

ATTACHMENT F

BILL: ASSEMBLY BILL 1454 (BLOOM)
&
SENATE BILL 768 (ALLEN)

AUTHOR: ASSEMBLYMEMBER RICHARD BLOOM (D-WEST
HOLLYWOOD)

SENATOR BEN ALLEN (D-SANTA MONICA)

SUBJECT: TRANSPORTATION PROJECTS: COMPREHENSIVE
DEVELOPMENT LEASE AGREEMENTS

STATUS: AB 1454 - ASSEMBLY TRANSPORTATION COMMITTEE
HEARING: APRIL 17, 2017

SB 768 – REFERRED TO SENATE TRANSPORTATION AND
HOUSING COMMITTEE

ACTION: SUPPORT

RECOMMENDATION

Staff recommends that the Board of Directors adopt a SUPPORT position on the measures, Assembly Bill 1454 (Bloom) and Senate Bill 768 (Allen).

ISSUE

Assemblymember Richard Bloom and Senator Ben Allen have introduced AB 1454 and SB 768 which would make changes to provisions that grant Caltrans and regional transportation agencies the authority to enter into public-private partnerships under Section 143 of the Streets and Highways code.

Specifically AB 1454 and SB 768 would:

- Extend the authorization indefinitely for Caltrans and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities (public-private partnerships or P3's).

DISCUSSION

Under Section 143 of the Streets and Highways Code, Caltrans and regional transportation agencies were granted authorization to enter into public-private partnerships. This authorization expired on January 1, 2017. AB 1454 (Bloom) and SB 768 (Allen) would extend indefinitely the authorization for Caltrans and regional transportation agencies to enter into public-private partnerships (P3's).

A public-private partnership is a collaboration between a public agency and a private partner to deliver an infrastructure project, public service or facility. Current law authorizes Caltrans and regional transportation planning agencies to utilize the “Design-Build” method to deliver infrastructure projects and separately authorizes each entity to collect tolls or user-fees.

The P3 authorization would expand that authority to allow Caltrans and transportation planning agencies to enter comprehensive lease agreements to design, build, finance, operate and maintain facilities on the state highway system. The P3 model can reduce risk exposure for the public sector by allocating more risk to private sector. Private partners are financially accountable for meeting performance standards, ensuring cost certainty, service quality, and state of good repair. P3’s are a tool that can be used to accelerate project delivery.

Staff recommends that the Board adopt a SUPPORT position on the measures AB 1454 (Bloom) and SB 768 (Allen).

DETERMINATION OF SAFETY IMPACT

There is no determined safety impact due to the enactment of the proposed legislation.

FINANCIAL IMPACT

The estimated financial impact has yet to be determined.

ALTERNATIVES CONSIDERED

Staff has considered adopting either a oppose or neutral positions on the bills. Adopting an oppose position on the bills would be counter to the Board adopted State Legislative Program Goal #3 to work to ensure implementation of Metro’s Board adopted LRTP. This goal contains activities related to pursuing public-private partnerships and other innovative opportunities to advance projects in the LRTP.

NEXT STEPS

Should the Board decide to adopt a SUPPORT position on these measures; staff will communicate the Board’s position to the authors and work to ensure passage. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.