

Public Private Partnerships

January 14, 2008

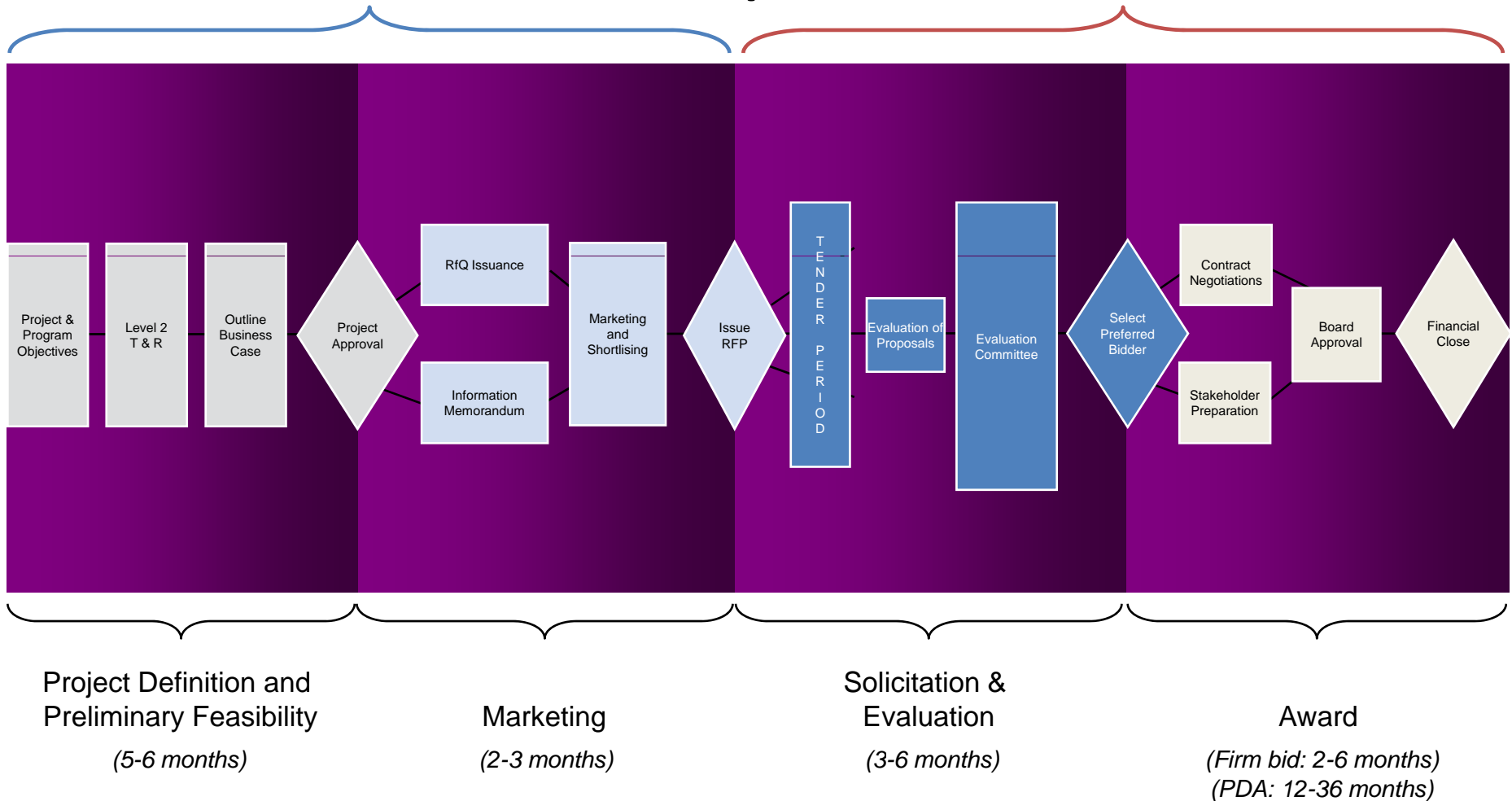
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Two Stage Procurement Process

