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# Public-Private Partnerships

## Overview and Table of Contents

This section provides information about the state’s Public-Private Initiatives (PPI) Act and the Transportation Innovative Partnerships Act of 2005, administered by the Department of Transportation and overseen by the Washington State Transportation Commission.

<b>PUBLIC-PRIVATE INITIATIVES ACT .....</b>	<b>213</b>
Overview and Table of Contents .....	213
Chronology of PPI Program .....	214

## Chronology of PPI Program

- 1993** HB 1006, Public-Private Initiatives in Transportation (PPI), is enacted into law (RCW 47.46). A program is created within WSDOT to implement the law.
- 1994** WSDOT issued a Request for Proposals (RFP) inviting private firms to submit proposed projects for consideration. Fourteen project proposals were received. Six projects were selected and approved by the Transportation Commission for further consideration:
1. SR 18 Corridor between I-5 and I-90
  2. SR 520 including the Evergreen Point Bridge
  3. Puget Sound Congestion Pricing project
  4. SR 522 from Woodinville to Monroe
  5. King County Park and Ride lot improvements
  6. SR 16/Tacoma Narrows Bridge
- The SR 18 Corridor project was dropped from consideration due to lack of public involvement and support.
- 1995** PPI law was amended to require WSDOT to conduct an advisory vote on projects that were challenged by petition of 5,000 signatures.
- The Puget Sound Congestion Pricing project was dropped from consideration.
- 1996** PPI law amended to require legislative funding for environmental, engineering, and public involvement work before proposed projects could proceed. Only the Tacoma Narrows Bridge project received legislative appropriations. Therefore, SR 520 and SR 522 were dropped from further consideration.
- 1997** King County Park and Ride lot improvement proposal was dropped from consideration due to local funding concerns.
- United Infrastructure of Washington (UIW), a joint venture of Bechtel Infrastructure and Kiewit Pacific, was selected as the project development and construction team for the SR 16 Tacoma Narrows Bridge (TNB) project. Included on the team, is the design-builder, Tacoma Narrows Constructors, also a joint-venture of Bechtel and Kiewit.
- 1998** The Legislature passed legislation to provide sales tax deferrals on construction of the TNB project; required the initial roundtrip toll to not exceed \$3; and to provide \$50 million state contribution to the project. The advisory vote was held, with 53 percent of the voters in the affected area favoring the project.
- 1999** The Legislature authorized the \$50 million state contribution. WSDOT entered into a contract with UIW to develop the project.
- 2000** The Governor approved \$800 million in privately-issued tax exempt financing for the TNB project. However, the State Supreme Court ruled that WSDOT lacked statutory authority to impose tolls to improve the existing Tacoma Narrows Bridge. In effect, this halted the project from advancing, as toll revenues collected from existing bridge users is required to fully finance construction of the new bridge.
- 2002** Legislation was enacted that allowed for the state to finance the Tacoma Narrows Bridge Project and improvements to the existing bridge using state-issued bonds and public financing. The Legislature appropriated \$849 million for the project, which included \$800 million to be obtained from the sale of the bonds, which will then be paid back through tolling. WSDOT took over management of the construction and

operation of the project, reimbursing UIW for their development efforts to date. Also, the Legislature directed a study of barriers to public-private partnerships, and also established a legislative oversight committee to monitor the design-build contract.

- 2005** The Transportation Innovative Partnerships Act of 2005 was enacted (codified as Chapter 47.29 RCW). This law phases out the prior PPIT Act (RCW 47.46) and creates a new public-private partnership law in Washington. The new law allows transportation-related projects and programs of all modes to be eligible for development as a public-private partnership under the Transportation Innovative Partnership Program (TIPP). The TIPP program is administered by WSDOT but overseen by the Washington State Transportation Commission. The Commission has final approval authority for any TIPP agreement negotiated between WSDOT and a private partner. The Commission was directed to enact administrative rules to carry out the TIPP program.
- 2006** The Washington Transportation Commission formally adopted administrative rules to implement the Transportation Innovative Partnership Program, which was created in RCW 47.29. The new program rules can be found at WAC 468-600.
- 2007** The Legislature provided funding for WSDOT's new Transportation Partnership program, and specifically funded analysis for two projects: (1) public/private partnership development opportunities at public ferry terminals; and (2) economic feasibility of using state-owned property to host alternative refueling/recharging stations along Interstate 5.
- 2008** The Transportation Partnerships Office completed analyses of potential public/private partnerships at public ferry terminals, and for alternative refueling/recharging stations along the I-5 corridor. Both projects demonstrate basic financial feasibility, and are proposed for development under the new PPP law, RCW 47.29.

