

Southeast USA P3 Market Snapshot

Georgia

Gov. Nathan Deal's signing of the Partnership for Public Facilities and Infrastructure Act into law on May 5, 2015 was a major breakthrough because it allows the state to expand negotiation of P3 projects beyond highways (or transportation projects, water and wastewater facilities, storm water projects, solid waste facilities, and social infrastructure projects) and into public buildings. The state's university system is already pursuing an ambitious, long-term project with a private partner to provide and run student housing on almost one-third of its campuses. The State of Georgia and any local governments are authorized to partner with the private sector to develop, finance, lease, construct, operate and/or maintain qualifying projects.

Current projects:

- I-285 at SR400 Interchange Improvements

The estimated total project cost is \$800 million. The project is funded through a combination of state, federal and local sources, as well as private-partner financing. The project is expected to be completed in 2020.

- I-75 Northwest Corridor

The Northwest Corridor project will improve travel in the I-75/I-575 corridor by adding 29.7 miles of express lanes. Two Express lanes will be built to the west of the existing lanes along I-75

between I-285 and I-575. \$834 million has already been invested in this project.

Tennessee

In April 2016, with a 26-4 vote, the state Senate approved legislation that would allow state and local governments to enter into contracts with private businesses related to mass transportation projects in an effort to alleviate congestion in areas such as Nashville. The Tennessee Tollway Act authorizes tolling as an additional and alternative method for funding or financing transportation facilities, and it authorizes the DOT to enter into agreements with private parties to develop or operate a tollway, toll facility or any part thereof, thus serving as limited P3 enabling legislation. It is limited to serve as a pilot program for two projects to evaluate the feasibility of tolling as an additional method for funding transportation-related facilities. There has not been enough time to determine any impact from legislation, as Tennessee has not yet initiated any P3 transportation projects.

Alabama

The law authorizes county commissions and the state DOT to license private entities to establish or operate toll roads, toll bridges, ferries or causeways. It also authorizes the Alabama Toll Road, Bridge and Tunnel Authority to enter into agreements for design-build, design-build-operate, design-build-own-operate or design-build-own-operate-maintain contracts, or other similar arrangements or agreements, and it allows for leases, licenses, franchises, concessions or other agreements for the development, operation, management or undertaking of all or any part of a project. The law authorizes the Department of Transportation to enter into P3s

for constructing public improvements and repairing its buildings, offices and other facilities.

Mississippi

The state of Mississippi authorizes the Mississippi Transportation Commission, county boards of supervisors and/or the governing authorities of municipalities to contract with other governmental agencies or private entities for the purpose of designing, financing, constructing, operating and maintaining one or more new toll roads or toll bridges in the state. Governmental entities may grant private entities certain rights in land held by such governmental entities “for the design, construction, operation and/or maintenance of roadways, highways, or bridges...” Terms of contracts with private entities cannot exceed 50 years and cannot be extended or renewed. Mississippi has broad P3-enabling legislation for toll road infrastructure; however, Mississippi has not initiated any P3 transportation projects to date.

North Carolina

The law authorizes community colleges to use P3s for new facilities. It also authorizes the Turnpike Authority to enter into agreements with the DOT, political subdivisions and private entities, to finance the acquisition, construction, equipping, operation or maintenance of any turnpike project. The law permits the authority to study, plan and conduct preliminary design work on up to nine projects and then to design, establish, purchase, construct, operate and maintain five identified projects only. As House Bill 857 has only been law since 2014, long-term impacts of legislation are still being determined. However, the state is currently exploring opportunities.

South Carolina

The law authorizes the DOT to construct and operate turnpike facilities. It also appears to allow the use of P3s for these facilities by allowing the DOT to exercise authorizations as are granted by the provisions in other statute law to designate, establish, plan, abandon, improve, construct, maintain and regulate turnpike facilities. The law authorizes the state DOT to expend such funds as it deems necessary to enter into partnership agreements with private entities to finance, by tolls and other methods, the cost of acquiring, constructing, equipping, maintaining and operating highways, roads, streets and bridges in the state.

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