



PRIVATE ROADS, PUBLIC COSTS

The Facts About Toll Road Privatization
and How to Protect the Public

Appendices B and C:
Completed, Underway and Proposed
Privatization Projects

U.S. PIRG Education Fund

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Privatization Projects**

U.S. PIRG Education Fund

Written by:
Phineas Baxandall, Ph.D.
U.S. PIRG Education Fund

Kari Wohlschlegel and Tony Dutzik,
Frontier Group

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Appendix B: Completed Privatization Projects

State: Alabama

Road: Alabama River Parkway/Montgomery Expressway

Concessionaire: Built by United Toll Systems, purchased by Macquarie in 2006 and later by American Roads.

Contract Type: design, build, finance, operate and maintain

Project Details: A 12.5-mile privately built tollway in Montgomery County.

Cost/Financing: COSTS - \$12 million (U.S. DOT)

Status: Opened in 1998. Now owned by American Roads (American Roads).

Sources: U.S. Department of Transportation, Federal Highway Administration, *U.S. Toll-Based Highway Improvements: 1992-2008*, January 2009; American Roads, *Montgomery Expressway*, downloaded from www.montgomeryexpressway.com/, 29 January 2009.

Contract Type: design, build, finance, operate and maintain

Project Details: A 4.5-mile privately built tollway in Montgomery County.

Cost/Financing: COSTS - \$4 million (U.S. DOT)

Status: Opened in 1998. Now owned by American Roads (American Roads).

Controversy: A 50-cent toll hike in 2007 triggered a consumer boycott of the road, which led to a 50 percent decrease in traffic. (Mullinax)

Sources: U.S. Department of Transportation, Federal Highway Administration, *U.S. Toll-Based Highway Improvements: 1992-2008*, January 2009; American Roads, *Emerald Mountain Expressway*, downloaded from www.emeraldmountainexpressway.com, 29 January 2009; Kenneth Mullinax, "Bridge Boycott Taking Toll on Profits," *Montgomery Advertiser*, 24 March 2007.

State: Alabama

Road: Emerald Mountain Parkway

Concessionaire: Built by United Toll Systems, purchased by Macquarie in 2006 and later by American Roads.

State: Alabama

Road: Black Warrior Parkway/Tuscaloosa Bypass

Concessionaire: Built by United Toll

Systems, purchased by Macquarie in 2006 and later by American Roads.

Contract Type: design, build, finance, operate and maintain

Project Details: A 7.5-mile privately built tollway in Tuscaloosa County

Cost/Financing: COSTS - \$25 million (U.S. DOT)

Status: Opened in 1994. Now owned by American Roads (American Roads).

Sources: (1) U.S. Department of Transportation, Federal Highway Administration, *U.S. Toll-Based Highway Improvements: 1992-2008*, January 2009; (2) American Roads, *Tuscaloosa Bypass*, downloaded from www.tuscaloosabypass.com, 29 January 2009.

State: Alabama

Road: Foley Beach Express

Concessionaire: Built by Baldwin County Bridge Company, later acquired by American Roads

Contract Type: design, build, finance, operate and maintain

Project Details: The highway includes a 7.5-mile federally funded portion, a 5-mile privately built portion transferred to the county and operated free of tolls, and a toll bridge over the Intercoastal Waterway. (Toll Roads News)

Cost/Financing: COSTS - \$25 million total (Toll Roads News)

Status: Opened in 2000. Now owned by American Roads (American Roads)

Sources: (1) "Investor Pike: Foley Beach Express Opens in Coastal Alabama," *Toll Roads News*, 3 August 2000. (2) American Roads, *Beach Express*, downloaded from www.beachexpress.com, 29 January 2009.

State: California

Road: SR 91 Express Lanes

Concessionaire: The California Private Transportation Company (CPTC) originally developed the road. It has since been

taken over by Orange County Transportation Authority.

Contract Type: originally built as a design, build, finance, operate and maintain project

Project Details: CPTC entered into a lease agreement with Caltrans to construct and operate a toll facility in the median of an existing highway (Lowenthal).

Cost/Financing: (1) COSTS - \$126 million. (2) FINANCING - CPTC provided \$139 million in financing in exchange for a 35-year lease (Lowenthal).

Status: The road is now owned and operated by Orange County Transportation Authority.

Controversy: The agreement had a non-compete clause that prevented Caltrans from making improvements on competing roadways. When Caltrans needed to make safety improvements, it was eventually forced to buy out the consortium (Lowenthal).

Sources: Testimony of California State Senator Allen Lowenthal, 24 May 2007

State: California

Road: South Bay Expressway

Concessionaire: South Bay Expressway LP - Macquarie is the primary investor

Contract Type: design, build, finance, operate and maintain

Project Details: The road extends from SR 54 in Spring Valley to Otay Mesa Road near the international border crossing (All Business).

Cost/Financing: (1) COSTS - The project cost \$840 million (All Business). (2) FINANCING - private investment was the main source of financing, in exchange for a 35-year lease (Toll Roads News - San Diego)

Status: The road officially opened on November 19, 2007 (All Business). Macquarie was initially granted a 35-year concession, however they have since requested an extension. The legislature has agreed to a

10-year extension, subject to local support. Local governments have indicated that they want to relax restrictions on the expansion of parallel roads, so negotiations are underway (Toll Roads News - San Diego).

Controversy: The project was late and overbudget, for a variety of reasons. The concession was finalized in 1991, but it took 16 years to build the road (Toll Roads News - Schwarzenegger).

Sources: (1) "South Bay Expressway, San Diego's First Toll Road, Opens," *All Business*, 16 November 2007. (2) "San Diego's South Bay Expressway Opened Monday," *Toll Roads News*, 23 November 2007. (3) "Schwarzenegger Making New Push for PPPs & Union Critic Hits Two Toll Road Concessions," *Toll Roads News*, 28 November 2007

State: Colorado

Road: Northwest Parkway

Concessionaire: Owned by Northwest Parkway Public Highway Authority, representing Broomfield, Lafayette and Weld counties. Leased to companies from Portugal and Brazil - Brisa Auto-Estradas de Portugal SA and Companhia de Concessoes Rodoviaras of Sao Paulo, Brazil, which is one of the largest toll-road operators in Europe (Dawid).

Contract Type: lease

Project Details: The Parkway runs from I-25 north of Denver to US 36 in Broomfield. The concession agreement provides financing for an extension over US 36 to CO 128 in Broomfield at the western end of the project. The Parkway was initially built by the Authority, but after years of financial problems, the Authority began looking for concessionaires (Toll Roads News).

Cost/Financing: (1) COSTS - it cost \$415 million to construct the tollway (MESalek). (2) FINANCING - the Authority used private money to finance the construction (Toll Roads News). (3) FEE - The concessionaires paid \$603 million for the toll road

in exchange for a 99 year lease (Toll Roads News). (4) TOLLS - Tolls increased immediately from \$2 to \$3, and beginning in 2010 they will increase annually by at least 2% of the CPI or GDP (CoPIRG).

Status: The road opened in 2004 and negotiations for a lease began in April 2007.

Controversy: The Authority must compensate the concessionaire if previously unplanned road or transit projects are built in the corridor and hurt revenues. The concessionaire recently stated that it believes a proposed project violates this agreement (Leib).

Sources: (1) CoPIRG, *Northwest Parkway White Paper*, 10 December 2007. (2) Irvin Dawid, "Colorado Toll Road Goes Private," *Planetizen*, 18 April 2007. (3) Jeffrey Leib, "Toll Firm Objects to Work on W. 160th," *Denver Post*, 23 July 2008. (4) "Colorado Highways: Public Highway Authority Tollways," *MESalek.com*, 4 September 2007. (5) "Northwest Parkway Colorado Toll Concession Finalized with Financial Close," *Toll Roads News*, 19 November 2007.

State: Florida

Road: Southern Connector Extension

Concessionaire: Road was built by a joint venture of: Orlando Orange County Expressway Authority (OOCEA), Walt Disney World, Osceola County, private landowners, the Reedy Creek Improvement District, and Florida's Turnpike District. It is currently operated by Florida Turnpike District.

Project Details: The road makes it possible to travel from Walt Disney World to Orlando International Airport without having to drive on the congested I-4 (Nation Master).

Cost/Financing: (1) COSTS - Construction cost \$153 million. (2) FINANCING - \$74 million came from private party contributions (Nation Master). (3) TOLLS - tolls are charged for revenue

Status: The road opened on June 23, 1999 (Nation Master).

Sources: “Southern Connector,” *Nation Master*, downloaded from [www.nationmaster.com/encyclopedia/Southern-Connector-\(Orlando\)](http://www.nationmaster.com/encyclopedia/Southern-Connector-(Orlando)).

State: Illinois

Road: Chicago Skyway

Concessionaire: A Cintra-Macquarie consortium

Contract Type: lease, operate, maintain

Project Details: Chicago leased the Skyway, which arches over the Calumet River before connecting with the Indiana East-West Toll Road at the border.

Cost/Financing: (1) FEE - Cintra-Macquarie paid \$1.8 billion for a 99-year lease (Williams)

Status: The road is operated by Cintra-Macquarie.

Controversy: (1) No public interest study was done before state and local politicians agreed to the deal (theNewspaper). (2) Many residents are upset that a significant portion of the money was allocated to non-highway purposes (Barlas).

Sources: (1) Stephen Barlas, “P-P-P Promise?” *Roads and Bridges*, August 2007. (2) “GAO Questions Wisdom of Public Private Partnerships,” *theNewspaper.com*, 28 July 2008. (3) Leslie Williams, “Leasing Alligator Alley - Benefit or Boondoggle?” *Naples Daily News*, 26 April 2008.

State: Indiana

Road: East-West Toll Road

Concessionaire: Statewide Mobility Partners, a joint venture between Cintra-Macquarie (Kelly)

Contract Type: lease, operate, and maintain

Project Details: Governor Mitch Daniels announced in 2006 a plan to lease the Indiana East-West Toll Road, a 157-mile highway that connects with the Chicago

Skyway. Since taking control of the road, the company has been making investments to improve it, including \$40 million to install electronic tolling called I-Zoom, \$6 million for a new fleet of 40 snowplows, added toll booths at a few congested areas, and a new salt barn (Kelly).

Cost/Financing: (1) FEE - \$3.8 billion for a 75 year concession term (Toledo Business Journal)

Status: The consortium formally assumed responsibility on June 29, 2006 (Kelly).

Controversy: (1) The agreement includes a non-compete clause that prevents Indiana from upgrading to a four-lane, divided highway along any 20-mile stretch of road within 10 miles of the toll road for at least 55 years (Saunders). (2) Macquarie has told investors that they will make a profit off their investment within 15 years (Saunders). (3) Full details of the agreement were not disclosed until after negotiations were finalized (Saunders).

Sources: (1) Niki Kelly, “Toll Road Detractors Air Gripes With State,” *The Journal Gazette*, 22 June 2008. (2) “Indiana Luring Ohio and MI Firms,” *Toledo Business Journal*, 1 January 2007. (3) Burt Saunders, “Alligator Alley: Leasing Would be Selling Our Soul,” *South Florida Sun-Sentinel*, 8 September 2008.

State: South Carolina

Road: Southern Connector (I-185)

Concessionaire: A 63-20 was created, called Connector 2000 Association. The private investor partner was Interwest Carolina Transportation Group, LLC. Project advisors: Lehman Brothers; Haynsworth Sinkler Boyd PA; Southern Municipal Advisors; Leatherwood, Walker Todd & Mann; Wilbur Smith & Associates (Innovative Financing).

Contract Type: Originally a finance, design, construct, and operate. Now the operator is considering leasing the road.

Project Details: The Connector forms a

belt route around the south of the Greenville area (Toll Roads News). The Connector was initially built by a 63-20 non-profit, the Connector 2000 Association. After lower-than-expected revenues, the Association began looking for bids to operate a concession (Toll Roads News).

Cost/Financing: (1) COSTS - the project cost \$240 million. (2) FINANCING - the non-profit issued tax exempt bonds to finance the road in exchange for operating it for 50 years (Innovative Finance). (3) TOLLS - toll revenue averages \$5.4 million per year (Toll Roads News)

Status: The road opened in March 2001 (Plunkett). In the fall of 2007, Connector 2000 Association began looking for a concessionaire to take over the operation and financial liability of the toll road. These plans have been temporarily suspended (Toll Roads News). In fall 2008, Standard & Poor's downgraded the Connector's bonds to an extremely speculative "CC" rating, projecting that the association would default on its bonds by January 2010 in the absence of a debt restructuring. (Connector)

Controversy: (1) The Government Accountability Office found that a significant portion of the up-front payments derive from the tax-exempt status of the bonds issued and the depreciation deductions (theNewspaper). (2) Revenues have fallen far short of projections. The analyst Wilbur Smith Associates was asked to prepare a financial analysis of the road, which would be used to solicit funding. After showing high revenue projections, investors were persuaded to finance the project, and Wilbur Smith collected more than \$12 million off the subsequent contracts (Plunkett).

Sources: (1) "Southern Connector - Greenville, South Carolina," *Innovative Finance*, May 2002. (2) "GAO Questions Wisdom of Public Private Partnerships," *theNewspaper.com*, 28 July 2008. (3) Chuck Plunkett, "No 2-Way Street," *Denver Post*, 25 October 2006. (4) "Wiregrass Pike 'Not-for-Profit'

Tollroad Proposal Takes Hit in Fl Panhandle," *Toll Roads News*, 11 June 2008. (5) Connector 2000 Association, Inc., *Event Notice No. 2008-9-4*, 4 September 2008.

