

# Public-Private Partnerships in Washington

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**Presentation to PNWER**

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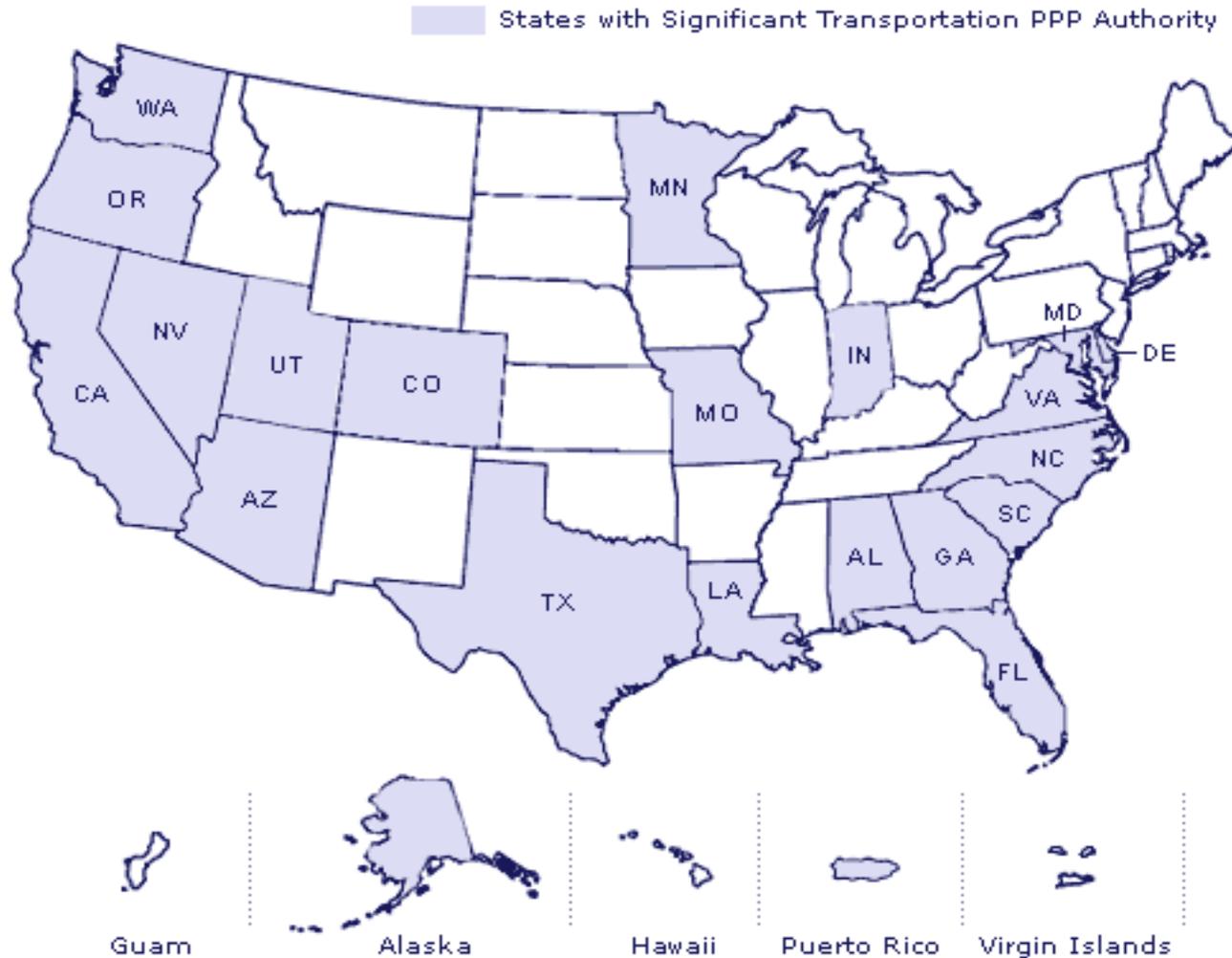
## Overview

- Transportation PPP Trends in the US
- Washington State's Approach to PPP's
- Unique Challenges
- Current Opportunities in the Pacific Northwest Region

