

PUBLIC-PRIVATE TRANSPORTATION PARTNERSHIP BOARD
SUMMARY MINUTES
HARRISBURG, PENNSYLVANIA
JULY 13, 2017

CALL TO ORDER:

The ninth meeting of the Public-Private Transportation Partnerships Board (Board) was convened by Secretary Leslie S. Richards, at 1:00 p.m. on Thursday, July 13, 2017, in PUC Hearing Room 1, Keystone Building, Harrisburg, PA.

ROLL CALL:

Members Present:

Honorable Leslie S. Richards
Ms. Natalie Sabadish for Honorable Randolph Albright
Mr. Gregory Davis
Mr. Ronald Drnevich
Mr. John J. Martino

Members Not Present:

Mr. James Kunz, Jr.
Representative William F. Keller

OLD BUSINESS:

On a motion by Mr. Ron Drnevich, seconded by Mr. Gregory Davis, and unanimously approved, the meeting minutes from the November 29, 2016 were approved.

CHAIR'S REMARKS:

Secretary Richards welcomed everyone to the board meeting and called attention to the new P3 board members, Mr. John Martino and Representative William Keller. In addition, Secretary Richards acknowledged the new PennDOT Office of Chief Counsel staff members assisting the P3 Office, Mr. Jason Sharp, Acting Chief Counsel, Mr. Don Smith, Executive Deputy Chief Counsel, and Ms. Meghan McNaughton, Assistant Counsel. Finally, Secretary Richards welcomed and introduced Mr. Joe Gurinko, new Deputy Director for the P3 Office.

Secretary Richards also noted that the P3 Office has spent a lot of time working to ensure that the P3 program realizes actual results through the management and successful delivery of approved projects. To that end, Secretary Richards noted that 5 CNG fueling stations have been opened as of this board meeting. In addition, 217 bridges have been constructed through the Rapid Bridge Replacement project with

another 81 under construction. Finally, Secretary Richards mentioned that PennDOT shortlisted one team for the Middletown Station P3 project (Keystone Connections).

OLD BUSINESS:

RAPID BRIDGE REPLACEMENT:

The Rapid Bridge Replacement project was approved by the Board in September 2013. This was the first P3 project to be approved. Plenary Walsh Keystone Partners was selected as the Development Entity in October 2014. Financial close was completed this past March. Plenary Walsh Keystone Partners is tasked to replace 558 structurally deficient bridges across the Commonwealth. The Department will maintain ownership of the bridges, but the Development Entity is responsible for maintaining each bridge for 25 years after replacement. All bridges are to be replaced by December 2018.

As of the P3 Board meeting, 217 bridges have been successfully replaced and open to traffic. Eighty-one (81) bridges are currently under construction. PennDOT and Plenary Walsh Keystone Partners have developed a schedule to complete the remaining bridges.

Mr. Michael Bonini noted that on June 28, 2017, PennDOT and PWKP executed Amendment #3 to the Public-Private Partnership Agreement. The amendment included a restructuring of contract terms to account for leveling the construction schedule to enable bridges to be built in 2018, revising the payment mechanism to mitigate Department-retained risks, and extending the Substantial Project Completion deadline.

No action required by the Board.

COMPRESSED NATURAL GAS (CNG) INFRASTRUCTURE FOR PUBLIC TRANSIT AGENCIES:

This project was approved by the Board in September 2014. The project will bring fueling stations to selected transit agencies across the Commonwealth as they begin to transition from diesel fleets to natural gas buses and vehicles. The Department is looking for a consortium to design, build, finance, operate and maintain CNG fueling infrastructure for transit agencies while permitting the opportunity for public outside the fence sales to other public and private fleets.

PennDOT selected Trillium CNG as the preferred proposer to supply gas to over 1,600 CNG buses at twenty-nine (29) transit facilities throughout the Commonwealth. Trillium has opened 5 stations as of the board meeting.

No action required by the Board.

SPONSORSHIP AND ADVERTISING:

The Sponsorship and Advertising program (“Program”) was passed by the P3 Board in January 2013. A contract was awarded to Travelers Marketing in December 2013. Travelers Marketing was tasked to create the Program and advise the Department in its consideration of sponsorship and advertising opportunities with respect to marketable assets owned by the Department and the Pennsylvania Turnpike Commission (“PTC”), with Department approval.

