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Putting the Public First in Public-Private Partnerships.

Public-sector competence is needed to make sure citizens get a good deal—and private vendors are no substitute for adequate public funding.

In a perfect world, a big-city mayor would not have to wrangle over how to finance a tunnel to the port. But Manny Diaz did not live in a perfect world: He lived in Miami. Port traffic clogging downtown was a decades-old problem. To realize his vision of a vibrant region showcased by a vital city center, Mayor Diaz had to get rumbling, port-bound 18-wheelers off downtown streets.

In 2007, with a plan and money on the table, the Florida Department of Transportation turned up the heat on the term-limited mayor to deliver the tunnel. So Diaz devised a strategy to gin up city and surrounding county support: He tossed a baseball stadium, museums, more funds for a performing arts center—and the tunnel—into one civic wish-list basket and made a successful appeal to regional pride for funding them all. Meanwhile, two multinational firms, Meridiam, a public infrastructure investor, and Bouygues Travaux Publics, a tunneling and engineering firm, arrived on the scene with the dollars to move the complex initiative forward after the Great Recession unspooled the original consortium. “It was perfect timing,” says Diaz.

More than a decade later, the Port of Miami Tunnel is the marquee example of a public-private transportation infrastructure partnership. The concessionaire’s financing sources totaled about $900 million. It gets back a revenue stream based on state and federal funding sources, so there are no tolls. The city now has several new amenities, as well as two tunnels with two lanes each that, shortly after opening, decreased the weekly average volume of all port-bound traffic in downtown Miami by 35 percent and reduced weekly commercial truck traffic by nearly 80 percent.

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by Gabrielle Gurley

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