to contract with a third party to collect any outstanding damage claims on behalf of PennDOT. The P3 Steering Committee recommended not moving forward with this proposal. PennDOT, the Comptroller’s Office and the Attorney General’s Office already have the resources in place to address billing and collecting on overdue and delinquent invoices.

No action required by the Board.

OTHER BUSINESS:

In 2015, the P3 Office was restructured and moved from being directly under the Secretary of Transportation to the Office of Planning under the leadership of Mr. James D. Ritzman, P.E. As such the Implementation Manual and Guidelines need to be updated to reflect this change.

On a motion by Representative Santarsiero, seconded by Ms. Baloga, and unanimously approved, direction was provided to update the Implementation Manual and Guidelines as necessary.

PUBLIC COMMENTS

No public comments were received.

ADJOURNMENT:

On a motion by Representative Santarsiero, seconded by Ms. Baloga, and unanimously approved, the meeting was adjourned at 2:30 p.m.