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[Some Question Public-Private Partnerships Following Airport Project Breakup.]

DENVER (CBS4) – A day after Denver International Airport and city officials [announced a bombshell breakup] with their partners on the Great Hall reconstruction project, questions about what it will cost remain.

Lengthy completion dates and rising costs, first reported by CBS4 Investigator Brian Maass, are partly to blame for the termination.

Denver Mayor Michael Hancock made the decision to cut the losses while also pointing out issues with the process.

“Public-private partnerships… we have to get better at this,” he said. “This is a very valuable and to some extent painful lesson for us to learn.”

Public-private partnerships, also known as P3’s, are relatively new way for local and state governments to fund major projects.

The airport is one example but the Central 70 project, expansion of U.S. 36 and Denver’s commuter rail are other examples.

Paul Teske, Dean of Public Affairs at The University of Colorado Denver who researches changes in urban development and public finance, paying close attention to these deals.

“From the start they are partners in the investment and the private partners are putting some money in and they are also partners in the revenue so there has to be some sort of revenue which is why highways with tolls are a good example,” Teske said

The benefit is that projects can start with smaller up-front costs and little-to-no weight on taxpayers.

The concern, outside of unforeseen issues in development, is government losing a long-term revenue source.

Teske says the question the community needs to ask is who is taking the biggest risk.

“The details are very important and that’s why there are not a ton of these, you can’t pull a contract off the shelf.”

CBS4

By Karen Morfitt

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