



# Public-Private Transportation Partnerships Office

A Report for Pennsylvania

# 2016-2017



**pennsylvania**  
DEPARTMENT OF TRANSPORTATION  
[www.penndot.gov](http://www.penndot.gov)

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## **P3 Board Members**

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John J. Martino  
*President, Martino Enterprises*

## **P3 Office Team**

James D. Ritzman, P.E.  
*PennDOT Deputy Secretary for Planning*

Michael Bonini  
*Director*

Joseph Gurinko, AICP  
*Deputy Director*

Kathryn Tartaglia  
*Project Manager*





## LETTER FROM THE SECRETARY

On behalf of the Pennsylvania Department of Transportation (PennDOT) and the Public-Private Transportation Partnerships Office (P3 Office), I am pleased to present the 2016-2017 activities report. Over the past year, we have made significant progress on projects that improve motorist safety, accelerate the delivery of major transportation projects, and generate revenue for the commonwealth.

This report features updates on P3 projects and highlights the accomplishments we have achieved over the past year. The P3 Board met twice in 2016 and approved a project led by the Pennsylvania Turnpike Commission (PTC) to install a fiber cable along the 550-mile Turnpike system. This P3 will help lay the technology foundation for the growing automated and connected vehicle industry in Pennsylvania.

The P3 Office marked major milestones for the Compressed Natural Gas (CNG) Project with the opening of five CNG fueling stations in the first half of 2017. Ultimately, this P3 will result in the construction of 29 fueling sites around the state for use by transit agencies and private-sector fleets.

We continue to make significant progress on the \$899 million dollar Rapid Bridge Replacement (RBR) Project, the largest P3 of its kind in the nation. We will replace 558 structurally deficient bridges under this P3. The project also served as a model for Northampton County, which is following this bridge bundling template to replace 33 county-owned bridges.

We are enhancing safety on our Interstates and expressways through the State Farm Safety Patrol which has provided vital roadside assistance to more than 20,000 motorists and generated \$1.27 million in sponsorship revenue since 2014.

Finally, we are advancing the Middletown Train Station Improvement Project which will leverage private investment to enhance the new Station planned along the Keystone Corridor.

Over the past year, the P3 Office has made significant progress advancing projects that invest in Pennsylvania's transportation system. We look forward to working with the private sector to identify new opportunities to deliver a safe, efficient and resilient transportation network.

A handwritten signature in black ink that reads "Leslie S. Richards".

Leslie S. Richards  
Secretary of Transportation

### P3 PROJECT UPDATE

## Compressed Natural Gas (CNG) Transit Fueling Stations for Transit Agencies

On April 20, 2017, Governor Tom Wolf announced the opening of the first Compressed Natural Gas (CNG) fueling station at the Cambria County Transportation Authority (CamTran). This marked the first of 29 CNG fueling stations that will be constructed through the public-private partnership with Trillium CNG. The partnership is designed to generate significant savings and financial incentives for transit agencies and their riders by supplying gas to more than 1,600 public transit buses. Through the agreement, Trillium CNG will design, build, finance, operate and maintain CNG fueling stations at transit facilities throughout the commonwealth.

This \$84 million, 20-year P3 agreement allows public transit providers an opportunity and incentive to transition seamlessly to natural gas, a plentiful resource in Pennsylvania and currently the cleanest burning transportation fuel. By bundling the construction of 29 sites into one P3, the fueling stations will be up and running more quickly and affordably than under a traditional procurement process. This efficiency results in a capital cost savings of \$46 million. Several of the stations are equipped for public sale of CNG fuel which provides additional revenues. In fact, PennDOT will receive a

royalty on each gallon of fuel sold to the public. It is estimated that after 10 years, the project will pay for itself with an estimated \$100 million in savings.



*Rabbit Transit Ribbon Cutting Ceremony on June 15, 2017.*

## Sponsorship and Advertising Program

Safety is PennDOT's highest priority for residents and motorists traveling through Pennsylvania. The P3 Office is helping to enhance safety through the State Farm Safety Patrol which provides free assistance to motorists who breakdown on Pennsylvania's busy interstates and expressways. Through the P3 program, PennDOT has provided free roadside assistance to more than 20,000 stranded motorists since 2015.

