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Kentucky Report Addresses Risks, Benefits of Transportation P3s.

Public-private partnerships could become a viable way for Kentucky to develop transportation projects in the near future if enabling legislation is enacted, a University of Kentucky research team predicts. The number of transportation P3s being conducted in the United States has increased significantly in recent years but the risks and benefits of such agreements must be weighed carefully before they are negotiated, the university's Kentucky Transportation Center said in a new report.

P3 legislation was considered by the state General Assembly this year and in 2014 that would have facilitated construction of a bridge linking northern Kentucky with Cincinnati. In 2014, Gov. Steven Beshear vetoed the bill. Earlier this year, the bill was passed in the House but failed to gain approval in the Senate.

The study describes a variety of P3 agreements and the challenges and rewards of pursuing this type of procurement in the face of growing infrastructure needs and declining budgets. The report also warns of pitfalls agencies face if they fail to oversee projects closely, gain public support for them or if agencies do not negotiate solid agreements involving projects that are most suitable for a P3.

The study's authors noted that the acceptance of unsolicited proposals, which would have been authorized by the Kentucky legislation and is permitted in other states, could encourage private developers to pursue only highly profitable projects, leaving states to take on "more undesirable" ones. Agencies could avoid this by inviting firms to bid on a package containing both more and less financially appealing projects, offering subsidies to encourage private participation in a project that might otherwise be overlooked, and allowing other firms to compete for a proposed project.

The Kentucky Transportation Center's study is entitled [Synthesis of Public-Private Partnerships: Potential Issues and Best Practices for Program and Project Implementation and Administration.](#)