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Virginia House Passes P3 Safeguards.

Virginia's House of Delegates on Tuesday overwhelmingly approved a bill aiming to reduce risk associated with public-private partnerships.

House Bill 1886 Public-Private Transportation Act, introduced by House Appropriations Chairman Chris Jones (R) at the request of Gov. Terry McAuliffe (D), would require a newly formed P3 steering committee, which will include the staff directors of the House Appropriations and Senate Finance committees to declare a project is in the public interest before it can go ahead.

Once the committee has issued the finding, state transportation officials would be required to certify the risks, liabilities and other aspects of the deal have not changed since the committee gave its approval, reported the Richmond Times-Dispatch.

The legislation was prompted by concerns over several P3s:

- The U.S. 460 project which Virginia spent more than \$300 million on the project before applying for the federal permits needed to begin construction. The project has yet to receive approval.
- A 58-year concession agreement with Elizabeth River Crossings to renovate the Downtown Tunnel and build the Midtown Tunnel connecting Norfolk and Portsmouth. The state paid the private sector operator \$200 million to prevent tolls from rising sharply and should the state build a new crossing, it would need to pay "alternative facilities charges."
- A 20-year lease for a private marine terminal in Portsmouth with a firm that sought to operate the entire Port of Virginia. The McAuliffe administration is seeking a lease extension or guarantee the state will own the asset after paying \$50 million annually in rent.

The bill passed the House by a vote of 98-0.

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