

California P3 Market Snapshot

The Business Case for California

California recognizes the desire to introduce private sector capital and expertise to the building of transportation infrastructure through the Public-Private Partnerships (P3) program. By offering reasonable investment returns, California's public sector intends to partner with the private sector to develop, construct, and operate additional transportation projects to accelerate goods movement, improve air quality and facilitate California's economic development.

Statutory Authority

California statutory law authorizes the use of P3s for certain state and local government projects. P3s are authorized for Caltrans, the Judicial Branch, the High-Speed Rail Authority (HSRA) and local government agencies. (source: www.pecklaw.com)

Current Legislation

On February 20, 2009, Governor Schwarznegger approved Senate Bill Second Extraordinary Session 4 (SBX2 4) Chapter 2, Statutes of 2009 (Cogdill) which established the legislative authority until January 1, 2017 for regional transportation agencies and Caltrans to enter into an unlimited number of Public-Private Partnerships (P3). This deleted the restrictions on the number and type of projects that may be

undertaken. SBX2 4 also established legislative authority until January 1, 2014, for a design-build demonstration program for the state by allowing a total of up to 15 demonstration projects. This included up to five projects (local street or road, bridge, tunnel, or public transit projects) for the local transportation agencies and up to ten projects (state highway, bridge, or tunnel projects) for Caltrans.

New Protections for Subcontractors on Certain P3 Projects

On August 13, 2013 California Gov. Jerry Brown signed AB 164, legislation that amends the Government Code related to infrastructure financing that authorizes local government agencies to use P3s to design, finance and maintain a variety of fee-producing infrastructure facilities. The new law requires inclusion of "payment bonds to secure the payment of claims of laborers, mechanics, and materials suppliers employed on the work under contract" and "performance bonds as security to ensure the completion of the construction of the facility." The new law extends California's "Little Miller Act", which requires the prime contractor to furnish surety bonds on public construction projects in excess of \$25,000 in the amount of 100% of the contract to assure that the project will be completed; protecting taxpayer dollars, and that subcontractors and suppliers will be paid. (source: www.pecklaw.com)

Active Projects:

- Presidio Parkway (Doyle Drive)
- State Route 156 West Corridor Project

- Los Angeles World Airports
Landside Access Modernization
Program for LAX

Deals Completed:

- State Route (SR) 125 South Bay
Expressway
- State Route (SR) 91 in
Orange County
- Long Beach Courthouse
- University of California, Merced
Campus
- Presidio Parkway

Upcoming Market Activity

- High Speed Rail to link northern
and Southern California
- High Desert Corridor
- Huntington Beach Desalination
Plant
- I-710 North
- I-710 Freight Corridor
- San Diego Otay Mesa East Port-of-
Entry / SR-11
- I-5 Managed Lanes
- Bay Area Expressed Lane Network
- High Desert Corridor
- Route 152 Trade Corridor Project

California is committed to improve its infrastructure in various areas and is willing to see more Canadian companies developing those projects. The decision is yours!

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