State: Texas

Road: Camino Colombia Toll Road

Concessionaire: Initially constructed as a private toll road, though it is currently state owned

Contract Type: Failed private toll road

Project Details: The toll road bypasses Laredo, stretching from Camino Colombia International Bridge to I-35 at exit 24. The route was originally built with private financing, however it had extremely low revenue. In late 2003, the toll road was foreclosed on and the state sold it at auction. TxDOT bid \$11 million to purchase the road, but was beaten by John Hancock Life Insurance Company with a bid of \$12.1 million (source for Hancock bid - Plunkett). The route was immediately closed to all traffic, forcing TxDOT to buy it back for \$20 million (Nation Master).

Cost/Financing: (1) COSTS - \$90 million to construct the road (Nation Master). (2) FINANCING - For construction, \$75 million came from private companies, and the remaining \$15 million was donated in land and capital from families in the area (Plunkett) (3) TOLLS - toll revenues have missed projections by 96 percent (Plunkett)

Status: The road is currently owned and operated by TxDOT (NationMaster)

Controversy: See Project Details section

Sources: (1) "Texas State Highway 255," *NationMaster*, downloaded from www.nationmaster.com/encyclopedia/Texas-State-Highway-255. (2) Chuck Plunkett, "No 2-Way Street," *Denver Post*, 25 October 2006

State: Utah

Road: Adams Avenue Parkway

Concessionaire: Adams Avenue Parkway, Inc.

Contract Type: Private toll road

Project Details: A one-mile parkway linking I-84 to Adams Avenue. The road was built by local land-owners as a for-profit venture.

Cost/Financing: COSTS - \$12 million.

Status: The road opened in 2001.

Sources: U.S. Department of Transportation, Federal Highway Administration, *U.S. Toll-Based Highway Improvements: 1992-2008*, January 2009; Adams Avenue Parkway, Inc., *Welcome*, downloaded from adamsavenueparkway.com, 29 January 2009

State: Virginia

Road: Dulles Greenway

Concessionaire: The contract was originally awarded to Toll Road Investors Partnership II (TRIP II), a consortium comprised of Shenandoah Greenway Corp., Autostrade, and Brown & Root. Eventually it was leased to Macquarie Infrastructure Group, with Autostrade in control of maintenance and operations (Barlas)

Contract Type: Concession

Project Details: The Dulles Greenway is an extension of the state-owned Dulles Toll Road in Loudoun County. The road opened in 1995 and was financed by TRIP II. In 2005, TRIP II sold the bulk of its shares to Macquarie. In exchange for extending the lease, Macquarie agreed to major improvements on the road, including the completion of a new lane, new interchanges, and expansion of toll plazas (Toll Roads News).

Cost/Financing: (1) FEE - Macquarie leased the road for \$625 million, and the lease was extended from 40 to 60 years (Toll Roads News). (2) TOLLS - Toll increases between 2013-2020 can be equal to the increase in the CPI plus one percent, the increase in real GDP, or 2.8 percent (USDOT)

Controversy: 1) Low ridership on the Greenway led to problems, resulting in toll reductions and a potential TRIP II default on its loan. This eventually led to Macquarie purchasing the concession from TRIP II in 2005 (Barlas). 2) In early 2008, people began lobbying for a freeze on toll rates and increasing control on the concessionaire. However, the state legislature passed a law in April guaranteeing the right to increase tolls annually by the CPI plus 1 percent, and giving the State Corporations Commission the right to approve further toll increases (Toll Roads News).

Sources: (1) Stephen Barlas, "P-P-P-Promise?" *Roads and Bridges*, August 2007. (2) "Dulles Greenway Gets Advantageous New Concession Regulation," *Toll Roads News*, 16 March 2008. (3) U.S. Department of Transportation, *Innovation Wave: An Update on the Burgeoning Private Sector Role in US Highway and Transit Infrastructure*, National Council on Public Private Partnerships, 18 July 2008

State: Virginia

Road: Pocahontas Parkway

Concessionaire: The road was originally controlled by the Pocahontas Parkway Association, a non-profit consortium. It was taken over by Transurban after the PPA was headed for default (Toll Roads News).

Contract Type: enhance, manage, operate, maintain

Project Details: The 8.8-mile road serves as a bypass around Richmond and opened to traffic in 2002. In 2006, Transurban acquired the rights to operate the road for 99 years, agreeing to construct a 1.58-mile extension of the road to Richmond International Airport (USDOT).

Cost/Financing: (1) COSTS - Initial construction cost \$381 million. (2) FEE - Transurban paid \$548 million for a 99-year lease (USDOT). (3) FINANCING - the initial construction was financed by bonds issued by the non-profit (USDOT).

(4) TOLLS - static tolls are charged and collected by Transurban

Status: The road opened in 2002.

Controversy: 1) GAO found a significant portion of the up-front payments derive from the tax-exempt status of the bonds issued and depreciation deductions. GAO calculated that the annual taxation cost of \$1.2 billion in tax-exempt bonds issued for VA's Pocahontas Parkway, SC's Southern Connector, and Nevada's Las Vegas Monorail was as much as \$35 million a year. SC and VA also lose up to \$3 million a year in state tax revenue (theNewspaper). 2) During first year of operation, actual traffic/toll revenues were 43 percent less than projected. The revenue has increased, but not to expected levels, largely because of slower

than expected growth in the Richmond area and Richmond International Airport. Refinanced in 2006 (Replogle).

Sources: (1) "GAO Questions Wisdom of Public Private Partnerships," *theNewspaper.com*, 28 July 2008. (2) Michael Replogle, *Testimony before the Committee on Transportation and Infrastructure, Subcommittee on Highways and Transit*, 24 May 2007. (3) "Wiregrass Pike 'Not-for-Profit' Tollroad Proposal Takes Hit in FL Panhandle," *Toll Roads News*, 11 June 2008. (4) US Department of Transportation, Federal Highway Administration, *Public Private Partnerships: Virginia Route 895*, downloaded from www.fhwa.dot.gov/PPP/case_studies_pocahontas.htm, 30 January 2009.

Appendix C: Privatization Projects Proposed or Underway

State: Alabama and Florida

Road: I-10 Connector

Concessionaire: A non-profit corporation in Alabama, Focus 2000, was created to design, build and operate the Alabama toll road (Ingram - Plans). Focus 2000 is composed of potential investors, business owners, and the Chambers of Commerce in the affected areas. (MacDonald) A non-profit for the Florida sector will be created in the future (Ingram - Connector)

Contract Type: Two private, non-profit corporations will design, construct, and operate the toll road using private funds (Ingram - Connector).

Project Details: The toll road is intended to be a north-south connection between the Wiregrass region in Alabama and I-10 in the Florida Panhandle. The main section of the road will extend from Dothan, Alabama to I-10. Secondary proposals include extending the road northwest from Dothan to Montgomery, and extending the road south from I-10 to Panama City (Wiregrass Pike).

Cost/Financing: (1) COSTS - \$400 million (Ingram - Top 10). (2) FINANCING - The road will be built using a non-profit corporation that will use private financing

(Wiregrass Pike). (3) CONCESSION TERM - Five years after construction if completed, as long as the bonds are paid off (Ingram - Connector)

Status: Many of the necessary parties in Alabama have signed off on the project, though talks with Florida officials have stalled due to worries that traffic on US 231 will be diverted. Focus 2000 hopes Florida counties will formally support the project by summer 2009. A feasibility traffic study will be completed in March 2009, after which Focus 2000 will go to the bond market for funding (Ingram - Top 10). The road must still clear environmental review, and it is possible that the Florida segment of the road, which will cross wetlands, may fail the review process (MacDonald).

Controversy: (1) There has been much criticism about the lack of information provided to the general public, such as traffic forecasts, revenue estimates, financing details, and detailed routes. For this reason, Washington County, FL, voted against the project. Supporters of the road, however, say it can be built without the County's support by routing it through Jackson County instead (Wiregrass Pike) (2) There is also criticism of the financing

structure of the road and its reliance on a non-profit corporation. The other two major roadways built using this model, the Pocahontas Parkway and Greenville Southern Connector, both failed because the developers have an incentive to over-invest as their fees are related to the capital costs of the project (Wiregrass Pike).

Sources: (1) Debbie Ingram, "Connector Road Called Economic 'Foyer' For Florida, Alabama," *Jackson County Floridian*, 5 May 2008. (2) Debbie Ingram, "Plans for Toll Road Connector to I-10 in Florida Announced," *OANow.com*, 6 May 2008. (3) Debbie Ingram, "Top 10 Stories: No. 7: Toll Road Proposed," *Dothan Eagle*, 24 December 2008. (4) Ginny MacDonald, "Group Proposes Montgomery-to-Panama City Toll Road," *The Birmingham News*, 15 May 2008. (5) "Wiregrass Pike 'Not For Profit' Tollroad Proposal Takes Hit in FL Panhandle," *Toll Roads News*, 11 June 2008.

State: Alabama

Road: North-South Highway

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: The four-lane road will run from the Shoals to Mobile (Rawls, Beyerle).

Cost/Financing: (1) COSTS - \$5.3 billion (Beyerle). (2) FINANCING - The state has allocated \$7.8 million to study the proposal (Beyerle). Lawmakers have stated that they intend to use both public and private financing (Sherer).

Status: In May 2008, Lieutenant Governor Folsom announced the creation of a Commission on Public Private Partnership Projects to study ways to finance new roads. The Commission was scheduled to report its findings in February 2009 to the Legislature, and will include information on the North-South highway (Folsom). Before the road can be built with private financing, the Senate would need to approve a toll road

bill. The House has already passed legislation authorizing the state toll authority to enter into a public-private partnership, and the Senate is expected to pass the necessary legislation (Sherer).

Sources: (1) Dana Beyerle, "North-South Freeway: \$5.3 Billion," *Times Daily*, 28 October 2008. (2) Jim Folsom Jr., "Transportation Infrastructure in Alabama is at a Crossroads," *The Leeds News*, 20 August 2008. (3) Phillip Rawls, "Folsom Wants Commission to Study West Alabama Freeway," *The Associated Press*, 8 May 2008. (4) Dennis Sherer, "Highway to Mobile Would Take Public/Private Effort," *Times Daily*, 9 November 2008.

State: Alabama

Road: US 280 East

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: The State DOT wants to construct elevated lanes on US 280 from I-459 to Double Oak Mountain (Associated Press)

Cost/Financing: (1) COSTS - undetermined. (2) FINANCING - The road will be financed through toll revenue, probably under a privatization agreement (NBC 13)

Status: Figg Engineering Co. is studying the project to determine how to integrate the elevated 280 traffic into I-459, as well as how to pay for the lanes (Construction Equipment Guide).

Sources: (1) "Toll Roads Could Be Alabama Highway Funding Answer," *NBC 13*, 3 July 2008. (2) "ALDOT Director Says US 280 Project Would Require Tolls," *Construction Equipment Guide*, 30 January 2008. (3) "Transportation Director's Goals Include Possible Ala. Toll Road," *The Associated Press*, 31 December 2007.

State: Alabama

Road: Patriot Parkway - Huntsville Southern Bypass

Concessionaire: Undetermined. URS has been selected to do a traffic and revenue study to assess the feasibility of the road (Toll Roads News).

Contract Type: Undetermined

Project Details: The proposal is to construct a mostly 6-lane bypass around Redstone Arsenal in Huntsville. A 4-mile bridge will be built over wetlands (Toll Roads News).

Cost/Financing: (1) COSTS - The project will cost between \$750 to \$800 million (Toll Roads News). (2) FINANCING - Private financing will probably be used (Toll Roads News).

Status: A lack of money at the state level has caused delays in studying the Parkway (Clines).

Controversy: There are environmental concerns about the road. Nearly a third of the road will traverse the swamps of the Tennessee River which may cause ecological problems. Currently the proposal is to build a bridge structure to protect these wetlands (Toll Roads News).

Sources: (1) Keith Clines, "Battle Challenges Mayor on Projects; Spencer Says They're Already in Works," *The Huntsville Times*, 4 October 2008. (2) "Huntsville AL to get 21km Tolled Southern Bypass," *Toll Roads News*, 4 September 2007.

State: Alabama

Road: Montgomery Outer Loop

Concessionaire: Undetermined

Project Details: The road will serve as an outer loop around Montgomery, connecting I-65 to I-85 (Associated Press).

Cost/Financing: (1) COSTS - undetermined. (2) FINANCING - undetermined. The Governor has stated that this road may be constructed with private financing, or joint public-private financing, if the toll revenue is not sufficient to cover construction costs (Rawls - Transportation Secretary). The DOT director has stated the project cannot be built with toll revenues

alone, so they are currently working to create a state-federal-city-county toll package. \$60 million has already been invested in construction (Associated Press).

Status: No visible action has been taken recently. Initially, the DOT's research indicated the loop would not be viable as a toll road (Rawls - AL Governor Eyeing). However, it has been mentioned more recently as a possible toll road by the governor and DOT director. In December 2007, the state DOT director indicated that he was working on a state-federal-city-county toll package to complete the roadway (Associated Press).

Sources: (1) "ALDOT Director Says US 280 Project Would Require Tolls," *Construction Equipment Guide*, 30 January 2008. (2) "Transportation Director's Goals Include Possible Ala. Toll Road," *The Associated Press*, 31 December 2007. (3) Phillip Rawls, "Alabama Governor Eyeing Tolls For Some New Roads," *The Associated Press*, 23 September 2007. (3) Phillip Rawls, "Alabama Governor, Transportation Secretary Promote Toll Roads," *The Associated Press*, 26 January 2008

State: Alaska

Road: Knik Arm Bridge Project (Officially called Don Young's Way)

Concessionaire: The Knik Arm Bridge and Toll Authority (KABATA) has shortlisted two construction consortiums: Bouygues Travaux Publics SA and Macquarie Bank. Attorneys at Nossaman, Guthner, Knox & Elliot are advising on the contract, while Citigroup Global Markets is serving as financial advisor (Public Works Financing).

