

BILL: AB 2742

AUTHOR: ASSEMBLYMEMBER ADRIN NAZARIAN
(D-LOS ANGELES)

SUBJECT: PUBLIC PRIVATE PARTNERSHIPS SUNSET EXTENSION

STATUS: ASSEMBLY TRANSPORTATION COMMITTEE
HEARING SCHEDULED: APRIL 11, 2016

ACTION: SUPPORT

RECOMMENDATION

Staff recommends that the Board approve a SUPPORT position on AB 2742 (Nazarian) which would extend the sunset date and allow Public Private Partnership (PPP) agreements to continue to be an option for transportation infrastructure to January 1, 2030.

ISSUE

Existing law authorizes the Department of Transportation and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities for certain transportation projects until January 1, 2017. These agreements may include charging certain users of those projects tolls and user fees.

This bill would:

- Extend the sunset date for Public Private Partnership agreements and allow PPPs to continue to be an option for transportation infrastructure through January 1, 2030.
- Clarify that the Santa Clara Valley Transportation Authority is eligible to use this mechanism.

DISCUSSION

The proposed legislation would extend legislative authority and continue to provide expansion of design-build contracting authority to additional state facilities. The 2009 legislation authorized up to 15 design-build transportation projects, under prescribed circumstances. The original PPP enabling legislation authorized the California Department of Transportation (Caltrans) and local and regional transportation agencies to enter into an unlimited number of PPP agreements until January 1, 2017.

Extending this law would allow Metro to further develop its PPP program encouraging private investment and development for projects that would otherwise be difficult to build using standard design-bid-build procurement methodology.

Metro recently conducted an Industry Forum and issued a new Unsolicited Proposal Policy to both spur innovation and encourage private sector innovation in transportation. Metro has an agency-wide focus on innovation, including support of alternative delivery methods such as public private partnerships. Extending this authorizing is a key component to the success of these efforts.

DETERMINATION OF SAFETY IMPACT

Staff has reviewed the legislation to identify any impacts to safety at Metro and have found that the measure has no negative impacts.

FINANCIAL IMPACT

There is no immediate financial impact related to Metro's support of this legislative action.

ALTERNATIVES CONSIDERED

Staff has considered adopting either an oppose or neutral position on the bill. However, an oppose position would be inconsistent with past Board positions and a neutral position would foreclose Metro's ability to enact legislation that could improve mobility in our region.

NEXT STEPS

Should the Board decide to adopt a SUPPORT position on this bill, staff will work with author to pursue successful passage of the legislation and continue to keep the Board informed as this issue is addressed throughout the legislative session.