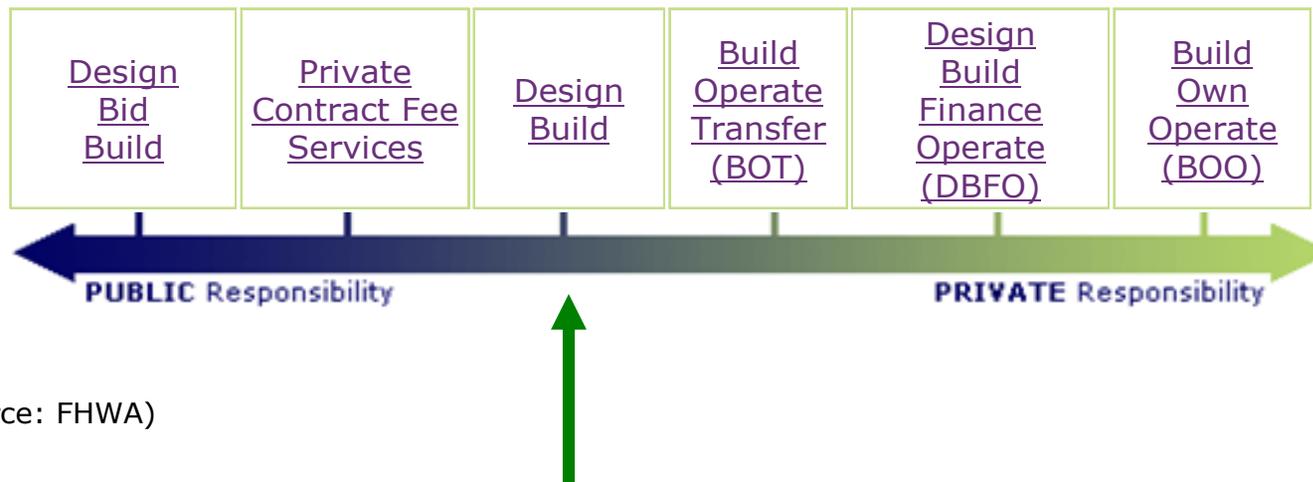
## U.S. Public Sector Motivations for Pursuing Public-Private Partnerships

- Procurement
- Contractual allocation of risk
- New revenue sources
- Innovative financing
- Cover ongoing costs of operations and maintenance
- Price certainty
- Contracting out unpleasant chores
- Monetizing existing assets **(new)**

# States with Significant Transportation PPP Authority (as of April, 2006)



## Continuum of Public-Private Partnerships



(Source: FHWA)

