

*Subsection 7.8: Resolution H – Public Private Partnerships*

On November 9, 2016, the Governor’s Task Force on Transportation unanimously adopted the following resolution, recommending the use of public private partnerships in funding transportation infrastructure projects in Louisiana.

*WHEREAS, pursuant to JBE 2016-23, the Governor’s Task Force on Transportation Infrastructure Investment (Task Force) was created to identify and recommend community driven solutions to address multimodal transportation needs in Louisiana; and*

*WHEREAS, JBE 2016-23 charges the 18-member Task Force with completing its work and submitting a recommendation to Governor John Bel Edwards by January 1, 2017, for consideration in the 2017 Regular Legislative Session; and*

*WHEREAS, Task Force members attended meetings in each region of the State, where over 700 citizens representing business and other stakeholders attended, hosted by regional economic development organizations and metropolitan planning organizations to receive transportation investment ideas from communities across Louisiana; and*

*WHEREAS, the Task Force found that each region of the State acknowledged interest and support for the use of Public Private Partnerships (P3s) as a means of financing transportation projects; and*

*WHEREAS, P3s require an initial large-scale investment from the private sector whereby a return on investment is received through tolls, resources from the State, and/or other stakeholders over time; and*

*WHEREAS, the DOTD has studied the use of P3s in other states, has the available resources to manage a P3 process, and understands the P3 potential in Louisiana; and*

*WHEREAS, current funding levels for transportation prevent P3s from being viable in Louisiana because there are no available sources of recurring revenues to return to the private sector for its investment over time; and*

*WHEREAS, certain projects in Louisiana would be viable candidates for P3s if sufficient new recurring sources of revenue were available for payments to private sector investors over time; and*

*WHEREAS, the use of P3s for certain projects within the Louisiana Statewide Transportation Plan could leverage new recurring sources of revenue in a manner that provides for the timely advancement of a larger number of projects; and*

*WHEREAS, no legislative action is required to pursue P3s as Act 1209 of the 2001 Regular Legislative Session specifically authorized P3s through the Louisiana Transportation Authority; and*

*WHEREAS, Act 519 of the 2016 Regular Session granted the Department of Transportation and Development the authority to solicit P3s.*

*THEREFORE BE IT RESOLVED, that the Governor’s Task Force on Transportation Infrastructure Investment does hereby recommend the use of Public Private Partnerships to fund certain transportation infrastructure projects in Louisiana; and*

*BE IT FURTHER RESOLVED, that P3s may not be successful in Louisiana without increased recurring sources of revenue that the Department of Transportation and Development can use to fully finance mega projects, even with the involvement of private sector investors; and*

*BE IT FURTHER RESOLVED, that sufficient increased recurring sources of revenue enacted by the Louisiana Legislature would make the following projects immediately viable for P3 solicitations, based on the projects development and delivery status:*

- (a) New Mississippi River Bridge, inclusive of the LA 415 Connector – Baton Rouge Region*
- (b) I-10 Calcasieu River Bridge – Lake Charles*
- (c) LA 511 (J. Davis) Bridge – Shreveport*
- (d) I-49 South – Lafayette, Morgan City, and Houma-New Orleans areas*
- (e) New Ouachita River Bridge – Monroe/West Monroe; and*

*BE IT FURTHER RESOLVED, that although the aforementioned projects can be advanced without a P3, the Task Force is recommending P3 solicitations in an*

*effort to leverage new recurring sources of revenue for transportation in Louisiana; and*

*BE IT FURTHER RESOLVED, that the Task Force will recommend how to provide sufficient new recurring revenues to fund multimodal transportation projects in Louisiana by January 1, 2017; and*

*BE IT FURTHER RESOLVED, that the findings contained herein shall be included in the submission to the Governor by January 1, 2017.*

According to the IBTTA, 33 states have enabling legislation that allows the use of public private partnerships in highway finance. This includes Louisiana, along with neighboring states of Texas, Arkansas, Mississippi, Alabama, Florida, Georgia, and Tennessee. Oklahoma does not have enabling legislation for public private partnerships. Louisiana has all of the enabling legislation needed to pursue P3s but no available revenue to commit to a project. Like tolling, P3s require the State to have recurring revenues to dedicate toward a specific project. If enacted together with recurring revenue, the State of Louisiana could better leverage its resources to deliver more large-scale projects across the State.

Failure to utilize P3s to supplement new sources of recurring revenue will limit the State's ability to leverage its resources, reducing how quickly many large-scale projects can be constructed in Louisiana. As the Task Force traveled and heard from citizens, a recurring sentiment was that P3s could generate sufficient revenue to address the State's transportation infrastructure needs. The Task Force studied this issue and determined that P3s should be used in Louisiana but with the understanding that the State must have available revenue to commit to a P3 in order to garner interest from private sector investors.