Contract Type: Concession - design, build, operate, maintain

Project Details: The bridge would connect mostly undeveloped land near Port MacKensie to Anchorage through Government Hill. There may also be a connection from the bridge to Ingra and Gambell streets (Hopkins).

Cost/Financing: (1) COSTS - Project will cost \$667 million if construction begins in 2009 (Public Works Financing). Some believe the project will actually cost more than \$1 billion when extra costs are taken into account, such as cost of delays, financing costs, and potential permitting delays or lawsuits. The connection from the bridge to Ingra and Gambell streets will cost an additional \$200 million (Hopkins). (2) FINANCING - The US DOT has allocated \$600 million of tax-exempt private-activity bonds (Saskal). Private financing will be used for the majority of the costs (Public Works Financing). (3) CONCESSION FEE - KABATA predicts that it will receive an upfront fee of \$37 million and lease payments totalling \$381 million (Public Works Financing). (4) CONCESSION TERM - KABATA estimates the concession will be for 60 years (Public Works Financing). (5) KABATA predicts a round trip toll rate of \$8 to \$12 (Public Works Financing)

Status: The state and federal government are requiring a review of the bridge's projected costs before moving forward with the project. The Authority has already filed an environmental impact statement, but the Federal Highway Administration will not issue a record of decision until another cost estimate is conducted. Once a record of decision is released, the next step would be to issue a detailed request for qualifications (Saskal).

Controversy: There are numerous points of controversy surrounding this project: (1) Governor Palin has expressed concern over the maximum damages KABATA or the state would be forced to pay to the concessionaire if government permits are delayed or not issued, or if traffic falls below a guaranteed floor (Public Works Financing). (2) The legislation authorizing KABATA to enter into privatization agreements does not require public review, comments on the draft contract, or legislative approval of the final contract.

Additionally, affected communities are not required to sign off on the final contract or on scheduled toll increases, and concession deals can be signed for an unlimited numbers of years (Public Works Financing). (3) Congressman Don Young requested the initial earmark for the bridge. There is some worry about potential conflicts of interest, as his son-in-law owns land where the bridge will be built and will profit from its construction (Burke). (4) Construction of the bridge may threaten a population of beluga whales (Burke).

Sources: (1) Garance Burke, "Palin Supports \$600 Million 'Other' Bridge Project," *International Business Times*, 16 September 2008. (2) Kyle Hopkins, "Knik Arm Bridge Hits Fork in the Road," *Anchorage Daily News*, 9 June 2008. (3) "Knik Arm Bridge Hits a Snag," *Public Works Financing*, June 2008. (4) Rich Saskal, "Alaska's Knik Arm Bridge Held Up Amid Questions of Cost, Necessity," *The Bond Buyer*, 7 July 2008.

State: Arkansas

Road: No road has been identified

Project Details: Officials have passed enabling legislation for concession deals and regional mobility authorities. However, no viable road for privatization has been identified because rural areas do not have enough traffic to justify the investment.

State: Arizona

Road: Hassayampa Freeway Network

Concessionaire: Undetermined

Contract Type: Undetermined - Public, public-private, and private options are under consideration

Project Details: The Maricopa Association of Governments and other stakeholders designed a conceptual transportation framework for the Hassayampa Valley. Private toll roads are one option under consideration for financing the plan.

Cost/Financing: Estimated \$22 billion (Leuck)

Status: Funding for the highway network is not included in the regional transportation plan.

Sources: (1) Curtis Leuck and Associates, *I-10 Hassayampa Valley Roadway Framework Study*, prepared for the Maricopa Association of Governments, September 2007.

State: Arizona

Road: Val Vista Freeway

Concessionaire: Undetermined

Contract Type: Listed as a potential public-private partnership by Arizona DOT

Project Details: A 46-mile greenfield project proposed primarily for Pinal County, Arizona.

Sources: Harold Kitching, "Two Major Highway Projects in the Casa Grande Valley Tied to a Proposed One-Cent Increase in the State's Sales Tax Could End Up Being Toll Roads," *Casa Grande Dispatch*, 5 June 2008.

State: Arizona

Road: North-South Corridor

Concessionaire: Undetermined

Contract Type: Listed as a potential public-private partnership by Arizona DOT

Project Details: A group of businesspeople and developers in Pinal County financed a feasibility study for construction of highway(s) in the North-South Corridor as toll roads.

Sources: "\$900+ Million Tollroad Being Studied in Pinal County Arizona," *Toll Roads News*, 9 March 2007.

State: California

Road: High Desert Corridor

Concessionaire: Undetermined

Contract Type: Undetermined - The project may be built as a develop/manage contract instead of a concession

Project Details: The Counties of San

Bernadino and Los Angeles, and the Cities of Adelanto, Victorville, Apple Valley, Lancaster and Palmdale have formed a Joint Powers Authority to develop a new expressway from SR 14 to I-15. The road may eventually reach I-5 (County). The local governments are working together to build the corridor under some form of a public-private partnership (Stanton).

Cost/Financing: (1) COSTS - Estimated at \$2.6 billion (County)

Status: The City of Victorville has received federal funds to develop a portion of the corridor from US 395 to I-15 and on through SR 18. The preliminary engineering and environmental studies are underway. The Joint Powers Authority has released a Request for Proposals seeking services from engineering consultant firms to develop and manage the effort (County).

Sources: (1) County of San Bernadino Department of Public Works, *High Desert Corridor, Joint Powers Authority*, 2007. (2) Barb Stanton, "Public-Private Partnerships in California," *The Barb Stanton Show*, 20 January 2008.

State: California

Road: Valley View Avenue in Felton

Concessionaire: Undetermined

Contract Type: Concession

Project Details: The Public Works Department in Santa Cruz has over \$100 million in necessary street maintenance projects. The Department suggested privatizing the roads to avoid the initial outlay, however public outcry led officials to shelve the plan for both Little Basin and Valley View Roads (Alexander).

Status: Plans for privatizing Valley View Avenue have been tabled for now (Alexander).

Sources: Kurtis Alexander, "County Plan to Privatize Roads gets No Traction," *Santa Cruz Sentinel*, 24 September 2008.

State: California
Road: Little Basin Road off Highway 236
Concessionaire: Undetermined
Contract Type: Concession
Project Details: See Valley View Avenue.
Status: See Valley View Avenue.
Sources: See Valley View Avenue

State: California
Road: Foothill South Toll Road
Concessionaire: Undetermined
Contract Type: Undetermined
Project Details: The Foothill South Toll Road is a proposed road that would begin at Oso Parkway in Rancho Santa Margarita, pass through San Onofre State Beach, and connect with I-5 at Baseline Road.
Cost/Financing: (1) COSTS - \$875 million
Status: The California Coastal Commission rejected plans for the toll road in February 2008 over numerous concerns, such as environmental damage, low traffic, the need to promote mass transit, and little research into alternatives. The US Commerce Department upheld the Coastal Commission's decision in December 2008. (Rosenblatt)
Sources: Susannah Rosenblatt, "O.C. Toll Road Hits Dead End in D.C.," *Los Angeles Times*, 19 December 2008.

State: California
Road: I-710 Tunnel
Concessionaire: Undetermined
Contract Type: Undetermined. In August 2008, a bill that granted the Metropolitan Authority the authority to privatize roads died in committee. There is no indication whether officials will continue to pursue privatization (Abendschein).
Project Details: The I-710 Tunnel is a proposed alternative to a contentious surface road that would cut through downtown South Pasadena and demolish many historical homes. The tunnel would serve as the missing link in the I-710 freeway between Alhambra and Pasadena (Poole).

Cost/Financing: (1) COSTS - A preliminary study calculated the costs at between \$2.28 and \$4.89 billion for the basic tunnel. It would cost an additional \$1.3 billion to build an intermediate interchange underground with four ramps (Toll Roads News). (2) FINANCING - Initial plans for the tunnel envisioned the use of some private financing. Thus far the MTA has allocated \$780 million to the project with revenue from a half-cent sales tax measure (Abendschein).

Status: A preliminary study in 2006 found that constructing the tunnel would be feasible, but it would cost \$3 billion and take 9 to 11 years to complete. In March 2007, MTA board officials approved a study to determine whether it would be possible to tunnel under the city of South Pasadena; there is no indication that the study has been completed (Associated Press). In August 2008, a bill authorizing the MTA to enter into an agreement with a private company to complete the tunnel died in committee, and there is no indication of whether transportation officials will continue to try to get legislative approval for a privatization agreement (Abendschein).

Controversy: The Metropolitan Transportation Authority allocated \$780 million to the project with revenue from a proposed half-cent sales tax measure. In response, two localities, South Pasadena and La Canada Flintridge, filed lawsuits to stop the funding because an environmental impact study had not been conducted and there was no specified route. South Pasadena officials say they do not oppose the road, only allocating money when no route has been identified. La Canada Flintridge officials are concerned about traffic impacts from the extension. Both cities maintain that the MTA violated the California Environmental Quality Act by proposing funding without an environmental review (Abendschein).

Sources: (1) Dan Abendschein, "Lawsuits Filed to Stop Tunnel: Two Local Cities

Oppose Extension That Would Link 210, 710 Freeways,” *Pasadena Star-News*, 9 September 2008. (2) “Study of \$3 Billion Freeway Tunnel Under South Pasadena Ok’d,” *The Associated Press*, 22 March 2007. (3) Jean Guccione, “Ask the Bottleneck Blog: 710 Freeway Tunnel,” *Los Angeles Times*, 15 March 2007. (4) Robert Poole and Peter Samuel, “The Return of Private Toll Roads,” *Public Roads*, US DOT Federal Highway Administration, March/April 2006. (5) “Toll Tunnel for I-710 in South Pasadena CA Found Feasible,” *Toll Roads News*, 2 July 2006.

State: California

Road: Tunnel linking the Foothill/Eastern Toll Road in Orange County to I-15 in Riverside County

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: The tunnel would link the Foothill/Eastern Toll Road in Orange County to I-15 in Riverside County, providing an alternate route to the SR 91 Riverside Freeway and the SR 74 Ortega Highway. The tunnel would go through the mountains of Cleveland National Forest (Poole). The tunnel is one of three alternate proposals. The other two are building a freeway parallel to or above SR 91 and widening SR 74 (Begley).

Cost/Financing: (1) COSTS - \$6 billion. (2) FINANCING - Private financing will probably be involved. The federal government has given a \$15.8 million grant to examine congestion relief methods in the region, and it is currently being used to fund the drilling and testing of the tunnel.

Status: Geologists are drilling into the Santa Ana Mountains to collect rock samples. The results will be used to determine whether tunneling into the mountains is feasible (Los Angeles Times). The tests should be completed by late 2009. If the results indicate that the rock is too

unstable to handle drilling, or that water levels would complicate keeping the road dry, then the project will be abandoned (Begley).

Sources: (1) Doug Begley, “Drilling Under Way to Study Building Traffic Tunnel to Orange County,” *The Press Enterprise*, 23 April 2008. (2) “The Big Dig Continues,” *Los Angeles Times*, 23 March 2007. (3) Robert Poole and Peter Samuel, “The Return of Private Toll Roads,” *Public Roads*, US DOT Federal Highway Administration, March/April 2006.

State: California

Road: Adding truck lane capacity to I-710 eastbound along SR 60

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: The proposal is to add truck lane capacity to the corridor following the I-710 freeway from the ports of LA and Long Beach to intermodal yards, then eastbound along the SR 60 Pomona Freeway (Poole).

Cost/Financing: (1) COSTS - Undetermined. (2) FINANCING - Undetermined. Tolls will be placed on the truck lanes to provide revenue.

Status: There has been no recent mention of the proposal.

Sources: (1) Robert Poole and Peter Samuel, “The Return of Private Toll Roads,” *Public Roads*, US DOT Federal Highway Administration, March/April 2006

State: Colorado

Road: I-70 Express Lanes

Concessionaire: Undetermined

Contract Type: Undetermined - tolling is one option under consideration

Project Details: The Colorado Dept. of Transportation is engaged in a corridor study of the I-70 corridor east of I-25 in Denver. The creation of express toll lanes is one option under consideration. Private capital funding is a possibility.

Cost/Financing: COSTS - undetermined
Status: A Draft Environmental Impact Statement for the corridor is in a public comment period.

Sources: U.S. Department of Transportation and Colorado Department of Transportation, *I-70 East Draft Environmental Impact Statement and Section 4(f) Evaluation*, November 2008

State: Colorado

Road: Jefferson Parkway Toll Road from C-128 to C-93 near Golden

Concessionaire: Jefferson Parkway Public Highway Authority (JPPHA) will soon begin talking to private groups interested in a long-term concession lease (Toll Roads News).

Contract Type: Concession - design, build, operate, maintain

Project Details: JPPHA plans to build a toll road from Colorado 128 near Jefferson County's Airport to Colorado 93 (Toll Roads News)

Cost/Financing: (1) COSTS - Total costs for the corridor are estimated at \$1.176 billion, though some of this is out of the JPPHA's jurisdiction. The Jefferson Parkway portion is expected to cost \$835 million (Toll Roads News). (2) FINANCING - CDOT has spent \$15 million developing the project (Toll Roads News)

Status: The JPPHA will soon issue a Request for Expressions of Interest for a toll concession, followed by a formal Request for Proposals. The permitting process is complete except for getting air quality conformity and acceptance from the Denver Regional MPO. They hoped to submit this application by February 2009 (Toll Roads News).