In January 2013, the P3 Board approved the P3 Traveler Information and Traffic Management Systems project, a sponsorship and advertising program to offset operational costs incurred by PennDOT and the Pennsylvania Turnpike Commission (PTC) for programs such as the Safety Patrol. In partnership with Travelers Marketing and State Farm, the department receives \$425,000 in sponsorship revenue each year, which has generated over \$1.25 million in revenue. This revenue helps to offset PennDOT's cost to provide the essential roadside assistance to motorists.

*"I had an accident on my way home from work. While waiting for police to arrive, assist patrol pulled up. The driver checked to make sure everyone involved was okay. He secured my vehicle so I could drive it home and he even followed me part way to make sure the car was driving okay. I'm telling you, he felt like angel there for me. No one wants to be in an accident. It's upsetting.*

*To have a friendly, helpful person intervene is a blessing. Thank you for this program. I had no idea it existed and how helpful it was."*

*– Assisted Motorist*



## **P3 PROJECT UPDATE**

### **Rapid Bridge Replacement (RBR) Project**

The Rapid Bridge Replacement (RBR) project is one of Pennsylvania's most complex transportation projects. Through this project alone, PennDOT will invest a total of \$899 million to design and construct 558 structurally deficient bridges across the state. PennDOT is partnering with Plenary Walsh Keystone Partners (PWKP) to bundle the 558 bridge replacement projects into one P3, which brings savings through efficiency in design, materials, and construction mobilization. In addition to leading design and construction efforts, PWKP is responsible for maintaining the bridges for 25 years.

The RBR project is making a lasting impact in communities across the state by enhancing infrastructure and generating jobs. Through this project alone, PWKP has engaged 45 Pennsylvania-based subcontractors to assist with the bridge design and construction. Additionally, the RBR project allows PennDOT to leverage private investment in a way that simply would not be possible without enabling P3 legislation. Without P3 project delivery, it may have taken years to address these bridges, which would have resulted in travel delays to the public and higher future costs.



*The project helps PennDOT replace structurally deficient bridges and bring lasting value to Pennsylvania residents.*





## **PENNDOT'S P3 OFFICE PROVIDES MODEL FOR PUBLIC AGENCIES**

The PennDOT P3 Office has been recognized nationally as an innovative leader in infrastructure management and the concept is now being used as a model for the Northampton County and Pennsylvania Turnpike Commission P3 programs.

### **Northampton County Bridge Renewal Program**

In January 2017, Northampton County's General Purpose Authority awarded Kriger Construction, Inc., a \$37.5 million contract to rehabilitate and replace 33 bridges. The Northampton County Bridge Renewal Program is modeling its project after PennDOT's P3 RBR Project. Over the next three years, Kriger Construction, Inc. will design, build, and finance the replacement of 33 County-owned bridges. Kriger is also responsible for the maintenance of the bridges for a 10-year period following construction. The design and environmental work began in 2017 with construction expected to start in 2018.

By using a P3 process to bundle the bridge replacements, the project is accelerating delivery and maximizing taxpayer investment. In fact, Northampton County estimates the program will reduce bridge repair costs by up to 30 percent and deliver the projects faster than through traditional procurement mechanisms.



*Northampton County will replace 28 bridges and rehabilitate five structures using P3 project delivery.*

### **Pennsylvania Turnpike Enhancing Communications Network through P3 Partnership**

The Pennsylvania Turnpike Commission (PTC) is pursuing a public-private partnership to install fiber optic and wireless broadband network along the 550-mile Turnpike system. This project will enhance the PTC's communications network and support cashless tolling and future intelligent transportation systems. Additionally, the project will allow the PTC to replace its aging network of tower-mounted microwave antennas at little or no cost by capitalizing on the value of its right-of-way to the private sector.

In January 2017, the PTC hosted an industry forum to solicit feedback from the broadband industry prior to the PTC's development of a Request for Qualifications (RFQ), which is expected to be issued in July 2017. Through this partnership, the private development entity would design, build, finance, operate, maintain and market the fiber optic cable network for the PTC's use under a long-term agreement. Wireless infrastructure would also be built as part of the project, but would be maintained by the private sector for a short term of about five years before being turned over to the PTC.