## Transportation PPP's in Washington State

## Five Illustrative Opportunities for Potential PPP's

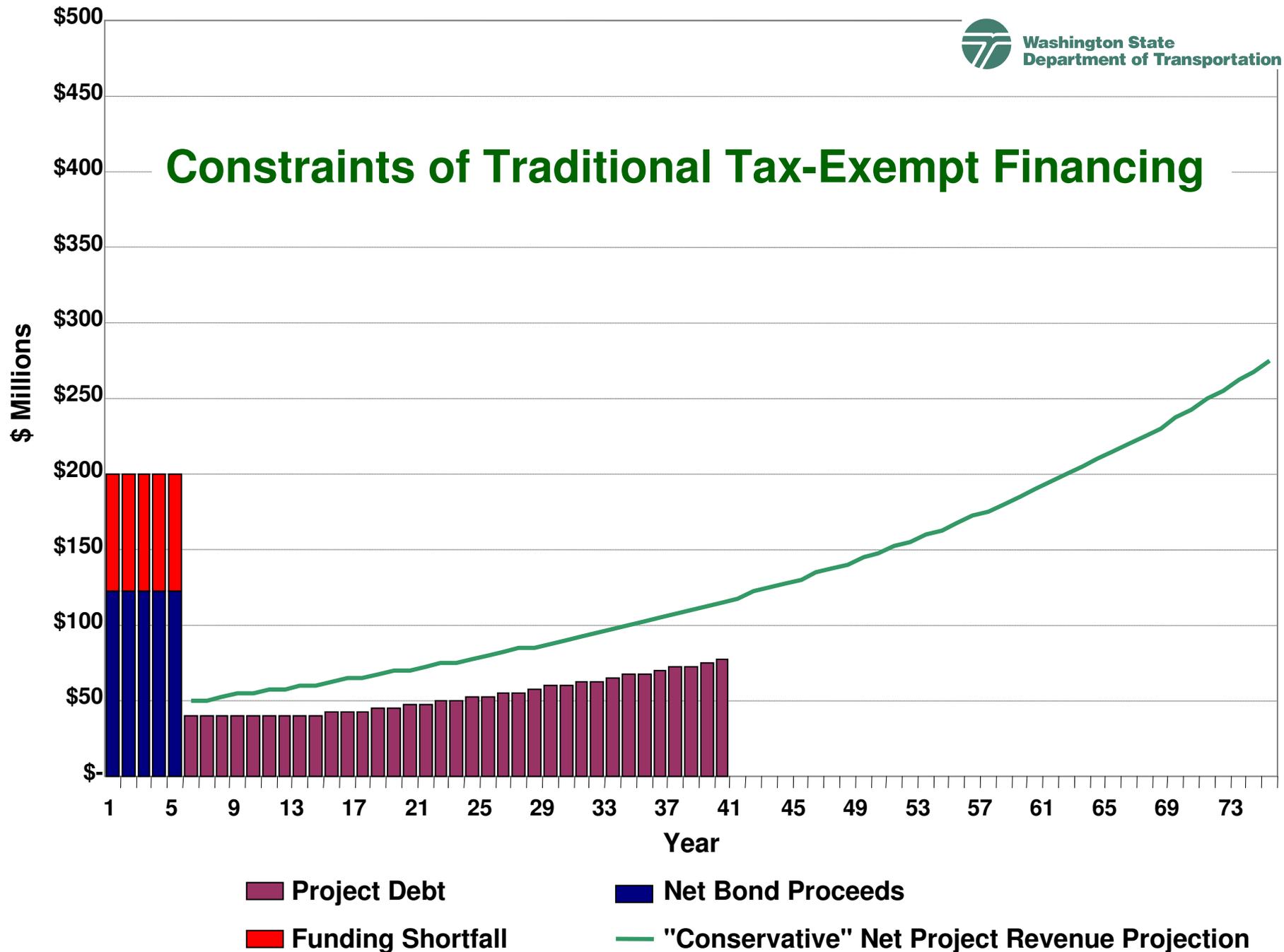




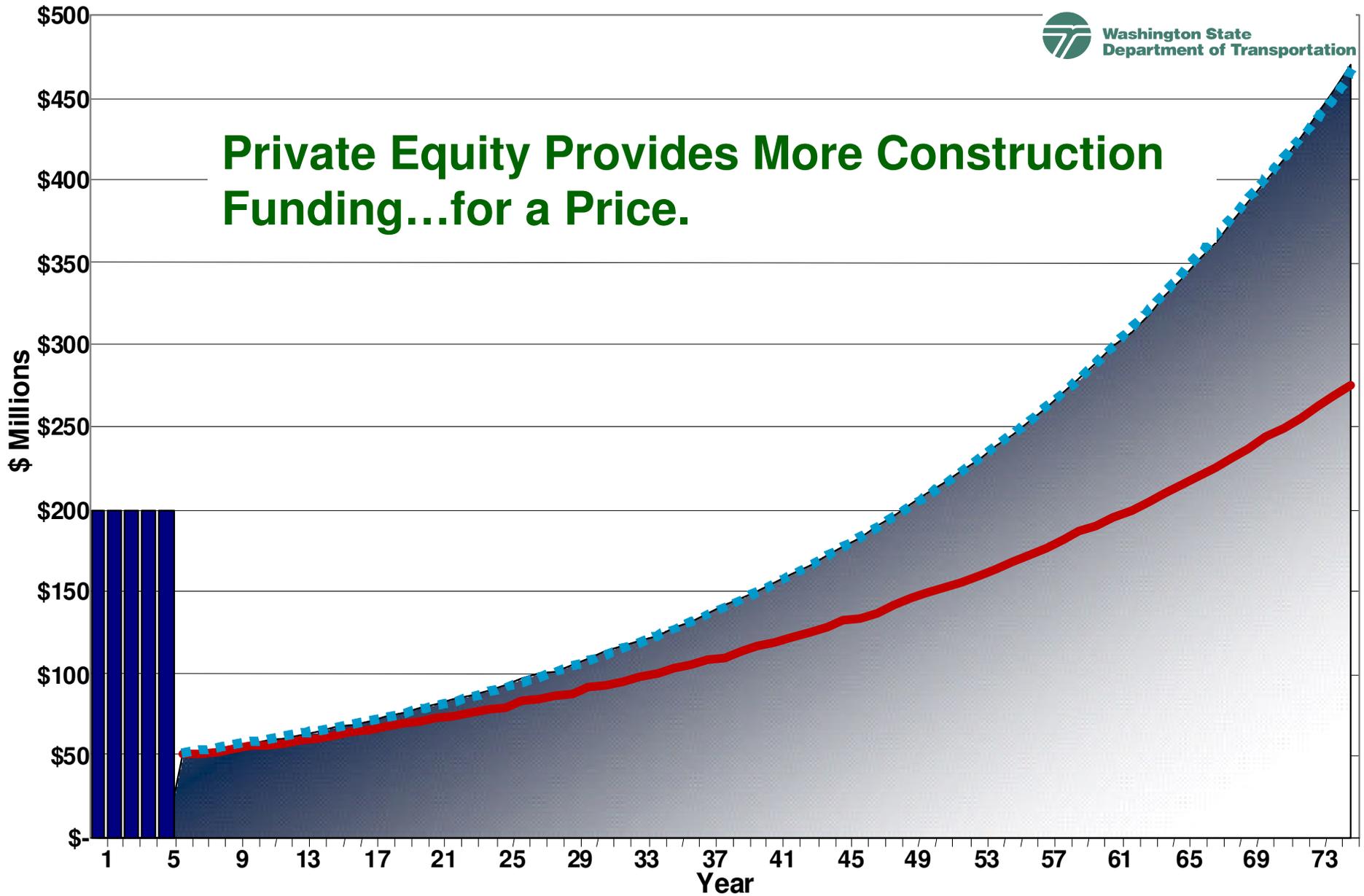
# 1 SR 520 Bridge Replacement



# Constraints of Traditional Tax-Exempt Financing



# Private Equity Provides More Construction Funding...for a Price.



Private Capital Investment  
Projected Net Revenue

Potential Cashflow to Private Debt & Equity  
Net Revenue Target for Equity Investors