Controversy: (1) People are worried that this concession may contain a non-compete clause similar to the one in the Northwest Parkway agreement. (2) There is significant opposition from Golden residents, where the road is intended to go (Leib).

Sources: (1) Colorado Department of Transportation, *CDOT Ends Northwest Corridor Environmental Study Prior to Completion* (press release), 17 October 2008. (2) Jeffrey Leib, "Toll Firm Objects to Work on W. 160th," *Denver Post*, 23 July 2008. (3) "Concessionaire Sought Soon for 13 Mile Pike Northwest of Denver - Missing Link in Beltway," *Toll Roads News*, 11 December 2008.

State: Colorado

Road: US 36

Concessionaire: Undetermined

Contract Type: Undetermined - the road will be tolled, but it is unclear whether it will be privatized

Project Details: The project would be to expand US-36 between I-25 and Boulder with the addition of high occupancy vehicle lanes for the length of the corridor (Leib). The project may eventually include a bus rapid transit service (States).

Cost/Financing: (1) COSTS - undetermined. (2) FINANCING - The project will be built with some private financing.

Status: The acting director of the Colorado Tolling Enterprise told legislators that the agency expects to solicit interest in a possible privatization agreement that would help fund and construct the road (Leib). The project has stalled, though. In 2007 that state attempted to get a grant from US DOT for the road, but it was rejected. The Governor has begun lobbying again to receive some of the money New York lost when it turned down a proposal to toll drivers entering parts of Manhattan (Flynn).

Sources: (1) Kevin Flynn, "US 36 Expansion May Get Second Shot," *Daily Camera*, 8 April 2008. (2) Jeffrey Leib, "Toll Firm Objects to Work on W 160th," *Denver Post*, 23 July 2008. (3) "Members of CO Delegation Urge Dept. of Transportation to Award Funding to Colorado for Improvements on US 36," *States News Service*, 9 April 2008.

State: Colorado

Road: Prairie Falcon Express

Concessionaire: Front Range Toll Road, Ltd., LLP has acquired all assets and the rights of and interest in the Front Range Toll Road Company, which is conducting business under the name Prairie Falcon Parkway Express Company, PTR. Ray Wells is the face of the campaign.

Contract Type: Develop, design, construct, finance, maintain and operate

Project Details: The road would begin 13-16 miles north of Fort Collins and end 7-10 miles south of Pueblo (Forstenzer).

Cost/Financing: (1) COSTS - Costs are estimated at \$2-3 billion. (2) FINANCING - private financing will be used. (3) TOLLS - Tolls would likely be 5 to 6 cents per mile, or \$10-12 to go the length of the roadway. The concessionaire would make additional money by granting concessions in plaza areas and real estate development at interchanges (Forstenzer).

Status: The formal process of getting approvals under state law began in August 2006. Before the construction can begin, Colorado law requires that public reviews must take place and an environmental analysis must be conducted, a process which could take years. After completion of the design and environmental studies, the project will be reviewed by regulatory agencies. Upon approval, land acquisition and construction will begin. The actual construction is expected to take 2.5 to 3 years. Public outcry appears to have temporarily halted the project. (Sealover)

Controversy: (1) In August 2006, Wells hired a Halliburton subsidiary called Kellogg, Brown & Root to work on the new proposal. Some property owners believe the company was hired to intimidate property owners because of the company's political influence (Forstenzer). (2) Legislation in 2006 notified county clerks of the proposed roadway, which was then attached to the housing deeds of homeowners in the proposed path. As a result, housing titles

now carry the warning and property values have dropped 25 percent. The legislature considered legislation to clear the property titles of this disclaimer (Sealover).

Sources: (1) Martin Forstenzer, "Developer Wants Toll Road, Colorado Makes it Difficult," *New York Times*, 22 September 2006. (2) Ed Sealover, "Property Owners in Path of Super Slab Likely to Get Titles Cleared," *The Gazette*, 24 March 2008.

State: Delaware

Road: Route 1, I-95, and a section of US 301

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: In June 2004, the Governor established a Transportation Development Funding and Options Task Force to determine ways to improve and increase capacity on roadways. In creation of the task force, the Governor specifically mentioned privatization of US 301, Route 1, and I-95. However, the report barely mentioned the creation of P3s, and two officials indicated that such agreements were off the table (Toll Roads News).

Cost/Financing: (1) FEE - A concession of I-95 could garner a \$1.9 billion lump-sum payment (Ackerman)

Status: It appears that privatization has been tabled in Delaware (Smith).

Sources: (1) Andrew Ackerman, "Delaware's Gov. Minner Mum on Highway Privatization Proposal," *The Bond Buyer*, 23 January 2006. (2) Nicole Smith, "Shortfall Strategy: Debt Boost, Fee Hikes," *The Bond Buyer*, 28 March 2007. (3) "Delaware Task Force Shies Away From Investigating Privatization," *Toll Roads News*, 1 December 2005.

State: Florida

Road: Alligator Alley

Concessionaire: 6 Teams have submitted statements of qualifications: A2 Transportation Partners, Everglades Parkway

Partners, Atlantia SPA, Vinci Concessions and Hubbard Construction Co., Alligator Alley Development Partners, GVI-Lehman Alligator Alley Access Partners (Samuel).

Contract Type: Lease, maintain, operate

Project Details: Alligator Alley is a 78-mile section of I-75 in south Florida that connects the Atlantic and Gulf coasts, going from near Fort Lauderdale to Naples (Toll Roads News - Brisa Group).

Cost/Financing: (1) FEE - FDOT estimates it can receive an upfront fee of between \$504 million to \$1.332 billion for a 50 to 75 year concession (Toll Roads News - More Detail). (2) TOLLS - With a concession fee of \$1.3 billion, tolls would be approximately \$4 for cars, rising to \$8 in year five, and \$10 in year ten (Toll Roads News - More Detail). (3) PROCEEDS - the state will use the concession payment for transportation projects (Williams - Collier)

Status: Many groups have been trying to stall the concession agreement, and there is intense opposition from politicians and citizens. Recently, FDOT postponed the deadline for bids. This occurred because proposers have said they need more time because of the financial crisis. The lack of credit is creating a burden for the proposing firms (Williams - FDOT Postpones).

Controversy: (1) The draft agreement contains a compensation clause requiring the state to compensate the private operator if transportation policies or other public actions reduce the value of the toll road (Williams - Alley Draft). (2) A study by KPMG accounting firm found that the state could raise \$600 million to \$1.6 billion through bonds (Mayo).

Sources: (1) Michael Mayo, "Time to Throw the Brakes on Alligator Alley Lease Plan," *South Florida Sun-Sentinel*, 17 August 2008. (2) Chelsea J. Samuel, "Alligator Alley Lease Bids Get OK from Review Panel," *The News-Press*, 26 August 2008. (3) "Brisa Group Scores Highest in Qualifications for Concession of Alligator

Alley TR Florida," *Toll Roads News*, 26 September 2008. (4) "More Detail on Three Florida Lease-Concession Prospects," *Toll Roads News*, 3 October 2007. (5) Leslie Williams, "Alley Draft Agreement Out But Tolls, Other Details Forthcoming," *Naples Daily News*, 26 August 2008. (6) Leslie Williams, "Collier Considers Suing State Over Possible Alley Lease," *Naples Daily News*, 23 September 2008. (7) Leslie Williams, "FDOT Postpones Deadline to Bid on Alligator Alley Lease," *Naples Daily News*, 24 December 2008.

State: Florida

Road: North Tampa's East-West Road Project

Concessionaire: Plenary was chosen as the preferred partner in February 2007 (Public Works Financing).

Contract Type: Undetermined

Project Details: The proposal is to build a 3-mile road in Tampa (Public Works Financing)

Cost/Financing: (1) COSTS - \$150 million to construct the road. (2) FINANCING - private financing will be used to pay for construction in exchange for a 60 year concession term. (3) TOLLS - Plenary proposed an initial toll level of \$1.50, rising to \$2.75 in five years, and rising thereafter by either 4% or the CPI, whichever is greater (Public Works Financing).

Status: In June 2008, Tampa Hillsboro Expressway Authority and the city of Tampa ended the PPP procurement and terminated negotiations. The proposed tolls were considered too high and the concession term of 60 years was considered too long. This decision was made when the federal government requested a new traffic study. Plenary offered to pay \$500,000 for the study, but also sought changes to feeder roads and an extension of the lease to 60 years, from the initial 40-year term (Public Works Financing).

Sources: (1) "Developer Plenary Punts

on Tampa Road,” *Public Works Financing*, June 2008

State: Florida

Road: Poinciana Parkway

Concessionaire: Avatar Holdings, a Florida real estate developer

Contract Type: design, build, finance, operate and maintain

Project Details: A 9.7-mile road, of which 4.1 miles would be toll. The road will link Poinciana, a master-planned community built by Avatar, to the Orlando-area transportation network.

Cost/Financing: COSTS - Approximately \$200,000.

Status: Avatar has the necessary state and federal permits to begin construction. Its agreements with Osceola and Polk counties state that construction is to begin by 2011 and end by the end of 2011.

Sources: Avatar Holdings, Inc., *Form 10-Q Quarterly Report for the Period Ending September 30, 2008*.

State: Florida

Road: I-595 Reversible Express Lanes

Concessionaire: The contract was awarded to ACS Infrastructure Development

Contract Type: design, build, finance, operate and maintain. The private entity will finance the construction, then it will receive an upfront fee from the state and annual payments over 35 years

Project Details: The proposal is to build reversible express lanes in the I-595 median between SR 7 and I-75, construct additional lanes between exits and move some entrance/exit ramps to relieve merging problems, and build the missing link of SR 84 between Davis Road and SR 7 (Turnbell). ACS Infrastructures will receive 30 annual payments of \$63.98 million regardless of the tolls collected after the road opens (Lebowitz)

Cost/Financing: (1) COSTS - \$1.5 billion.

(2) FINANCING - the project will use private financing. (3) TOLLS - variable tolls will be charged on the express lanes based on congestion. The state will collect the tolls and set the rates, using the proceeds to pay the contractor a lump sum and annual payments over 35 years. (Turnbell).

Status: Construction is supposed to begin in 2009 and be completed by 2014 (Turnbell).

Sources: (1) Michael Turnbell, “Four Teams Win Right to Bid on Major I-595 Project,” *South Florida Sun-Sentinel*, 4 December 2007. (2) Larry Lebowitz, “Spanish Conglomerate Will Run I-595 Toll Road,” *Miami Herald*, 25 October 2008

State: Florida

Road: I-75

Concessionaire: ACCI/API - a joint venture of Anderson Colombia Co. Inc. and Ajax

Contract Type: design-build

Project Details: The project entails widening the highway from two to three lanes (Udelhofen).

Cost/Financing: (1) COSTS - the consortium has a \$430 million contract. (2) FINANCING - the joint venture will finance the construction, and it will be repaid by FDOT over the next five years with some repayments stretching out two years after the project is complete (Udelhofen).

Sources: Greg Udelhofen, “Florida’s Largest Road Project Underway,” *Asphalt Contractor*, 1 March 2008.

State: Florida

Road: BeachLine Expressway (SR 528)

Concessionaire: Undetermined

Contract Type: concession

Project Details: BeachLine East is the FDOT portion of a longer toll road called the BeachLine, designated FL 528, which has segments owned by the Orlando toll authority and Florida Turnpike Enterprise. The state owns the stretch of road from SR 520 near the Orange and Brevard County

lines to the Bennett Causeway at US Highway 1 (Toll Roads News).

Cost/Financing: (1) FEE - Under a full market toll rate, the concession could generate a fee of \$321 million. At half market toll rates, the road would generate \$140 million (Toll Roads News).

Status: The state government is first focusing on Alligator Alley before considering proposals for other roads.

Sources: (1) Aaron Deslatte, "BeachLine Joins Rent-a-Road Mix," *Orlando Sentinel*, 22 September 2007. (2) "More Detail on Three Florida Lease-Concession Prospects," *Toll Roads News*, 3 October 2007.

State: Florida

Road: First Coast Outer Beltway

Contract Type: Design, build, finance, operate and maintain

Project Details: The First Coast Outer Beltway is a consolidation of two earlier projects, Brana Field Chaffee Road and St. Johns River Crossing. The 4-lane road will start southward from I-10 in Duval County west of Jacksonville, go east across the St. Johns River, and meet up with I-95 south of Jacksonville (Toll Roads News)

Cost/Financing: (1) COSTS - Construction will cost \$2.2 billion. (2) TOLLS - a revenue maximizing toll would be 20 cents per mile in 2000, and 27 cents per mile in 2015 (Toll Roads News)

Status: A Request for Qualifications has been postponed pending the resolution of a number of issues. FDOT needs to first resolve issues associated with potential property taxes on the project and postponement will allow the completion of environmental studies. The state is currently looking for financial advisers to assist in writing contracts (FDOT)

Controversy: There is some debate over whether the proposed roadway is too distant from Jacksonville to generate the traffic necessary to make it a viable toll project (*Toll Roads News*).

Sources: (1) Florida Department of Transportation, *First Coast Outer Beltway Update* (press release), 29 April 2008. (2) "Jacksonville Florida Outer Beltway \$2 Billion + Toll Concession on the Go," *Toll Roads News*, 18 December 2007.

State: Florida

Road: State Road 9B

Contract Type: Design, build, finance, operate and maintain

Project Details: SR 9B is a planned freeway south of Jacksonville. It will go from SR 9A, connect to SR 9 (I-95), and then go south, possibly extending west as a bridge over St Johns River where it will connect with SR 23 (NationMaster).

