

PUBLIC-PRIVATE TRANSPORTATION PARTNERSHIP BOARD
SUMMARY MINUTES
HARRISBURG, PENNSYLVANIA
JANUARY 14, 2015

CALL TO ORDER:

The fifth meeting of the Public-Private Transportation Partnership Board (Board) was convened by Secretary Barry J. Schoch, P.E., at 11:15 a.m. on Wednesday, January 14, 2015, in conference room 8N1, Keystone Building, Harrisburg, PA.

ROLL CALL:

Members Present:

Honorable Barry J. Schoch, P.E, Chair
Mr. Ryan Boyer
Mr. Ronald Drnevich
Mr. Peter Tartline, alternate for Honorable Charles Zogby
Mr. Nicholas DeBenedictis (via phone)
Honorable Steven Santarsiero (via phone)

Members Not Present:

Mr. Michael Murchie

OLD BUSINESS:

On a motion by Mr. Drnevich, seconded by Mr. Boyer, and unanimously approved, the meeting minutes from September 29, 2014 were approved.

NEW BUSINESS:

One of the requirements from Act 88 is an annual P3 report to the General Assembly. The report includes updates on each project the P3 office is working on. Approval from the Board is needed to issue the annual report to the General Assembly. The P3 Office requests the Board to make any necessary changes to the draft report before it is submitted to the General Assembly this spring.

On a motion by Mr. Boyer, seconded by Representative Santarsiero, and unanimously approved, the P3 Annual Report was approved for submission to the General Assembly this spring.

APPROVED PROJECTS UPDATE:

Rapid Bridge Replacement Project:

Director of the P3 Office, Bryan Kendro, provided an update on the Rapid Bridge Replacement Project. In October 2014, PennDOT selected Plenary Walsh Keystone Partners for this initiative, which replaces 558 bridges across the state. Commercial close was reached on Friday, January 8, 2015. This means the Commonwealth and Plenary Walsh Keystone Partners agreed to the commercial terms and conditions of the contract. Approval was needed by the Attorney General's Office, PennDOT's Chief Counsel and the Comptroller's office. Financial close is expected in March. Plenary Walsh will go to the bond market to sell private activity bonds which were allocated by the United States Department of Transportation. These are tax exempt bonds for purposes of private activity for a public infrastructure project. It was imperative to keep a tight timeline in order for Plenary Walsh to complete the first 58 bridges by the end of the year. Ronald Drnevich asked Mr. Kendro if Plenary Walsh can now proceed with this project. Mr. Kendro explained that Plenary Walsh must first submit project management plans, quality plans, and other planning documents. Once these plans have been approved by PennDOT and reviewed by the Federal Highway Administration (FHWA), Plenary Walsh can then proceed with design plans.

No action was required by the Board.

Sponsorship and Advertising Program:

Kathryn Tartaglia, Project Manager for the P3 Office, gave the Board an update on the various P3 sponsorship and advertising projects.

In September 2014, State Farm signed on to a three-year contract to sponsor PennDOT's roving safety patrol. This sponsorship will offset nearly 11% of the roughly \$4 million annual cost to operate the program.

PennDOT's sponsorship and advertising consultant, Travelers Marketing, is having positive talks with a potential nationwide healthcare provider to sponsor PennDOT's Yellow Dot program. The sponsor has the options to add their own advertisement in the Yellow Dot envelope, their logo on the Yellow Dot sticker as well as other opportunities. Any sponsorship revenue will go back into the Yellow Dot program to offset printing and mailing costs.

Mr. Drnevich was unaware of what the Yellow Dot program was and asked Ms. Tartaglia to clarify this program. Ms. Tartaglia explained that any Pennsylvanian who may require special care during emergencies due to a pre-existing medical condition is invited to participate in the Yellow Dot program. Each participant must complete a program packet that includes personal information, medical history and a photo. The participant then places a "Yellow Dot" sticker in their vehicle's rear window, which – in the event of an emergency – alerts first responders to check the participations' glove compartment for vital information to ensure they receive the medical attention they need.

Discussions are ongoing between Travelers and two potential statewide advertisers for PennDOT's mailing program. The advertisers will have the opportunity to include their advertisement in either the driver license renewal notice envelope or the registration renewal notice envelope. Approximately 1 million renewals are mailed out each month. Travelers is also having positive talks with a nationwide insurance company to participate in this program but on a regional basis. In order for PennDOT to do advertising inserts regionally, computer systems are being modified with a completion date of June 2015.

The P3 Office is still in the process of reviewing Travelers Marketing's assessment report for the state's rest areas. Rest areas are generally perceived as "bathroom facilities". This perception, whether accurate or not, severely limits the viability of Rest Area Sponsorships. Rest areas are a safe and convenient place where drivers can pull off the road and use their phones. Branding rest areas as "*safe phone zones*" provides a proactive solution to ban texting while driving. The combination of branding rest areas as *Safe Phone Zones*, along with the opportunity for states to generate Rest Area sponsorship revenue, creates a powerful public-private partnership opportunity. Similar to the existing sponsorship agreements in Virginia and Arizona, Travelers Marketing recommends PennDOT brand its rest areas and welcome centers as *Safe Phone Zones*. Travelers Marketing will secure a statewide sponsor and have the sponsor recognized on 6' X 4' rest area acknowledgment signs.