- Freeway Service Patrol: Travelers secured State Farm to sponsor the Department’s roving safety patrol. This 3-year sponsorship will generate \$425,000 in sponsorship revenue for the Department each year.
- Rest Area/”Safe Phone Zone”: This concept will allow an entity to sponsor the 35 rest areas in the Commonwealth. Branding rest areas as “safe phone zones” provides a proactive solution to ban texting while driving. Travelers has not been able to secure a sponsor.

No action required by the Board.

AMTRAK STATIONS IMPROVEMENT PROJECT: KEYSTONE CORRIDOR – MIDDLETOWN STATION:

The Keystone Corridor is a 349 mile railroad line linking Pittsburgh and Philadelphia. Amtrak currently runs two services along the Keystone Corridor – the Keystone Service or Keystone Line (Harrisburg to New York City) and the Pennsylvanian (Pittsburgh to New York City). This P3 project is specific to the Middletown Station and accompanying facilities.

PennDOT is working with Amtrak to relocate the Middletown Station from Union and Mill Streets to a new location on Ann Street/Airport Drive (SR 441) at West Main Street (SR 230) near the Penn State Harrisburg campus. The project will make the transit station more accessible to comply with Americans with Disabilities Act (ADA) platform requirements and offer multimodal connections by accommodating a bus stop, airport shuttle, connections for students, and covered bicycle racks.

The structure for the Middletown project is a long-term land lease agreement with operations and maintenance concession agreement. The length of the project will depend on the funds available and the list of terms and responsibilities of the private sector. Under this arrangement, PennDOT will lease the property to the private developer who will design, build, finance, maintain the station, parking facilities, and commercial property for a specified time.

In January 2017, PennDOT announced that Keystone Connections qualified for the next phase of procurement. The Department will begin to conduct one-on-one meetings with the team in the development and ultimate distribution of a draft Request for Proposals.

No action required by the Board.

NORTHAMPTON COUNTY BRIDGE RENEWAL PROGRAM:

The Northampton County Bridge Renewal Program includes the design, construction, financing, and maintenance for the replacement and rehabilitation of 34 bridges in the county. Twenty-eight bridges will be replaced and 6 will be rehabilitated within a 4-year timeframe. The project objectives include enhancing the overall condition of the county bridge inventory, eliminating structurally deficient bridges, reducing the quantity of functionally obsolete bridges, addressing safety needs, removing weight limit postings, and exceeding traditional delivery schedule.

As of the P3 Board meeting, Northampton County is working to design and construct the first bridge (#157) later this year.

No action required by the Board.

PENNSYLVANIA TURNPIKE COMMISSION BOARD:

This project includes the installation of a fiber optic cable with wireless mesh overlay along the 550 mile-extent of the turnpike and extensions. The fiber optic cable will provide communication capacity for the PTC, PennDOT, and other Commonwealth needs. The PTC is developing a Design, Build, Finance, Operate, and Maintain (DBFOM) partnership which will allow a private partner to market and lease the remaining capacity.

A Request for Qualifications was distributed on July 7, 2017, with proposals due August 31, 2017.

NEW BUSINESS: PRESENTATION AND CONSIDERATION OF P3 PROJECT CANDIDATE:

Wetland Banking, *presented by Mr. Drew Ames, PennDOT*

An unsolicited proposal was submitted in October 2016 by Magnolia Inc. for wetland mitigation banking. Through a Public-Private Partnership with PennDOT, Magnolia proposed to develop 140 acres for a wetland banking site in Chalfont, PA. The land is already owned by PennDOT and is being proposed to provide on-demand wetland mitigation credits for both PennDOT projects as well as other private development projects which have wetland impacts located in the same watershed.

PennDOT agrees with this unsolicited proposal and intends to move forward with this opportunity to be procured through a Design, Build, Finance, Operate and Maintain

(DBFOM) public-private partnership. Through this project, PennDOT will also permit the private partner to market any excess wetland credits with a potential to offset mitigation costs for PennDOT and/or to provide revenue sharing.