Cost/Financing: Duval County has retracted Requests for Qualifications on the SR 9B project. Currently, FDOT is evaluating a series of projects under consideration across the state, and there is a Special Session on the state budget deficit, so county officials decided to retract the RFQ and await further updates (FDOT).

Sources: (1) Florida Department of Transportation, "State Road 9B For Qualifications - Retraction." (2) "State Road 9B," NationMaster, downloaded from [www.nationmaster.com/encyclopedia/State-Road-9B-\(Florida\)](http://www.nationmaster.com/encyclopedia/State-Road-9B-(Florida)), 30 January 2009.

State: Florida

Road: Pinellas Bayway

Concessionaire: Concession

Contract Type: Undetermined

Project Details: The Governor has mentioned privatizing the Bayway, though it is not a top priority because the bridges are in poor condition (Brassfield).

Cost/Financing: Undetermined

Status: The Bayway is not considered a top priority for privatization, no concrete action has been taken (Brassfield).

Sources: (1) Mike Brassfield, "Would

Bridge Leases Pay Off For Florida?" *St. Petersburg Times*, 25 November 2007

State: Florida

Road: Sunshine Skyway

Concessionaire: Undetermined

Contract Type: Concession

Project Details: Sunshine Skyway, designated I-275, spans the mouth of Tampa Bay and is considered the most direct route for west Tampa area people to get to St. Petersburg.

Cost/Financing: (1) FEES - Lease of the Skyway could generate a \$477 million to \$1.315 billion concession payment. (2) TOLLS - Tolls are currently 75 cents. At a full market toll rate, tolls would be \$1.50 in 2008, rising to \$3 in 2012, and \$5 in 2017 (Toll Roads News)

Status: No action has been taken - Sunshine Skyway is in need of a lot of maintenance work, which would reduce the concession fee (Brassfield).

Sources: (1) Mike Brassfield, "Would Bridge Leases Pay Off for Florida," *St. Petersburg Times*, 25 November 2007. (2) Larry Lebowitz, "Spanish Conglomerate Will Run I-595 Toll Road," *Miami Herald*, 25 October 2008. (3) "More Detail on Three Florida Lease-Concession Prospects," *Toll Roads News*, 3 October 2007.

State: Florida

Road: Wekiva Parkway

Concessionaire: Undetermined - Project is being planned by the Orlando-Orange County Expressway Authority

Contract Type: Undetermined

Project Details: The Wekiva Parkway would be a 27-mile parkway, completing the beltway around Orlando.

Cost/Financing: COSTS - The estimated cost of the project in 2004 was \$970 million. (FDOT) FINANCING - Public-private partnership is being considered for financing. (Wekiva) The road could also be

financed and built by existing public toll agencies. (FDOT)

Status: A final alignment for the parkway is scheduled to be determined in spring 2009.

Sources: (1) Florida Department of Transportation, *Wekiva Parkway Funding Plan*, 27 October 2004; (2) Wekiva River Basin Commission, *Wekiva River Basin Commission Meeting Minutes*, 11 July 2008; (3) Orlando-Orange County Expressway Authority, *Wekiva Parkway Project Development and Environment Study*, downloaded from www.expresswayauthority.com/Corporate/oursystem/SR429/WekivaParkway.aspx, 28 January 2009

State: Georgia

Road: Various Proposals

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: Georgia is facing budget shortfalls and transportation problems. Governor Perdue has already gone to Texas and Spain, leading many to think he plans to privatize some roadways. In 2003, the Georgia General Assembly passed legislation allowing it to enter into P3 agreements, which prompted financiers to propose adding toll lanes along I-75 and I-575, though none of the plans have been acted upon. In 2004, the state fielded proposals from three firms to convert GA 316 between Lawrenceville and Athens into a toll road that would charge drivers 12 cents per mile, but public opposition blocked the plan. DOT Commissioner Gena Evans shelved the privatization proposals when she took office saying the contracts required a trained eye and careful deliberation (Wheatley).

Status: DOT Commissioner Gena Evans shelved many proposals when she came to office. Governor Perdue however appears to be considering P3s as a way to deal with transportation and budget problems (Wheatley). He recently went to Spain and

met with a private toll operator, and he has indicated that he plans to unveil a new transportation proposal.

Sources: (1) Thomas Wheatley, "Will Perdue Privatize Georgia Highways?" *Creative Loafing*, 24 September 2008, (2) Dick Yarbrough, "DOT Provides All the Comedy We Can Handle," *Gwinnett Daily Post*, 21 January 2009.

State: Georgia

Road: GA 400

Concessionaire: The private entity is Crossroads 400, a consortium of contracting and engineering firms: APAC-Southeast; Granite Construction Company; Washington Group International; AR-CADIS; Post, Buckley, Schuh & Jernigan; URS Corporation; Washington Group International (Crossroads 400 Group)

Contract Type: Undetermined - Crossroads 400 proposed a design-build arrangement, but has also mentioned an interest in operating and maintaining the completed toll facility. The consortium did not initially propose private financing. (USDOT)

Project Details: In 2004, a consortium of engineering and road-building companies under the name Crossroads 400 submitted a proposal to build HOT lanes on GA 400. The lanes would be built along GA 400 from I-85 at Brookwood or I-285 in Sandy Springs north to GA 20 in Cumming (Hart).

Cost/Financing: (1) COSTS - \$1.6 billion (Hart). (2) FINANCING - the initial proposal did not include private equity financing (USDOT). (3) TOLLS - there would be variable toll rates based on congestion

Status: A state committee decided to table the proposal on the basis that it was not revenue neutral. The proposal had been rewritten and supporters say it is now revenue neutral. Recently, the Governor went to Spain and met with a private toll road company, and has indicated that he plans to release a new transportation plan. It is

possible that GA 400 will be revived in this new plan (Yarbrough).

Sources: (1) Crossroads 400 Group, *A Group With Unparalleled Expertise - and Experience*, downloaded from crossroads400.com/about.shtml. (2) Ariel Hart, "State Kills GA 400 Toll Lane Proposal," *Atlantic Journal Constitution*, 21 October 2008. (3) US Department of Transportation, *Innovation Wave: An Update on the Burgeoning Private Sector Role in US Highway and Transit Infrastructure*, National Council on Public Private Partnerships, 18 July 2008. (4) Dick Yarbrough, "DOT Provides All the Comedy We Can Handle," *Gwinnett Daily Post*, 21 January 2009

State: Georgia

Road: I-285 Truck Toll Lanes

Concessionaire: Goldman Sachs submitted the initial proposal (though has since withdrawn the bid), and four others have been submitted since (USDOT). The other teams are led by: Skaska USA Civil Inc., Babcock & Brown LP, Cintra Concesiones de Infraestructuras de Transporte SA, and Horizon Mobility Group (a consortium that includes former GDOT commissioner Tom Moreland) (Mahoney)

Contract Type: Undetermined

Project Details: I-285 is a beltway around Atlanta. The proposal is to develop truck-only toll lanes on I-285 from the I-75 interchange in Cobb County south to I-20, and from the I-20/I-285 interchange to Thornton Road (Mahoney). The lanes are intended to complement the TOT lanes that may be constructed as part of the Northwest Corridor Project (USDOT).

Cost/Financing: (1) COSTS - Goldman Sachs' proposal estimated construction costs at \$400 to \$500 million (Toll Roads News). (2) FINANCING - the project could be built with public bonds, though it will most likely be privately financed (Hart - Debate). (3) TOLLS - there has been some discussion of making the tolled

TOT lanes mandatory for truck traffic, but there has been significant opposition from trucking groups (Hart - Debate).

Status: GDOT is currently studying the proposals.

Controversy: A 2008 study by GDOT found that truck lane projects, such as I-285, may not reduce traffic congestion enough to be worth building. The study found that adding truck lanes would speed up regular traffic on adjacent interstates by only 10 miles per hour in the next three decades. Given that a full truck-lane network would cost \$13 billion, the study recommends that the state not pursue TOT lanes. After the release of the study, DOT Commissioner Gena Evans said all the proposals were still on the table, but she would take the findings into account when evaluating the projects (Hart - Truck).

Sources: (1) Ariel Hart, "Truck Lanes Might Not Be Worth the Cost," *Atlanta Journal-Constitution*, February 26, 2008. (2) U.S. Department of Transportation, *Innovation Wave: An Update on the Burgeoning Private Sector Role in US Highway and Transit Infrastructure*, National Council on Public Private Partnerships, July 18, 2008, (3) Ariel Hart, "Debate Gears Up Over Truck Lanes," *Cox News Service*, May 26, 2007, (4) Ryan Mahone, "Sachs Get Competition for I-285 Toll Lane Project," *Atlanta Business Chronicle*, July 28, 2006, (5) "Goldman Sachs Making Pitch for Atlanta Toll Truckway on I-285," *Toll Roads News*, May 11, 2006.

State: Georgia

Road: I-20 Managed Lanes

Concessionaire: Undetermined

Contract Type: design, build, finance, operate and maintain

Project Details: The I-20 Managed Lanes Corridor project would add two managed lanes along the I-20 corridor from east of I-285 to Turner Hill Road (USDOT).

Cost/Financing: (1) COSTS - undetermined.

(2) FINANCING - private financing would be used. (3) TOLLS - revenue would come from variable toll rates. Toll rates are expected to be a minimum of 20 cents per mile in 2010, and would rise to \$1.01 per mile by 2050. Forecasts predict toll revenues of \$2-3 million in the first year, and \$23 million in 2030 (*Toll Roads News*)

Status: GDOT issued a Notice of Intent to Solicit in July 2007. The next step would be to issue a request for proposals, but the date for this has not been solidified (GDOT). When the DOT Commissioner, Gena Evans, came to office she decided to shelve privatization proposals, so it is likely that this project is now on hold.

Sources: (1) Georgia Department of Transportation, *Active PPI Proposals: I-20 Managed Lanes Corridor*, downloaded from www.dot.state.ga.us/informationcenter/programs/ppi/ProjectsandProposals/Pages/I-20ManagedLanesCorridor.aspx. (2) US Department of Transportation, *Innovation Wave: An Update on the Burgeoning Private Sector Role in US Highway and Transit Infrastructure*, National Council on Public Private Partnerships, 18 July 2008. (3) "Georgia DOT Seeking Investors for Toll Lanes on I-20 Southeast of Atlanta," *Toll Roads News*, 7 August 2007.

State: Illinois Tollway System

Road: Illinois Tollway System

Concessionaire: Undetermined

Contract Type: Lease

Project Details: The 274 miles of roadways is being considered for privatization (Bary). The Governor has so far rejected the idea of leasing the tollway system (Shields).

Cost/Financing: (1) FEE - Based on the concession fee in the Indiana deal, the road could generate a \$20 billion up-front payment (Bary). A report commissioned by the bipartisan Illinois Commission on Government Forecasting and Accountability placed the value of the road at \$1-24 billion, depending on the structure of the

deal. Factors that will determine the value of the road are: length of the concession agreement, traffic projections, initial toll increases, the cost of capital, and operating efficiencies (Shields).

Status: No visible action has occurred since 2007.

Sources: (1) Andrew Bary, "Paying Up," *Barrons*, 8 May 2006. (2) Yvette Shields, "More Plans Afoot in the Land Where P3s Began," *The Bond Buyer*, 28 March 2007

State: Indiana/Illinois

Road: Illiana Expressway

Concessionaire: Undetermined

Contract Type: build-lease

Project Details: The Illiana Expressway would connect I-57 in Illinois to I-94 in Indiana. (Shields)

Cost/Financing: (1) COSTS - undetermined. (2) FINANCING - Governor Daniels has proposed using private financing (Shields).

Status: Due to public opposition, Governor Daniels withdrew his initial proposal for the Expressway in March 2007 and asked lawmakers to consider a proposal for a shorter version of the road (Shields). The state is currently conducting a two year study of the project (Henrichs).

Controversy: (1) There is concern over land seizures and farmland destruction (Courier Press). (2) Proponents of the road maintain that it will relieve congestion on the Borman Expressway, but no studies or traffic projections have been done. Some believe the real impetus of the Expressway is to add highway capacity for new developments, such as LaPorte County's proposed Intermodal transportation facility, the proposed Lake County Convention Center, and the Peotone Airport (Urbanik). (3) Questions remain about how the extra traffic will affect Lake and Porter counties and their ability to reduce air pollution (Urbanik).

Sources: (1) "Tollway Draws Little Support,"

Evansville Courier & Press, 17 March 2007.

(2) Carol Henrichs, "Big Illinois Push for Illiana Expressway, Decision Now Remains in Indiana Hands," *CHBlog*, 25 April 2007. (3) Yvette Shields, "Amid Criticism, Indiana Governor Scraps Plans to Privately Finance Toll Road," *The Bond Buyer*, 27 March 2007. (4) Vicki Urbanik, "Illiana Tollroad: Stop the Spin, Let's Have Honest Public Debate," *Chesterton Tribune*, 9 March 2007.

State: Maryland

Road: Capital Beltway

Concessionaire: Undetermined

Contract Type: Design, build, finance, operate and maintain

Project Details: The project is to construct Express Toll Lanes (ETLs) on the Capital Beltway from the American Legion Bridge to the Woodrow Wilson Bridge (Smith).

Cost/Financing: (1) COSTS - Undetermined

Status: There has been intense public opposition to the project, and state government officials have indicated they do not want to challenge local governments on the issue (Brown). However, the project does remain on the table (Dresser).