## 2 Alaskan Way Viaduct & Seawall Replacement



Tunnel Option

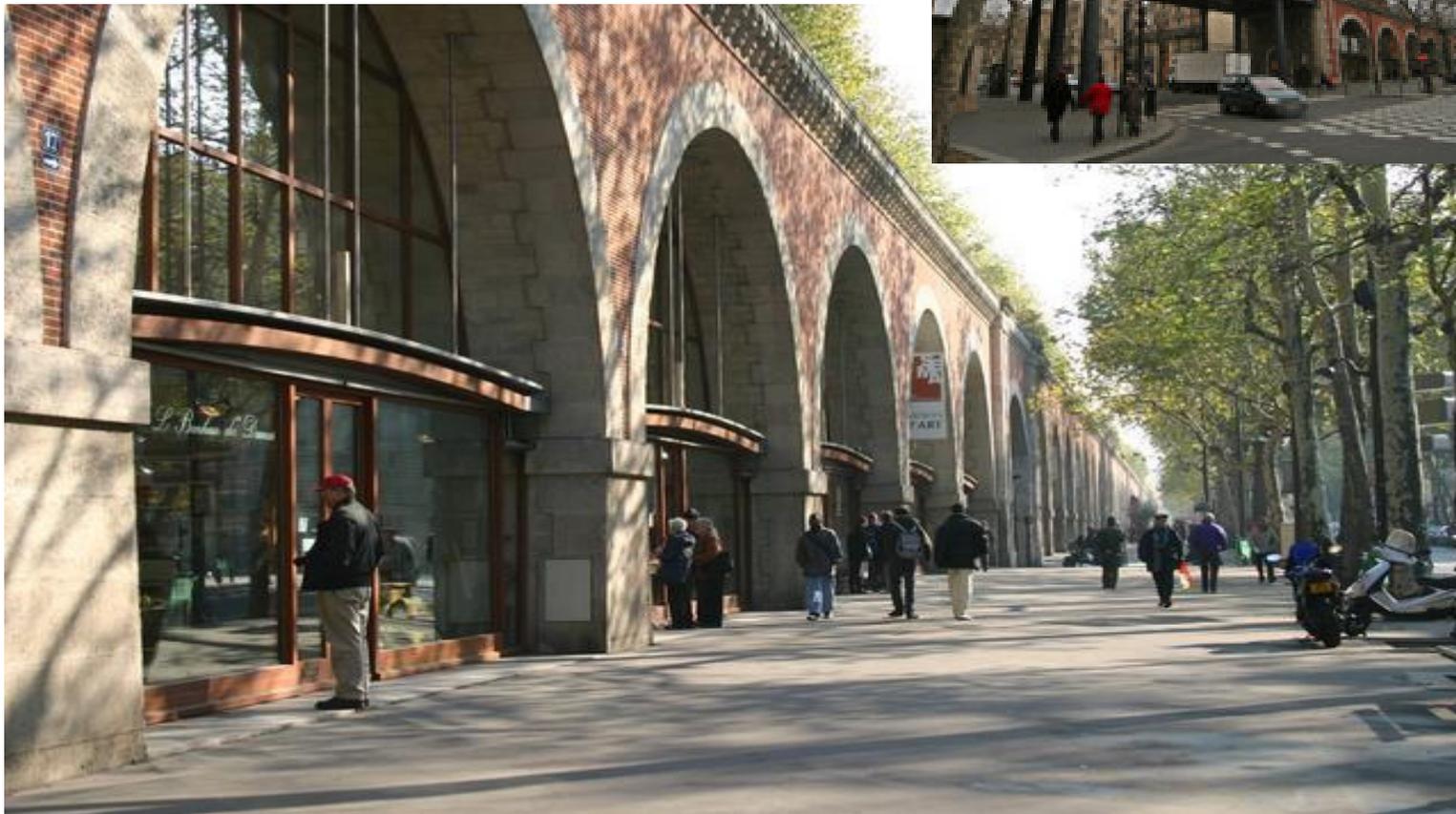


Current Structure

Elevated Option



## Viaduc des Arts, Paris





## Integrated Above Ground Roadway





## Integrated Above Ground Roadway

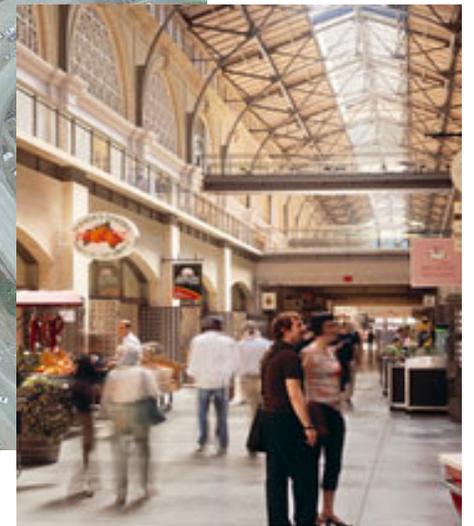
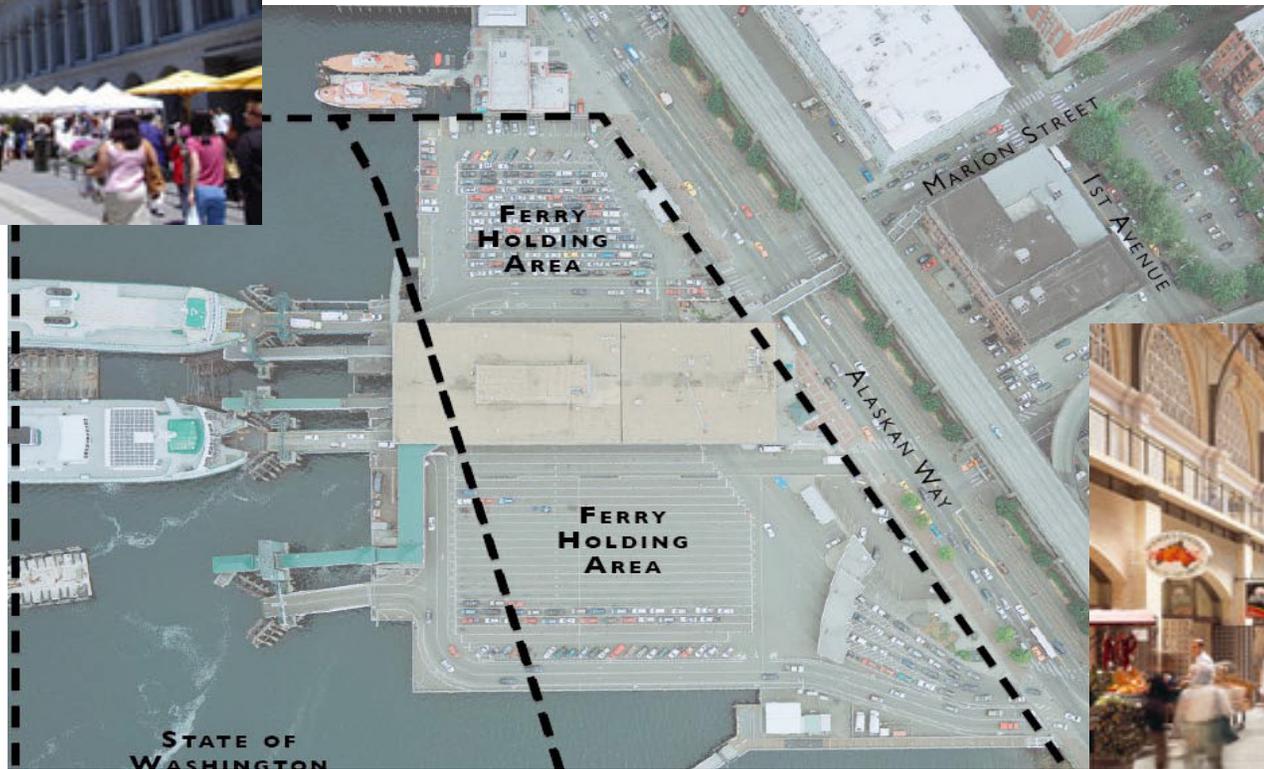




## 5 Colman Dock – Seattle Ferry Terminal



# Colman Dock Terminal Joint Development Potential



## Current Opportunities in the Pacific Northwest Region

- I-5 Columbia River Crossing
- I-5/Highway 99 Alternative Fuels Corridor



### 3 I-5 Columbia River Crossing



## Existing CRC Bridge:

- 2 lanes each direction
- No dedicated transit ROW



## New CRC Bridge:

- 3 lanes each direction
- Light rail connection to MAX

## Significant Financing Challenges

- Bi-state project governance authority
- Majority of commute trips generated from Washington
- Complex financing structure
- Impacts of diversion to alternate bridge crossing (I-205)

## I-5/Highway 99 Alternative Fuels Corridor



## Alternative Fuels Corridor Concept:

- DOT-owned lands used for alternative fueling stations
- I-5 Corridor of the Future: federal government support
- Bundle other environmental features and benefits
- Fuel type neutrality (biodiesel, electric, hydrogen, CNG)
- To help incubate private sector alt fuels deployment

## Public Purpose:

- Environmental public policy goals
- Public-private partnership to help emerging technologies
- Potential benefits for travelers, truckers and taxpayers



## Conclusions

- U.S. treats PPP's as an alternative finance mechanism
- Canada views PPP's more holistically: lifecycle cost
- U.S. PPP's are evolving to new forms
- Multimodal transportation PPP opportunities exist now
- Select projects in PNW may benefit from PPP approach, but clear public benefit must be demonstrated

# Public-Private Partnerships in Washington

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