RfQ/RfP

First Stage

Second Stage



Statutory Authority

- How will a concession agreement work for Georgia? What would be an acceptable term of the concession?
- How will toll enforcement work? Do we have all of the statutory requirements needed for toll enforcement?
- Advisers believe gubernatorial approval occurs too late
- How will we ensure confidentiality of proposals and ensure no conflicts of interest?
- What type of dispute resolution is needed for this agreement?
- How will SRTA and GDOT operate together? Which statutory authority will be utilized for the successful completion of our first PPP?

Organizational Support

- Division of Innovative Finance
 - Redefine the job description
 - Job description too heavily focused on accounting back
 - Identify recruiting firm that specializes in this area of recruitment
 - 3rd recruitment attempt
- Legal Support – externally and internally
- Executive Team Management support

Organizational Support

- Dedicated Engineering Capacity from Gerald's staff
 - Recruitment for Division Director
 - 2nd recruitment of additional staff will be required to support new Division Director

Financing Strategies

- Who and how will recommendations be reviewed?
- How will financial strategies and modules be evaluated?
- How will we issue GO, PABS, revenue bonds, etc?
- Will we be anticipating full equity for our first project? How much can we invest and how will we fund that investment?
- How will equity return be evaluated?
- Who will / how will we evaluate market readiness at this time?

Procurement Process

- What is the optimal procurement process to ensure the best deal for the state?
- Will GDOT and SRTA utilize RFI, RFQ, and RFP processes or any portion thereof?

Risk Allocation

- What risk will be shifted to which entity?
- Are we looking for an entity to accept equity, construction, operation, and maintenance risk?
- Will SRTA collect tolls, operate, and maintain as currently established?
- Will the state accept all equity risk?
- Are we looking for a concessionaire to accept all three risks?

Communication Plan

- Political argument for support of toll roads
 - Wait 10 years for the project or toll it
 - Cost of capital versus risk
 - Congestion relief
 - Minimize tolls with no upfront payments -- ?
 - Do you want a tax or a toll? Or are we looking at both?
 - Tolls can and will produce future projects

Policy

- Can general purpose lanes be converted to toll lanes?
- How will excess toll revenues be expended?
- Will tolls collected in a corridor remain in the corridor?
- Is the Board willing to support foreign investment in Georgia infrastructure?
- What is the permissible tolling regime?

Policy Needs

- Bipartisan support for the P3s
- Continuous communication and support from all three branches of government
- Champion for the process

We Have To Ensure . . .

- Confidence in process
- Transparency
- Involvement from all stakeholders in state government upfront
- Experienced staff empowered to make decisions
- Appropriate tolling plan and regime for implementation on all future projects

GDOT Has To . . .

- Allow design innovation
- Establish KPIs up front
- Gain flexibility with the environmental process from FHWA
- Ensure and develop a privacy policy
- Guarantee toll enforcement
- **KNOW OUR OBJECTIVE FOR THE PROJECT**

SR 400

- Evaluate the different alternatives for design and develop a business case for each alternative
- Traffic and revenue study needed
- Engineering design should begin
- Examine how much revenue can be generated under different scenarios
- Determine the value in the existing infrastructure
- New lane capacity on northern and southern as well

SR 400

- Political and communication issues
- Would we entertain taking a general purpose lane to toll possibly?
- Connectivity to I-285
- Managed lane system plan
 - Complete in February
- 2005 resolution on general purpose lanes
- Agreement with City of Atlanta

Next Steps

- Approval of renewal of RBC's contract
- Authorize RBC to proceed with T and R
- Completion of Value Pricing study at SRTA
- Authorized HNTB to proceed with evaluation of design alternatives
- Nossaman and Associates proposal
- Karen Hedlund met with AG yesterday