

ATTACHMENT G

BILL: SENATE BILL 422

AUTHOR: SENATOR SCOTT WILK (SANTA CLARITA)

SUBJECT: TRANSPORTATION PROJECTS: COMPREHENSIVE
DEVELOPMENT LEASE AGREEMENTS

STATUS: SENATE TRANSPORTATION AND HOUSING COMMITTEE
HEARING: APRIL 25, 2017

ACTION: SUPPORT - SPONSOR

RECOMMENDATION

Staff recommends that the Board of Directors adopt a SUPPORT position on the Metro Sponsored bill, Senate Bill 422.

ISSUE

Senator Scott Wilk has introduced SB 422, a Metro sponsored bill that would make changes to provisions granting Caltrans and regional transportation agencies the authority to enter into public-private partnerships under Section 143 of the Streets and Highways code. The bill was amended on March 20, 2017 to extend the authority to Santa Clara Valley Transportation Authority.

Specifically, SB 422 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); and,
- Include within the definition of "regional transportation agency" the Santa Clara Valley Transportation Authority.

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. SB 422 (Wilk) would extend indefinitely the authorization for Caltrans and regional transportation agencies to enter into public-private partnerships (P3's). The measure would also clarify the definition of "regional transportation agency" to include the Santa Clara Valley Transportation Authority, thereby authorizing the authority to enter into P3's under these provisions. The legislation re-instates the public-private partnership.

A public-private partnership is a collaboration between a public agency and a private partner to deliver an infrastructure project, public service or facility. Existing 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 regional 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 – SPONSOR position on the measure SB 422 (Wilk).

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 bill. Adopting an oppose position on the bill 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 - SPONSOR position on this measure; staff will communicate the Board’s position to the author and work to ensure the measure’s passage. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.