Controversy: (1) Cultural sites will be affected by an expansion of the Beltway. There are a number of known and potential historical or archeological sites in the area. If the project were to proceed, an archeological investigation would be required wherever it is likely that ground will be disturbed (Brown). (2) Natural resources may be threatened by the project, such as flood plains and associated wetlands like the Potomac River, Rock Creek, and small tributaries. There are also 44 types of rare, threatened, or endangered species of plants and animals in the vicinity of the proposed project (Brown). (3) Citizens in the two affected counties are opposed to the project because it will lead to increased noise, pollution and traffic congestion,

disrupt nearby businesses, and pose dangers to schools and hospitals in the vicinity (Brown).

Sources: (1) Matthew T. Brown, et al., *The Capital Beltway and Public Private Partnerships*, The National Council for Public Private Partnerships, December 2007. (2) Michael Dresser, "Driven Away?" *Baltimore Sun*, 7 September 2008. (3) Nicole M. Smith, "Seeking a 'More Mobile Maryland,'" *The Bond Buyer*, 23 October 2006.

State: Maryland

Road: Baltimore-Washington Parkway

Concessionaire: The toll road would be operated either by the Maryland Toll Authority or a private company if the state chooses to pursue a privatization agreement.

Contract Type: lease

Project Details: At the request of the Federal Highway Administration, Maryland officials are studying the impact of placing tolls on the existing lanes of five capital-region parkways, including the Baltimore-Washington Parkway. Such a proposal is likely to be unpopular (Dresser).

Cost/Financing: (1) TOLLS - Preliminary studies show that people would be willing to pay \$10-\$15 for congestion-free travel along the length of the parkway (Dresser).

Status: Maryland officials maintain they do not intend to toll existing roadways (Dresser).

Sources: (1) Michael Dresser, "Driven Away?" *The Baltimore Sun*, 7 September 2008

State: Maryland

Road: Express toll lanes on the Baltimore Beltway

Concessionaire: Undetermined

Contract Type: If built as a private road, it would be a design, build, finance, operate and maintain contract

Project Details: The state is considering

constructing express toll lanes on the Beltway. Former Governor Ehrlich said that the state is interested in private funds to finance transportation megaprojects, and requested private companies to submit ideas on a variety of projects. Express toll lanes on the Beltway may be one of the projects to be privatized (Truck Flix).

Cost/Financing: The Baltimore Beltway is slated for a \$1 billion expansion, though the project is being studied (Smith).

Status: State Highway Administrator Neil J. Pedersen said a study of tolls on the Beltway never got off the ground (Dresser).

Sources: (1) Michael Dresser, "Driven Away?" *The Baltimore Sun*, 7 September 2008. (2) Nicole M. Smith, "Seeking a 'More Mobile Maryland,' State Eyes Public-Private Partnerships," *The Bond Buyer*, 23 October 2006. (3) "Maryland Mulls Public-Private Partnerships for Roads," *Truck Flix*, 15 October 2006

State: Maryland

Road: I-270 Corridor

Concessionaire: Undetermined

Contract Type: If built as a private road, it would be a design, build, finance, operate and maintain contract.

Project Details: The I-270 project would connect the Shady Grove Metro station in Montgomery County to an existing private project in Virginia (Smith). Former Governor Ehrlich said that the state is interested in privatization to finance transportation projects, and may pursue such a deal for the Corridor (Truck Flix).

Cost/Financing: Undetermined

Status: Toll financing on I-270 between Montgomery and Federick remains a possibility, but the project is not a certainty (Dresser).

Sources: (1) Michael Dresser, "Driven Away?" *The Baltimore Sun*, 7 September 2008. (2) Nicole M. Smith, "Seeking a 'More Mobile Maryland,' State Eyes Public-Private Partnerships," *The Bond*

Buyer, 23 October 2006. (3) "Maryland Mulls Public-Private Partnerships for Roads," *Truck Flix*, 15 October 2006

State: Massachusetts

Road: Mass Turnpike

Concessionaire: Lease

Contract Type: Lease

Project Details: The Patrick Administration paid UBS as a consultant to explore transportation funding options including privatizing the Mass Turnpike. Aides at the Governor's office say the issue is not going anywhere, but they are using tax dollars to study the proposal. Governor Patrick has also directed the secretary of transportation to prepare legislation to dismantle the Turnpike Authority, merge the remaining transportation agencies, and restructure the Big Dig debt. This could be a first step towards privatization.

Cost/Financing: Undetermined

Status: The proposal is being studied.

Sources: (1) "Governor Orders Legislation to Dismantle the Massachusetts Turnpike Authority," *Toll Roads News*, 2 October 2008.

State: Michigan

Road: No road has been identified

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: Some individuals have suggested tolling roads in Michigan to pay for transportation costs, however it appears that no legislative action has been taken (*The Bay City Times*). Currently, legislators seem to be focusing on generating revenue through various tax proposals (*Land Line*). MDOT's website says that toll roads are not economically feasible in the state because it is off the nation's heavily used east/west corridors (MDOT).

Cost/Financing: Undetermined

Status: The idea is being considered.

Sources: (1) "Toll Roads Could Help Pay

Michigan's Hefty Highway Bill," *The Bay City Times*, 27 July 2008. (2) "Michigan Pursues Road Funding Solutions Via Tax Proposals," *Land Line Magazine*, 15 August 2008. (3) Michigan Department of Transportation, *Frequently Asked Questions: Roads*, downloaded from www.michigan.gov/mdot/0,1607,7-151-14013-28071--F,00.html.

State: Mississippi

Road: Jackson Airport Parkway

Concessionaire: MDOT has shortlisted three teams that will proceed to the Request for Proposals stage: Jackson Access Mobility Group (ACS and Dragados), Airport Parkway P3 Group (Cintra and Ferrovial), and Global Via (MDOT Press Release).

Contract Type: finance, design, build, operate and maintain

Project Details: The Parkway would be a high-speed toll lane between downtown Jackson and the airport with a bridge over the Pearl River (Public Works Financing).

Cost/Financing: (1) COSTS - construction costs are estimated at \$320-\$400 million (*Toll Roads News*). (2) FINANCING - private financing will be used. In exchange, the investors will manage the roadway for 50 years (Public Works Financing).

Status: MDOT has shortlisted three teams that will proceed to the RFP stage of the selection process. Selection of the winning team is expected in March 2009 (MDOT Press Release). The road is expected to open by the end of 2012 (MDOT - Airport Parkway).

Sources: (1) Mississippi Department of Transportation, *Airport Parkway Project*, downloaded from www.theairportparkway.com/Home.aspx. (2) Mississippi Department of Transportation, *MDOT Announces Shortlisted Teams for the Airport Parkway Project* (press release), 20 August 2008. (3) "Jackson, Miss. Airport Connector SOQ," *Public Works Financing*, June 2008.

(4) "Jackson Mississippi Airport Parkway - Call for Toll Concession Developer," *Toll Roads News*, 1 June 2008

State: Missouri

Road: No specific proposal - truck toll lanes on I-44, I-70 and US 71 have been mentioned

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: Currently state toll roads are unconstitutional in Missouri, but other methods of tolling are not, such as privately operated but publicly owned toll roads, high occupancy toll lanes, truck only toll roads, and competitively contracted mass transit services (Stokes). The Show-Me Institute, a think tank in Missouri, is touring the state to promote the use of tolls. One of their proposals includes truck toll lanes on I-44 (ky3) They propose building truck lanes as four-lane routes parallel to I-44 and I-70, and perhaps US 71 (Joplin Globe).

Cost/Financing: Undetermined

Status: Currently it seems that the MDOT has only examined the feasibility of toll roads; promotion for P3s is mainly coming from outside sources. It does not appear that any direct action has been taken.

Sources: (1) "Truck-Lane Toll Roads Worth Study," *The Joplin Globe*, 12 March 2008. (2) "For Whom the Road Tolls," *ky3 Political Notebook*, 29 February 2008. (3) David Stokes, et al, "Missouri's Changing Transportation Program," *Show-Me Institute*, 27 February 2008.

State: Nevada

Road: Boulder City Bypass

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: The bypass has been proposed as an exception to the current ban on toll roads. The road would start near Railroad Pass on US-93 and would continue

south around Boulder City Municipal Airport before connecting to US-93 west of Hoover Dam (Vogel).

Cost/Financing: (1) COSTS - \$500 million (Vogel).

Status: The Bypass will need approval by the 2009 Legislature. Some worry that private investors will not be interested in it. If the state approves the Bypass, it would need one to two years to conduct additional studies and solicit bids. The road will not be completed until 2012-2014 (Vogel).

Controversy: (1) There are doubts about whether investors will be interested due to potentially low toll revenue. Proponents argue the private investors will become interested when toll roads are legalized. (2) Many legislators and Governor Gibbons are on record opposing toll roads unless motorists have a free alternative to each destination. US 93 is supposed to serve that purpose (Vogel).

Sources: (1) Ed Vogel, "Boulder City Bypass: Bridging Funding Gap," *Las Vegas Review-Journal*, 3 September 2008

State: Nevada

Road: US Highway 95 to I-15; I-15 south to I-215; Summerlin Parkway to US 95

Concessionaire: Undetermined

Contract Type: Sorm form of privatization - possibly design, build, finance, operate and maintain

Project Details: The Nevada Transportation Board has endorsed a proposal to allow for privatized toll lanes in Las Vegas. This will be the pilot project if it receives approval from the 2009 Legislature. The project would toll cars with 1 to 2 passengers on the express lanes.

Cost/Financing: (1) COSTS - \$1.4 billion (Riley). (2) FINANCING - 88% of the financing will be covered by private entities, in exchange for a 50 year concession term (Riley). (3) TOLLS - tolls will be placed on cars with less than three passengers. Private investors will use the toll revenue

to pay back their investment at a fair rate of return, which was judged to be 13%. Anything above that rate will be shared with the state (Riley).

Status: The project is awaiting approval by the 2009 Legislature, which convenes in February. Currently, state law prohibits tolling roads (Saskal).

Sources: (1) Rich Saskal, "Nevada Moves Forward with P3 Toll Road Plan," *The Bond Buyer*, 19 May 2008. (2) Brendan Riley, "Budget Fallout: Toll Road Plan Ok'd," *Las Vegas Review-Journal*, 16 May 2008

State: New Jersey

Road: New Jersey Turnpike

Concessionaire: Undetermined

Contract Type: Lease

Project Details: In 2005, Acting Governor Codey proposed either selling or leasing the rights to operate the state's three toll roads to private investors in order to fill the budget deficit (Eastern Roads). Some have advocated selling portions of the Turnpike, starting with its congested southern portion. State legislator Ray Lesniak has called for the sale of a 49% interest in the NJ Turnpike Authority, which owns both the Turnpike and the Parkway (Bary).

Cost/Financing: (1) FEE - The proposal to sell 49% of the Authority could raise over \$20 billion (Bary).

Status: Public outcry led New Jersey to end plans for leasing the toll roads. Other ideas have been proposed, such as increasing tolls, but they have all been rejected. More recently, Gov. Corzine proposed privatizing individual lanes on the toll roads, either as HOT lanes or as lanes for trucks and buses, as suggested by Sen. Lesniak. Large opposition exists to the plan though, and it is unlikely to pass (Schweber).

Sources: (1) Andrew Bary, "Paying Up," *Barrons*, 8 May 2006. (2) "Atlantic City Expressway: Historic Overview," *Eastern Roads*, downloaded from www.phillyroads.com/roads/atlantic-city/. (3) Nate Schweber,

"Latest Plan for Corzine to Consider: Private Lanes on the Turnpike," *The New York Times*, 9 July 2008

State: New Jersey

Road: Garden State Parkway

Concessionaire: Undetermined

Contract Type: Lease

Project Details: See New Jersey Turnpike

Cost/Financing: Undetermined

Status: See New Jersey Turnpike

Sources: See New Jersey Turnpike

State: New Jersey

Road: Atlantic City Expressway

Concessionaire: Undetermined

Contract Type: Lease

Project Details: See New Jersey Turnpike

Cost/Financing: (1) FEE - Senator Gormley proposed a concession fee of \$3.75 billion (Eastern Roads).

Status: See New Jersey Turnpike

Sources: (1) "Atlantic City Expressway: Historic Overview," *Eastern Roads*, downloaded from www.phillyroads.com/roads/atlantic-city/. (2) Nate Schweber, "Latest Plan for Corzine to Consider: Private Lanes on the Turnpike," *The New York Times*, 9 July 2008

State: New York

Road: No specific proposal - the Tappan Zee Bridge is considered a possibility

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: Governor Paterson has announced that he is creating a commission to study privatization and to come up with specific recommendations. One possible concession the commission will consider is the Tappan Zee Bridge, which spans the Hudson River north of Manhattan and will soon have to be replaced at a cost of \$9.3 billion (Gormley).

Cost/Financing: (1) COSTS - It will cost

\$9.3 billion to replace the bridge (Gormley)
Status: The Commission will report its findings in the 2009 legislative session.
Sources: Michael Gormley, "Following Other States, New York May Lease Assets," *WTOP News*, 3 October 2008

State: North Carolina
Road: Gaston Garden Parkway
Concessionaire: Undetermined
Contract Type: Undetermined - the project may be built under a P3 agreement, but the state has recently supplied gap funding which may decrease the need for private financing.

Project Details: The proposal is to construct a toll road going through Gaston County from I-485 near Charlotte/Douglas International Airport west to I-85 near South Carolina. There has also been a suggestion to build the road just as a truckway, which would be cheaper (Marshall). David Joyner, executive director of NCTA, has stated that the executive committee has asked them to consider public private partnerships if the state is unable to allocate adequate financing (WRAL).

