

**Bill:** H.R. 2485

**Author:** U.S. Representative Norma Torres (D-CA/35)

**Status:** Referred to the House Committee on Transportation and Infrastructure, Subcommittee on Water Resources and Environment.

**Position:** Support

### **RECOMMENDATION**

**Staff recommends that the Board adopt a SUPPORT position for H.R. 2485 –The Regional Infrastructure Accelerator Act of 2015.**

### **Summary**

**H.R. 2485 (Torres)** – The Regional Infrastructure Accelerator Act of 2015 would, if enacted into federal law, create a two-tiered grant program aimed at increasing private investment in public infrastructure projects. The legislation seeks to establish and fund regional infrastructure accelerator organizations to provide regional analysis of potential Public-Private Partnership (P3) Infrastructure projects. The regional accelerators would then have the ability to provide technical expertise and funding to states, cities and public entities for pre-development activities on a potential P3 project. This legislation authorizes, subject to appropriations, funding in the amount of \$25 million for the two-tiered grant program outlined in the Regional Infrastructure Accelerator Act of 2015.

### **Issue**

Public-Private Partnerships (P3) are financial arrangements that include private investments which can, at times, lower the cost of financing public infrastructure projects. Due to the often complex nature and limited transit P3 projects to draw experiences from, states, cities and public agencies experience barriers to completing necessary pre-development analysis needed to attract private investment.

### **Discussion**

Public-Private Partnerships (P3) are a financing tool that can attract private investment in return for a gain on that investment over the span of the agreed upon terms of a given contract. P3s are believed by some supporters to be an alternative solution, or complementary to, direct funding assistance from the federal government. Staff believes that properly structured P3s can provide an alternative financing method for

transit and highway projects, but do not represent a replacement for direct investment by the federal government in public infrastructure projects. Congresswoman Torres acknowledges, in her public statements on this legislation, that P3s are not the solution to addressing and building all of America's infrastructure needs and cannot replace direct funding from the federal government.

H.R.2485 provides funding for Regional Infrastructure Accelerators, which are modeled on the organizational structure of the West Coast Infrastructure Exchange – a regional organization established by California, Oregon and Washington to spur innovation through the use of public-private partnerships and to accelerate a pipeline of infrastructure projects. If enacted into federal law, the Secretary of Transportation would provide funding to a minimum of four Regional Accelerators. The Accelerators, staffed by financial experts, would assess the region's infrastructure needs and analyze potential projects that could attract private investment. The Accelerators are also tasked with matching private investors with potential infrastructure projects. If a potential project is identified, the legislation also authorizes the Accelerators to provide sub-grants to states, cities and public entities to engage in pre-development of the P3 arrangement.

By providing funding and technical expertise to develop potential P3 projects, H.R.2485 will eliminate a barrier for public entities interested in P3 financing by providing up-front funding for pre-development activities. Pre-development of P3 contracts are necessary to advance any potential P3 project to a point where a private investor can determine if an investment in the project is prudent.

### **Determination of Safety Impact**

Staff has reviewed this legislation and determined that the legislation does not have a negative impact on safety.

### **Financial Impact**

Staff has determined that the legislation could have a positive financial impact on our agency by providing additional financing tools that could be utilized to potentially develop a P3 project in Los Angeles County.

### **Alternatives Considered**

H.R.625 authored by Congressman John Delaney (D –MD) includes language that would establish a Regional Accelerator pilot program. Staff has determined that H.R. (Torres) offers a more direct legislative route to providing P3 assistance to state, cities and public entities.

## **Next Steps**

Should the Board decide to SUPPORT H.R.2485, staff will draft a support letter and work with the Los Angeles County Congressional Delegation to advocate for The Regional Infrastructure Accelerator Act of 2015 to be included in any surface transportation authorization bill adopted by Congress and signed into law by the President.