No action required by the Board.

511 Traffic and Traveler Information:

This was the first project that went live in 2014. Information Logistics was selected to develop the next generation of 511 system. The new 511 system provides motorists with added safety benefits including traffic flow maps and hands free, eyes free notifications for smart phone users. In the long term, PennDOT envisions the next contract to consolidate with the PA Turnpike Commission traffic information system, TripTalk.

No action required by the Board.

Compressed Natural Gas (CNG) Infrastructure for Transit:

The Department received 14 Statement of Qualifications (SOQs). The SOQs are currently being reviewed by the Department. PennDOT anticipated shortlisting 3 to 4 teams. Similar to the Rapid Bridge Replacement project, these shortlisted teams will have the opportunity to review and make comments to the draft Request for Proposal (RFP). The shortlisted teams will also have the opportunity to access the transit sites participating in this project to determine facility improvements. The Department was very pleased to have received 14 SOQs. This shows a lot of interest with this project.

The final RFP will be issued once the Department works through the draft RFP. Again, similar to the RBR project, the final RFP will be the contract firms will bid on. There will be no further negotiations once a firm has been selected. Firms will be evaluated based on their ability to

deliver facility upgrades, cost to deliver fueling stations and the outlook on commercialization opportunities such as how well can the firm sell outside the fence to other customers.

The Department will be running several different models for return on investment based on current and projected CNG and diesel fuel prices. The Department strongly believes it makes economic sense and will explain to the participating transit agencies what impact it will have on their budget and that there is still a benefit to move forward with the project despite the recent drop in the price of diesel.

Mr. Drnevich asked how many transit agencies are on board for this project and how many does the Commonwealth have. Mr. Kendro explained there are a total of 37 transit facilities and the Department's goal is to have as many as 25 transit agencies on board. With the exception of SEPTA, the Department would like to eventually get all Pennsylvania's transit agencies on board.

Representative Santarsiero asked Mr. Kendro if there has been any outreach with the school districts as well as wanting clarification as to how many of the 14 firms who submitted an SOQ are located in Pennsylvania. Mr. Kendro explained that most have presence in Pennsylvania because of the natural gas industry in the state but most do not have their headquarters based in Pennsylvania. Like the RBR project, many local engineering firms and other Pennsylvania based contractors will be involved in the design and construction as well as the day to day operations of these facilities. As far as the question regarding school districts, the Department did explore this opportunity. The biggest challenge is using federal funds and transit funds and mixing the Department's funds which specifically go towards transit purposes and blending that with school district projects. As the Department moves forward with structuring this project and creating documents, this will provide a template for the school districts to model off of. Secretary Schoch also mentioned that depending on the location of these transit facilities, school districts looking to transition over to CNG school buses would have the opportunity to use these facilities as well. Since PennDOT's Driver and Vehicle Services has a strong relationship with the school bus companies and the operators, Secretary Schoch suggested Deputy Secretary Kurt Myers set up a meeting to discuss this project.

No action required by the Board.

Wireless Telecom Partnerships:

Dale Witmer, Deputy P3 Director, provided a follow up to the Wireless Telecom project which was approved by the P3 Board in September 2013. This project was designed to use surplus land and right-of-way and lease to cell providers. The intent is to secure a program manager to essentially to manage the entire program, collect revenue, manage the facilities, market the program and return revenue to the Department. A meeting is scheduled for February to meet with the 4 shortlisted teams to review the draft RFP. Once comments and suggestions have been provided, PennDOT will then issue the final RFP.

No action required by the Board.

Truck Permitting and Routing System (APRAS):

Mr. Witmer also gave an update on PennDOT's Truck Permitting and Routing System. This project was approved by the Board in September 2013. The P3 Office received 4 responses to an RFP issued in August 2014. The Department continues to evaluate these proposals. This initiative will reduce PennDOT's costs and improve overall performance for the Department's business partners. PennDOT anticipates selecting a firm at the beginning of next year.

No action required by the Board.

NEXT MEETING:

Future Board meeting has not been scheduled at this time.

OTHER BUSINESS

Mr. Greg Bentley, whose company submitted an unsolicited proposal for the APRAS system, expressed his concerns to the P3 Board regarding the process of selecting the shortlisted firms.

Secretary Schoch informed the Board members this is his last Board meeting. Starting January 20th, he will be a special advisor to Governor Tom Wolf. He thanked the Board for their time and effort to get the P3 Office off the ground, implementing P3 policies and guidelines, and with their assistance with the P3 office staff.

The Board members thanked Secretary Schoch for all his hard work with the Department and his efforts to get Act 89 passed.

PUBLIC COMMENTS:

No public comments were received.

ADJOURNMENT:

On a motion by Mr. Boyer, seconded by Mr. DeBenedictis, and unanimously approved, the meeting was adjourned at 12:15 p.m.