Cost/Financing: (1) COSTS - Construction costs will be between \$410-750 million (Toll Roads News, Marshall). (2) FINANCING - The state is able to finance only part of the road with traditional financing, leaving a \$188 million gap (Toll Roads News). In 2008, the General Assembly agreed to provide \$35 million a year (beginning in 2010-11) in "gap funding" which will allow the first leg to be built. No funding for the second section of the road has been secured (Barrett).

Status: Construction will probably begin in 2010. North Carolina is still seeking funding for the second section of the road.

Sources: (1) Michael Barret, "Residents Hoping to Build Opposition to Garden Parkway Route," *Gaston Gazette*, 20 October 2008. (2) Alex Marshall, "Where

Should North Carolina Go With Highways; And Should the Garden Parkway Become a Truckway," *Gaston Gazette*, 10 October 2008. (3) "North Carolina Turnpike Seeks Subordinate Debt to Fill Funding Gap for Triangle Expressway," *Toll Roads News*, 11 September 2007. (4) "Private Money May Prove to be Best Route to Toll Roads," *WRAL*, 6 August 2007.

State: North Carolina
Road: Mid-Currituck Bridge
Concessionaire: Undetermined
Contract Type: design, build, finance, operate and maintain

Project Details: The proposed bridge will go over the Currituck Sound between the mainland and the Outer Banks or the peninsula on the ocean (Toll Roads News - Subordinate Debt). Three proposals for the project are being considered (Preyss). NCTA is more open to a concession of the Bridge than other roads because a majority of the users will be tourists and other visitors (TRN - Subordinate Debt).

Cost/Financing: (1) COSTS - Depending on which route is chosen, the project will cost between \$315-635 million (Preyss). (2) FINANCING - Preliminary studies suggest traffic will only support \$200 million in traditional revenue bonds (Toll Roads News - Subordinate Debt). In 2008, the Legislature agreed to provide some gap funding for the project (Siceloff). (3) TOLLS - The agency projected that over a 39-year period, motorists would pay as much as \$12 for a two-way trip across the bridge (Preyss)

Status: North Carolina's Turnpike board has decided to begin a toll concession procurement for the bridge (Toll Roads News). NCTA expects to choose a pre-development partner in November 2008 and award the project contract by early 2010 (NCTA).

Controversy: Some have expressed concern over the bridge's effects on natural

resources and residents of the Aydlett area (Preyss).

Sources: (1) North Carolina Turnpike Authority, *Mid-Currituck Bridge Project*, October 2008, downloaded from www.ncturnpike.org/pdf/NCTA%20Newsletter%209-30-08%20FINAL.pdf. (2) Jennifer Preyss, "Mid-Currituck Study Includes No-Bridge Option," *Daily Advance*, 20 October 2008. (3) "North Carolina Turnpike Seeks Subordinate Debt to Fill Funding Gap for Triangle Expressway," *Toll Roads News*, 11 September 2007. (4) "North Carolina to RFP \$850m Triangle Exwy DB, P3 for Currituck Sound Bridge," *Toll Roads News*, 15 November 2007

State: North Carolina

Road: Monroe Connector

Concessionaire: Undetermined

Contract Type: Undetermined - the project was initially considered for privatization, but the state provided some gap funding which may decrease the need for a concession (Siceloff).

Project Details: The project would involve constructing a 22-mile road that would run parallel to US 74 (Marshall). David Joyner, executive director of the North Carolina Turnpike Authority, stated that the executive committee has asked them to consider public private partnerships if the state is unable to allocate adequate funding (WRAL).

Cost/Financing: (1) COSTS - construction will cost \$553 million (Toll Roads News - Subordinate debt). (2) FINANCING - NCTA is only able to cover part of the construction costs, leaving a \$151 million funding gap (Toll Roads News - Subordinate Debt). In 2008, however, the state approved gap funding of \$24 million per year to finance construction of the road (Siceloff).

Status: The Legislature has provided gap funding for the road starting in fiscal year 2010-11 (Siceloff). Thus, the project may

be built without private financing.

Controversy: There is concern that the road would bring more subdivisions to Union County, which is already having difficulty providing sewer services to new homes (Marshall).

Sources: (1) Alex Marshall, "Where Should North Carolina Go With Highways, And Should the Garden Parkway Become a Truckway," *Gaston Gazette*, 10 October 2008. (2) Bruce Siceloff, "State Puts Cash Behind Toll Roads," *News Observer*, 10 July 2008. (3) "North Carolina Turnpike Seeks Subordinate Debt to Fill Funding Gap for Triangle Expressway," *Toll Roads News*, 11 September 2007. (4) "Private Money May Prove to be Best Route to Toll Roads," *WRAL*, 6 August 2007.

State: Ohio

Road: Ohio Turnpike

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: Privatization of the Turnpike was first advocated by gubernatorial candidate Ken Blackwell (Bary). Governor Strickland opposes the privatization of the Turnpike, though has indicated that he would still be willing to listen to arguments in favor of privatization (Miller, Toledo Business Journal). A legislative task force made many suggestions for raising money, which included constructing private High Occupancy Toll lanes on various roads, which may include the Turnpike (Miller).

Cost/Financing: (1) FEE - Estimates place the concession fee for the Turnpike between \$1-6 billion (Ellis). (2) TOLLS - It has been estimated that annual cash flow from tolls would be \$109.4 million (Ellis).

Status: Strickland has created a 21st Century Transportation Priorities Task Force to explore new ways to generate revenue for highway and other transportation projects (Miller). Most likely, no action will be taken until the task force releases its final report.

Controversy: 1) A study using data from the State of Ohio, the Federal Highway Administration, and the Ohio Turnpike predicted the amount of diverted truck traffic due to higher tolls. The researchers found that privatization of roadways, which usually involves increased tolls, has numerous externalities: higher rates of accidents as trucks are diverted to less-safe/smaller roadways, reduced quality of life for communities along alternate routes, higher maintenance costs for alternate routes, higher cost of goods as drivers pass on the increased costs, and less efficient commerce as trucks use less-desirable alternate routes (Science Daily).

Sources: (1) Andrew Bary, "Paying Up," *Barrons*, 8 May 2006. (2) David A. Ellis and Edward W. Hill, *An Analysis of the Proposed Lease of the Ohio Turnpike*, Cleveland State University, 25 June 2006. (3) Jay Miller, "Ohio Facing Huge Deficit for Transportation System," *Crain's Cleveland Business*, 15 January 2008. (4) "Toll Road Privatization May Result in More Crashes on Other Roads," *Science Daily*, 15 January 2008. (5) "Indiana Luring Ohio and MI Firms," *Toledo Business Journal*, 1 January 2007.

State: Oregon

Road: I-205 Widening

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: In late 2005, Oregon DOT selected Macquarie Infrastructure Group to study toll-road options for three projects (Sunrise Corridor, Newberg-Dundee bypass, and I-205 widening). I-205 widening was found to be a feasible option, however because less research has been done on it, ODOT decided to focus on the Bypass for now (Saskal). The I-205 widening project would expand the road from four to six lanes in the south corridor (I-205).

Cost/Financing: Undetermined

Status: Officials said that more details need to be finalized for the I-205 widening, and

that the agency needs to coordinate with local stakeholders before it can return to a serious study of the plan (Saskal).

Sources: (1) Oregon Department of Transportation, *I-205: The East Portland Freeway*, 4 February 2007, downloaded from www.oregon.gov/ODOT/HWY/REGION1/I205/generalinfo.shtml. (2) Rich Saskal, "Toll-Free State Begins Studying Its Options," *The Bond Buyer*, 28 March 2007

State: Pennsylvania

Road: I-95

Concessionaire: Undetermined

Contract Type: Undetermined - probably a design, build, operate and maintain contract

Project Details: In June 2008, the state Senate unanimously passed a bill that would allow state agencies to obtain bids for express toll lanes and high occupancy toll lanes. The House is still holding hearings. Construction of ETLs or HOT lanes on I-95 and the Schuylkill Expressway are the top projects under consideration (Spett).

Cost/Financing: Undetermined

Status: The Senate has approved the solicitation of bids for the construction of HOT lanes. The House must still pass the measure before the project can move forward (Spett).

Sources: David Spett, "Toll Lanes Considered for I-95, Schuylkill," *Philadelphia Inquirer*, 8 September 2008.

State: Pennsylvania

Road: Schuylkill Expressway

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: See I-95.

Cost/Financing: Undetermined

Status: See I-95.

Controversy: See I-95

Sources: David Spett, "Toll Lanes Considered for I-95, Schuylkill," *Philadelphia Inquirer*, 8 September 2008.

State: Pennsylvania
Road: Pennsylvania Turnpike
Concessionaire: A consortium of Abertis Infraestructuras, Citi Infrastructure Investors, and Criteria Caixa Corp won the lease bid (Bumsted).
Contract Type: lease
Project Details: Governor Rendell proposed leasing the Turnpike to generate money for transportation projects (Bumsted).
Cost/Financing: (1) FEE - The consortium offered \$12.8 billion for a 75 year lease. (2) COSTS - the proposal includes a plan for \$5.5 billion in capital improvements on the Turnpike (Bumsted). (3) TOLLS - the consortium's proposal would allow the operator to raise tolls 25% on January 1st. Tolls would then increase 2.5% annually or match the rise in the CPI, whichever is higher (Cataldo).
Status: The legislature stalled in approving the deal and Abertis withdrew its bid. However, the consortium indicated that it plans to bid again in 2009 (Whiteman).
Sources: (1) Brad Bumsted, Jim Ritchie, and Karl Andren, "\$12.8 Billion High Bid to Lease Turnpike," *Pittsburgh Tribune-Review*, 20 May 2008. (2) Adam L. Cataldo, "Pennsylvania Offered \$12.8 Billion by Citi, Abertis," *Bloomberg*, 19 May 2008. (3) Lou Whiteman, "Penn Turnpike Lease Deal Fizzles," *Daily Deal*, 2 October 2008

State: Pennsylvania
Road: Mon Fayette Expressway
Concessionaire: Three firms have been shortlisted: Mon Valley Public Private Partners; Global Via Infraestructuras and URS Corp; ACS Infrastructure Development and Dragados USA (Tanner)
Contract Type: finance, design, construct, operate and maintain
Project Details: The proposal is to build a road from Pennsylvania Route 51 in Jefferson Hills to I-376 in Pittsburgh and Monroeville (Tanner).
Cost/Financing: (1) COSTS - it will cost

\$5.5 billion to complete both the Mon Fayette Expressway and the Southern Beltway (Buckley)
Status: Requests for proposals were issued in September 2008. The deadline is January 15th, after which turnpike officials will analyze the submissions (Tanner).
Sources: (1) Chris Buckley, "Expressway, Beltway Concepts Needed," *The Valley Independent*, 18 September 2008. (2) David Tanner, "Pennsylvania Turnpike Extension Draws Three Bidders," *Land Line*, 19 January 2009

State: Pennsylvania
Road: Southern Beltway
Concessionaire: See Mon Fayette Expressway
Contract Type: finance, design, construct, operate and maintain
Project Details: See Mon Fayette Expressway.
Cost/Financing: See Mon Fayette Expressway
Status: See Mon Fayette Expressway
Sources: See Mon Fayette Expressway

State: South Carolina
Road: I-73
Concessionaire: Undetermined
Contract Type: Undetermined - may be a finance/build/operate contract, or possibly another agreement involving the right to install commercial outlets
Project Details: A study committee has been asked to release a report on its work in February to explain what partnerships would be allowed under existing law. No road has been named specifically, but a 105-mile new construction project on I-73 in Horry, Dillon and Marlboro counties has been mentioned (Chourey). The southern portion of the road would run from I-95 to SC Route 22, while the northern portion would go from I-95 to Hamlet (Ward).
Cost/Financing: (1) COSTS - \$2.4 billion.

(2) **FINANCING** - the project will probably require private financing. A 2005 Federal Transportation act earmarked \$81 million for I-73 in South Carolina, and an additional \$3 million was allocated later in the year. The funds are being spent on environmental studies and right of way purchases (Ward).

Status: The study committee will release a report in February detailing what partnerships are allowed under existing law (Chourey). Federal environmental permits have already been issued for the southern portion, and permits for the northern portion are expected in the spring (Ward)

Sources: (1) Sarita Chourey, "Public-Private Pacts on Roads Considered," *Augusta Chronicle*, 2 October 2008. (2) Terry Ward, "I-73 Backers Seek Sources of Private Funding," *SCNow*, 29 April 2008

State: Texas

Road: Highway 130 segments 5 & 6

Concessionaire: A consortium of Cintra and Zachry Construction

Contract Type: finance, build, operate and maintain

Project Details: Segments 5 & 6 will begin in Mustang Ridge and connect to I-10 in Seguin (TxDOT)

Cost/Financing: (1) **COSTS** - \$1.36 billion. (2) **FEE** - Cintra paid \$25.8 million upfront to construct and operate the road for 50 years. (3) **FINANCING** - the consortium will supply the majority of the financing (Williamson).

Status: The agreement was signed in March 2007. Construction will begin in the summer of 2009, and the road should open in 2012 (Wear)

Sources: (1) Texas Department of Transportation, "Frequently Asked Questions," SH 130. (2) Ben Wear, "Kickoff Close for First (and only?) Private Tollway," *The Statesman*, 3 January 2009. (3) Richard Williamson, "Cintra Closes on \$1.36B Texas Toll Project," *The Bond Buyer*, 11 March 2008

State: Texas

Road: TTC 35

Concessionaire: Cintra-Zachry

Contract Type: finance, build, operate and maintain

Project Details: The proposal is to relieve congestion on I-35 by building a toll road from east of San Antonio to the Dallas-Fort Worth area (TxDOT)

Cost/Financing: (1) **COSTS** - \$6 billion (TxDOT). (2) **FINANCING** - Cintra-Zachry will finance the majority of the road in exchange for a lease on the roadway. (3) **FEE** - Cintra-Zachry is paying the state \$1.2 billion for the contract (TxDOT).

