Public Private Partnerships and Transit
Not Just for Mega Projects

Karin DeMoors • October 28, 2015
Presentation Overview

• What is a Public Private Partnership (P3)?
• Mega Project Focus
• Range of Partnerships in Transit
• Keys to Success
• Examples
What is a Public Private Partnership (P3)?

• Definitions vary
• Common components:
  – Contract
  – Increased private role
  – Sharing of
    • Risk
    • Responsibility
    • Reward
Contractual agreements formed between a public agency and a private sector entity that allow for greater private sector participation in the delivery and financing of transportation projects.
**National Council for P3s Definition**

*Contractual arrangement between a public agency and a private sector entity. Through this agreement, the skills and assets of each sector are shared in delivering a service or facility for the use of the general public. In addition, each party shares in the risks and rewards potential in the delivery of the service and/or facility.*
Mega Project Focus

- Headline grabbing
- New construction
- Big $
- Often design build + maintenance, operation, and/or finance

Dulles Corridor Metrorail Project
photo courtesy of www.dullesmetro.com
Range of ‘Partnerships’ in Transit

Financial
- Advertising
- Signage
- Naming Rights
- Sponsorships
- Vending & Concessions
- Right of Way Leases
- Value Capture

Service Delivery
- Sponsored Service
- Complementary Transportation
- Real Time Information
- Wireless/Wifi
- Charging Stations

Infrastructure Development
- Design Build
- Air Rights

Combinations
- Design Build
- Oper. Maintain
- Design Build
- Finance
- DBFOM
- Joint Development
Many Non-Mega Partnerships

- Not as highly publicized
- Not what typically comes to mind when hear ‘P3’
- Often result from problem solving with limited resources
- Can make real differences
- Every dollar counts
Keys to Success in Partnerships

• Available resources (time, expertise, $)
  – Plan
  – Implement

• Win-win for public and private parties
  – Benefits > Costs
  – Opportunities > Risks
  – Scalable, Return on Investment
EXAMPLES:
FINANCIAL PARTNERSHIPS
SEPTA (Philadelphia, PA)
Station Naming Rights

• Hospital purchased commuter rail station naming rights
• $4M for 5 years
  – Optional 4 more years at $3.4M
  – 85% to SEPTA & 15% to advertising agency
• Hospital shuttle buses provide transportation between hospital and station
• AT&T purchased subway station naming rights
  – $5.4M for 5 years
  – Only wireless carrier underground along Broad Street and Market-Frankford subway lines
FRED (Fredericksburg, VA) Partners Program

• $25k/year = ‘Major Partner’
  – Routing serves Partner’s location
  – Free rides for employees, students
  – Free advertising
  – Advisory board invitation
  – Tailored annual report
• Under $25k options, proffers, in kind arrangements
• Partner Program Revenues = ~4% of FRED’s operating budget

Major Partners

✓ University of Mary Washington
✓ The Free Lance-Star
✓ Germanna Community College
✓ WFLS radio
✓ Mary Washington Healthcare
✓ Caroline County
✓ Spotsylvania County
✓ City of Fredericksburg
✓ Stafford County
✓ George Washington Regional Commission
✓ Virginia Dept. of Rail & Public Transportation
EXAMPLES:
SERVICE PARTNERSHIPS
CATA (State College, PA) Sponsored Service

- Apartment Complexes
  - Tenants receive bus pass with lease
  - Apartment complex reimburses CATA per ride
  - Pay wholesale fare ($0.93 vs. $1.75)
  - 28% of CATA annual operating revenue

- University Circulator
  - Free rides to all (not just students)
  - University pays flat fee per hour of service
  - Annual contract establishes level of service and fee terms
  - Increases overall ridership for federal funding consideration
  - 35% of CATA annual operating revenue
DART (Dallas, TX)  
Partnership with Uber

• Book Uber using DART’s mobile ticketing app
• One stop shopping
• Facilitates solving “first mile-last mile” problem
• Tech integration limited; link opens Uber app
• Others following suit
  – MARTA has similar collaboration
  – Los Angeles and Minneapolis cover Uber trips as part of ‘guaranteed ride home’ programs
MTA (New York, NY)
Wireless Service Underground

- Voice & data service underground
- Partner pays 100% of project costs including MTA support staff
- MTA and partner split 50/50 carrier occupancy and sub-license fee revenue
- Partner pays MTA $3.3M/year (min.) at full build
EXAMPLES:
INFRASTRUCTURE DEVELOPMENT
PARTNERSHIPS
CTA (Chicago, IL)
Bus Shelter Concession

• 20 year bus shelter and street furniture contract
• No cost to City/CTA
• Partner designed, installed, maintains, and manages ad space on 2,200+ shelters
• CTA guaranteed $200M+ in ad revenue
• Prior CTA bus shelters did not have ad space
CTA (Chicago, IL)
Fare Payment System

• Contactless open fare payment system
  – Payment with cards, tickets, debit or credit cards with chips and (soon) mobile devices
  – Replaced separate fare systems of CTA, Pace Bus
• Private partner receives monthly fee
  – Base and variable (# of rides) components
• CTA saves $
  – No longer purchases, maintains, supports fare collection equipment
EXAMPLES:
COMBINATIONS
Colorado DOT
US 36 Managed Lane & Bus Rapid Transit Ph.2

- Alleviates congestion multi-modally
  - Bus Rapid Transit (BRT)
  - High Occupancy/Toll (HOT) lanes
  - Bikeway
  - Road and bridge reconstruction
- DBFOM P3 with 50 year agreement
- Project cost: $208M
- Funding: Mix of federal, state, local, TIFIA, equity, private activity bonds, toll revenues
PennDOT (various transit agencies, PA) 
Compressed Natural Gas Fueling Stations 

• CNG fueling stations at up to 37 transit agencies 
• PennDOT 
  – Enters CNG supply contract with partner 
  – Enters CNG purchase agreements with transit agencies 
  – Receives portion of fuel sales revenue 
    • $ returned to transit agencies for capital projects 
• Private partner (selection pending) 
  – DBFOM of fueling stations & other facility upgrades 
  – Supplies CNG to transit agencies 
  – Undertakes commercial CNG sales
Thank you

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