On a motion by Mr. Ron Drnevich, seconded by Mr. John Martino, and unanimously approved, the Wetland Mitigation Banking project was approved to proceed.

Keystone Corridor Station Improvement Opportunities, presented by Mr. Toby Fauver, FAICP, PennDOT

The PennDOT Multimodal deputate is requesting approval to utilize P3 procurement for Transit-Oriented Development (TOD) opportunities at one or more of the following stations along the Keystone Corridor - Harrisburg, Elizabethtown, Mount Joy, Lancaster, Parkesburg and Downingtown. These TOD opportunities may include one or more of the following: soliciting a private partner to provide operation and maintenance services, allowing a private partner to provide parking upgrades either through surface lot expansion or with the construction of parking garages, and finally, if deemed feasible, the ability to provide both residential and/or commercial development.

On a motion by Mr. Gregory Davis, seconded by Ms. Natalie Sabadish, and unanimously approved, the Keystone Station Improvement Opportunities project was approved to proceed.

ADDITIONAL NEW BUSINESS: UNSOLICITED PROPOSALS UPDATE

The P3 Office provided an update on the four (4) unsolicited proposals that were submitted in October 2016/April 2017:

- Mitigation Bank Development on PennDOT Land (*Oct 2016 submission*)
 - The purpose of this proposal is to develop wetland, stream and species mitigation credits on PennDOT owned land.
 - This unsolicited proposal has been accepted by PennDOT and was presented to the P3 Board for review and consideration at this meeting. The project was approved by the P3 Board.
- Gateway Raingardens: Partnerships for Stormwater Management (*Oct 2016 submission*)
 - The purpose of this proposal is to develop a statewide “Gateway Raingarden” program for Pennsylvania under the leadership and management of PennDOT.
 - Through due diligence analysis of the proposal and meetings with the submitting team, the team provided correspondence on June 16, 2017 indicating that they were interested in pursuing this opportunity first as a research initiative. The research environment could enable the team to

develop a stormwater mitigation program that could ultimately become a public-private partnership. Therefore, at this time, this project does not merit consideration by the P3 Board as a P3 candidate.

- Oakland Interchange Improvement Project (*Oct 2016 submission*)
 - The purpose of this proposal is to develop innovative transportation enhancements to optimize mobility, mitigate congestion, and to provide an Oakland “gateway.”
 - The P3 Office and advisors met with the Unsolicited Proposal submission team on March 2, 2017 to discuss the proposal. As a result of that meeting, the P3 Office issued a letter on April 13, 2017 to the submission team seeking additional information in regards to the price proposal for the project in order to determine if the project is a suitable candidate for P3 procurement. In addition, the P3 Office requested a revised price proposal to include a financial strategy and separate breakdown of investment anticipated from local stakeholders and from PennDOT. No approval requested or needed at this meeting.

- Environmental Solutions P3 (*April 2017 submission*)
 - An Unsolicited Proposal has been received by the P3 Office to provide ecological solutions to PennDOT for stream, wetland, threatened and endangered species, water quality and water quality impacts resulting from transportation projects over the next 20 years throughout the state.
 - After a cursory review, PennDOT believes that this proposal has merit and the P3 Office is conducting a High Level Screening Analysis for future action. No approval requested or needed at this meeting.

ADDITIONAL NEW BUSINESS:

The P3 Office presented the P3 Report for Pennsylvania (Publication 999) which describes the activities of the office and provides an update to all P3 projects.

On a motion by Mr. Ron Drnevich, seconded by Mr. Gregory Davis, and unanimously approved, the 2017 Annual Report, was approved for release.

OTHER BUSINESS:

Mr. Gregory Davis asked if other states are inquiring about Pennsylvania’s P3 program. Mr. Bonini noted that the office gets repeated requests for presentations and participation at national meetings to promote the office and projects.

Mr. Bonini noted that the next P3 Board meeting is scheduled for November 28, 2017.

PUBLIC COMMENTS

No public comments were received.

ADJOURNMENT:

On a motion by Mr. John Martino, seconded by Ms. Natalie Sabadish, and unanimously approved, the meeting was adjourned at 2:25 p.m.