Status: Texas is currently negotiating a master development plan with Cintra-Zachry (TxDOT).

Sources: Texas Department of Transportation, "TTC-35 News," *Keep Texas Moving*, 14 May 2007

State: Texas

Road: I-10 from El Paso to Orange on the Louisiana Border

Concessionaire: Undetermined

Contract Type: design, build, finance, operate and maintain

Project Details: The project was initially part of the now-defunct Trans Texas Corridor. Though Texas is no longer pursuing the TTC, it is likely that individual segments of the project will go forward. Texas is eligible to split federal money with 7 other states to reduce congestion on I-10.

Cost/Financing: Undetermined

Status: Outcry following the contract for TTC-35 led the government to place a moratorium on P3 contracts until 2009 (Blumenthal).

Sources: Ralph Blumenthal, "Proposal in Texas for Public-Private Toll Road System Raises an Outcry," *The New York Times*, 10 February 2008

State: Texas

Road: I-635 Managed Lanes Project

Concessionaire: The state prequalified two consortia for the project.

Contract Type: develop, design, construct, finance, maintain and operate

Project Details: The proposal is to reconstruct the LBJ Freeway between I-35 E and North Central Expressway (Carona)

Cost/Financing: (1) COSTS - in 2006, the costs were calculated at \$3.5 billion (Perez).

Status: A request for proposals has been issued, and the submission deadline was September 15, 2008. Texas will review these proposals, as this project has been exempted from the two-year moratorium on privatization deals.

Sources: (1) John Carona, "More Room on the Road: Managed Lanes Project on I-635 is Critical to North Texas," *TTC News Archives*, 25 February 2008. (2) Benjamin G. Perez and James W. March, *Public Private Partnerships and the Development of Transportation Infrastructure: Trends on Both Sides of the Atlantic*, Report for First International Conference on Funding Transportation Infrastructure, 2-3 August 2006

State: Texas

Road: North Tarrant Express

Concessionaire: Possible concessionaires include: NTE Mobility partners (composed of Cintra and Meridiam Infrastructure); Itinere Infrastructure LLC (Sacyr SAU and Itinere Infrastructure); OHL Infrastructure Inc (OHL Concesiones, OHL Infrastructure)

Contract Type: design, build, finance, operate and maintain

Project Details: The project includes improvements on six segments along I-820, SH 121/183, and I-35W, with accelerated development of Segment 1. The project will add tolled managed express lanes and additional general purpose lanes (TxDOT).

Cost/Financing: (1) COSTS - construction costs are estimated at \$2 billion

Status: The Request for Proposals has been issued. The environmental permitting process is ongoing. The project was exempt from the moratorium placed on concessions (TxDOT).

Sources: Texas Department of Transportation, *North Tarrant Express* (Fact sheet)

State: Texas

Road: Montgomery County Parkway

Concessionaire: Undetermined

Contract Type: Undetermined

Project Details: The Parkway will be built east of I-45 to serve as an alternate route (Lee).

Status: It appears that the state is studying the project before deciding how to fund the road, either through private financing or bonds (Lee).

Sources: Renee C. Lee, "Montgomery County Leaders Being Driven to Create Toll Road," *TTC News Archive*, 4 December 2007

State: Texas

Road: Grand Parkway

Concessionaire: Grand Parkway Constructors has made an unsolicited offer; the principals are Williams Brothers Construction and Dannenbaum Engineering. The proposal envisions a joint venture with Harris County Toll Road Authority serving as the managing partner. TxDOT will solicit bids after the market value is calculated.

Contract Type: Undetermined

Project Details: The Parkway will encircle the Houston metropolitan area outside Highway 6 (The Grand Parkway).

Cost/Financing: (1) COSTS - the project will cost \$5.3 billion.

Status: TxDOT needs to calculate a market value for the Parkway, after which it will solicit bids. The toll road authority has right of first refusal - it has said it is interested

in operating part of the roadway, but not the entire project (Murphy).

Controversy: The road will be built in many undeveloped areas, leading to fears that it will contribute to urban sprawl.

Sources: (1) The Grand Parkway Association, *The Grand Parkway*, downloaded from www.grandpky.com/about%20us/default.asp

State: Texas

Road: Formerly known as TTC-69

Concessionaire: Zachry and ACS will develop a master plan for I-69 which may pave the way for the team to finance and build projects over the next 50 years (Public Works Financing).

Contract Type: The Zachry team is being paid to create a development and financial plan for the corridor, which will give them the right of first negotiation on certain projects (Public Works Financing).

Project Details: I-69 is a planned national highway connecting Mexico, the United States, and Canada (McGuire). In Texas, I-69 will start from three border crossings (Laredo, McAllen, and Brownsville), along US 59/281/77 to Victoria. When the branches converge, the roadway will continue along US 59 and turn towards Louisiana. A planned branch continues north on US 59 to Texarkana. The highest priority will be to upgrade US 77 (Public Works Financing).

Cost/Financing: (1) COSTS - total costs will be \$8 billion (Public Works Financing). (2) FINANCING - private equity and some federal loans will be used (Public Works Financing). (3) TOLLS - I-69 will remain toll free where it overlaps with existing highways; bypasses of cities may be tolled (Public Works Financing)

Status: The proposed timeline anticipates financial close on the entire US 77 system in 2011, and then building all the projects and upgrading US 77 within seven years. The moratorium on concessions does not apply to this project (Public Works Financing).

Controversy: I-69 was originally going to be built over new terrain paralleling US-59, US-77 and US-281. Due to widespread opposition from environmental groups and property rights activists, TxDOT announced in June 2008 that it would complete the roadway by upgrading US-59, US-77 and US-281 to interstate standards through rural areas, with bypasses around urban centers along the route (Public Works Financing).

Sources: (1) Lee McGuire, "TxDOT to Scale Back Trans-Texas Corridor," *KVUE.com*, 10 June 2008. (2) "Zachry-ACS Wins Texas 69 Road Plan," *Public Works Financing*, June 2008

State: Virginia

Road: 460 Corridor Improvements

Concessionaire: Three proposals have been submitted by Virginia Corridor Partners, Itinere, and Cintra.

Contract Type: Design, build, finance, operate and maintain

Project Details: Route 460 will be constructed between I-295 in Petersburg and Route 58 bypass in Suffolk. In 2006, VDOT issued a Solicitation for Proposals to develop and/or operate the road (VDOT)

Status: Detailed proposals are to be submitted by Spring 2009 and an agreement should be completed by Fall 2009 (VDOT).

Sources: Virginia Department of Transportation, "Public Private Transportation Act Info," *US Route 460 Corridor Improvements*, 22 January 2009

State: Virginia

Road: I-81 Corridor

Concessionaire: STAR Solutions

Contract Type: Some form of privatization
Project Details: VDOT is negotiating with STAR Solutions for improvements to the I-81 corridor. The main proposal is to build separate lanes for trucks along the length of the road (VDOT).

Cost/Financing: Undetermined

Status: Negotiations are continuing with STAR Solutions (VDOT).

Sources: Virginia Department of Transportation, *Frequently Asked Questions about Interstate 81 in Virginia* (fact sheet), June 2007, downloaded from www.virginiadot.org/PROJECTS/constSTAN-I81-overview.asp

State: Virginia

Road: Hampton Roads-area highways

Concessionaire: undetermined

Contract Type: Concession

Project Details: In April 2007, the legislature authorized Northern Virginia and the Hampton Roads region to do concessions. Hampton Roads is proposing the implementation of six toll road projects. In Northern Virginia, corridor investments are estimated at \$15.4 billion over 25 years (Toll Roads News)

Cost/Financing: (1) COSTS The Northern Virginia investments are estimated to be \$15.4 billion over 25 years (Toll Roads News).

Status: Unknown

Sources: "Virginia Bill Gives Tolling Power to Two Regions," *Toll Roads News*, 9 April 2007

State: Virginia

Road: Southeastern Parkway

Concessionaire: undetermined

Contract Type: Undetermined

Project Details: The Southeastern Parkway and Greenbelt would travel 21 miles from Chesapeake to Virginia Beach. VDOT documents suggest that public private partnerships are an option. (VDOT)

Cost/Financing: COSTS - The project is estimated to cost approximately \$1.4 billion. Tolls are expected to cover 30 to 40 percent of the costs. (Holden)

Sources: (1) Virginia Department of Transportation, *Southeastern Parkway and Greenbelt*

Location Study, downloaded from www.virginiadot.org/projects/hamptonroads/southeastern_parkway_and_greenbelt.asp, 28 January 2009; (2) Tom Holden, "Southeastern Parkway: Long Way to Go for Short Cut," *Virginian-Pilot*, 18 December 2006

State: Virginia

Road: Capital Beltway

Concessionaire: Capital Beltway Express LLC - a joint venture of Transurban and Fluor (Toll Roads News)

Contract Type: design, build, lease

Project Details: The Concessionaire will construct four toll lanes and direct connector ramps on 14 miles of the Capital Beltway between the Springfield interchange and a point near the Maryland border (Toll Roads News).

Cost/Financing: (1) COSTS - \$1.93 billion. (2) FINANCING - mostly private equity and bonds backed by the consortium will be used (VDOT). In exchange, the concessionaire will operate the road for 75 years (Toll Roads News). (3) TOLLS - Tolls will be charged on vehicles with fewer than three occupants without restrictions on the rates charged. The consortium predicts an internal rate of return of 13% (Toll Roads News).

Status: The road is scheduled for completion by spring 2014 (Toll Roads News).

Controversy: 1) No limits have been placed on toll rates. (2) The state is required to compensate the concessionaire for lost toll revenue if the number of HOVs encroaches upon tollable capacity beyond a certain threshold (Toll Roads News).

Sources: (1) "Private Activity Bonds Issued for I-495," *Public Works Financing*, June 2008. (2) "Financial Close on 80 Year Concession for \$1.52b Toll Lanes on Capital Beltway N Virginia," *Toll Roads News*, 20 December 2007. (3) Virginia Department of Transportation, "Virginia HOT Lanes: Some Things Can't Wait for Traffic," *Virginia HOT Lanes*, July 2008

State: Virginia

Road: I-95 and I-395 HOT Lanes

Concessionaire: Fluor-Transurban; Transurban will hold the major equity in the project and manage operations. Fluor will have smaller equity and will do the design and construction work (Toll Roads News).

Contract Type: design, build, operate and manage

Project Details: The project will expand the HOV lanes and extend them south. The consortium is also expected to help finance public transit alternatives (Virginia HOT Lanes).

Cost/Financing: (1) COSTS - total costs are estimated at \$882 million. (2) FINANCING - Transurban will contribute the majority of the equity in exchange for a 70 year lease (Myers). (3) TOLLS - vehicles with 3 or more passengers will travel for free. There is no cap on the level of tolls (Weiss - HOT Lane).

Status: Construction is expected to begin in 2009 and be completed in 2012 (VA Megaprojects)

Controversy: (1) Tolls may be extremely high. Regional transportation planners estimate that tolls may reach \$1.60 per mile in crowded segments (Weiss - Steep Prices). (2) Representatives in Prince William County worry that the roads may ruin a successful carpool facility and overcharge drivers (Weiss - HOT Lane).

Sources: (1) Phone conversation with Mary Myers, Public Relations Contact for the I-95/395 Project, October 14, 2008. (2) "Transurban-Fluor Beats Clark-Shirley for VA I-95/395 Concession," *Toll Roads News*, 1 November 2005. (3) Virginia Department of Transportation, "I-95/I-395 HOT Lanes," *Virginia Megaprojects*, 2008. (4) Virginia Department of Transportation, "Bringing Congestion Relief to I-95/395,"

Virginia HOT Lanes. (5) Eric M Weiss, "HOT Lane Plan Comes with Promises: Companies Vow to Keep Traffic Flowing, Finance, Public Transit Upgrades," *The Washington Post*, 18 April 2007. (6) Eric M Weiss, "Steep Prices Projected for HOT Lanes," *The Washington Post*, 3 March 2007

State: Virginia

Road: Jordan Bridge Replacement

Concessionaire: Figg Bridge and Britton Hill Partners (Toll Roads News)

Contract Type: demolition of previous bridge plus rights to build new toll bridge

Project Details: The private partners purchased the 80-year-old bridge (which had been closed for safety reasons) from the city of Chesapeake, Virginia, for a nominal fee. The partners will demolish the existing span and build and operate a replacement two-lane span. There will be no regulation of toll rates on the bridge. (Toll Roads News)

Cost/Financing: COSTS - total costs are estimated at \$90 million to \$100 million; FINANCING - Project will be privately financed and owned by the private entities in perpetuity. (Toll Roads News) TOLLS - tolls are likely to be \$2 each way, compared to 75 cents on the former bridge (Forster).

Status: Legislation to approve the deal is pending signature by the governor. The new bridge is scheduled for completion in July 2010.

Sources: "Privately Built New Jordan Bridge in Chesapeake, VA Getting Legislative Approval," *Toll Roads News*, 24 February 2009; Dave Forster, "Legislators Bless Chesapeake's Plans to Replace Jordan Bridge," *Virginian-Pilot*, 24 February 2009.



U.S. PIRG, Federation of State PIRGs
44 Winter Street, 4th floor
Boston, MA 02108