*The selected private entity will install fiber optic cable and a wireless network throughout the PTC's 550-mile corridor.*



*The new station design will offer greater accessibility and multimodal options.*



### **Amtrak Station Improvement Project – Keystone Corridor: Middletown Station, Dauphin County**

PennDOT is using P3 to leverage private investment to enhance the new Middletown Station planned along the Keystone Corridor in Dauphin County. Amtrak’s Keystone Line, which serves more than 1 million riders a year, is a vital link in the state’s transportation network. PennDOT is partnering with Amtrak to relocate the Middletown Station from Union and Mill Streets to a new location on Route 441 (Ann Street/Airport Drive) at Route 230 (West Main Street) near the Penn State Harrisburg campus.

The new transit station will meet the Americans with Disabilities Act (ADA) platform requirements and offer multimodal connections by accommodating a bus stop, bicycle racks and improved access for students.

In January 2017, PennDOT announced that Keystone Connections, a team comprised of Cedarwood Development, Inc., Star America Capital Advisor, LLC, Raudenbush Engineering, Inc., JEM Group, LLC, U.S. Facilities, Inc., and Walker Parking Consultants/Engineers, Inc., qualified for the next phase of the procurement. The P3 partner will construct a pedestrian bridge and supply much needed additional parking spaces. In addition, Keystone Connections has the opportunity to explore commercial development to accommodate the anticipated demand of the new station.

## PennDOT P3 Office Brings Value to Pennsylvania

The P3 Office leverages public and private resources to invest and improve Pennsylvania's transportation infrastructure and explore new opportunities to deliver value to the commonwealth and its citizens.

A P3 project is a contractual agreement between a public entity and a private entity (or another public entity), in which the public entity transfers the responsibility for engineering, construction, operation, financing, and/or maintenance (or any combination) of a transportation project or facility to the private sector for a defined period of time.

The P3 Office is responsible for overseeing all aspects of the P3 program:

- Identifying, screening, and prioritizing unsolicited proposals and candidate projects;
- Presenting proposals to the P3 Board for review and approval at board meetings;
- Managing the successful implementation of PennDOT projects from development to procurement and deployment; and
- Assisting and providing counsel to other public entities.

In 2016 - 2017 the P3 Office evaluated the following unsolicited proposals:		
Project Name	Proposed By	P3 Action
<b>Mitigation Bank Development on PennDOT Land</b> Statewide project to develop wetland, stream and species mitigation credits on PennDOT owned land.	Magnolia Land Partners LLC	To Be Presented to Board for Action
<b>Gateway Raingardens: Partnerships for Stormwater Management</b> Statewide project to design, build, and finance gateway raingardens through sponsorship opportunities.	University of Maryland Environmental Finance Center	Under Consideration
<b>Oakland Interchange Improvement Project</b> Innovative transportation enhancements to optimize mobility, mitigate congestion and support economic development.	Oakland Gateway Ventures, L.P.	Under Consideration
<b>Mobile Brush Solution for Snow &amp; Ice on Vehicles</b> Project along PA highways to clear accumulated snow off of the tops of trucks, tractor-trailers and buses.	TrucBrush Corporation	Moved to Traditional Procurement for Consideration
<b>Environmental P3 Solutions</b> Provide ecological solutions to PennDOT for impacts resulting from transportation projects.	Resource Environmental Solutions, LLC	Under Consideration

## LOOKING AHEAD TO 2018

The P3 Office is currently managing a portfolio of projects that leverage millions of dollars in private investment in Pennsylvania's transportation infrastructure. These projects bring value to Pennsylvania by significantly reducing structurally deficient bridges, supporting motorist safety, enhancing mass transit and rail service, and in some cases, generating new revenue to offset other project costs and support future investment.

Over the past year, the P3 Office has successfully delivered on major projects including the opening of the first five CNG fueling sites and made significant progress on the Rapid Bridge Replacement (RBR) project. Looking ahead, PennDOT and the P3 Office are committed to working with private partners to support the implementation and success of the current P3 projects and to exploring new opportunities.

### 2017-2018 Project Milestones

#### CNG Fueling Stations

Partner with Trillium CNG to advance towards ultimate goal of designing and constructing fueling stations quickly and affordably.



#### Rapid Bridge Replacement Project

Partner with Plenary Walsh Keystone Partners to continue building new quality bridges.



#### Keystone Corridor Middletown Station

Partner with a private entity to enhance Amtrak's Middletown Station.



#### Sponsorship and Advertising Program

Partner with Travelers Marketing to provide a Safety Service Patrol sponsorship program.



