

Public-Private Partnerships in Kentucky

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Chair of the House Appropriations and Revenue Committee

September 2016

Public-Private Partnerships are not new to Kentucky

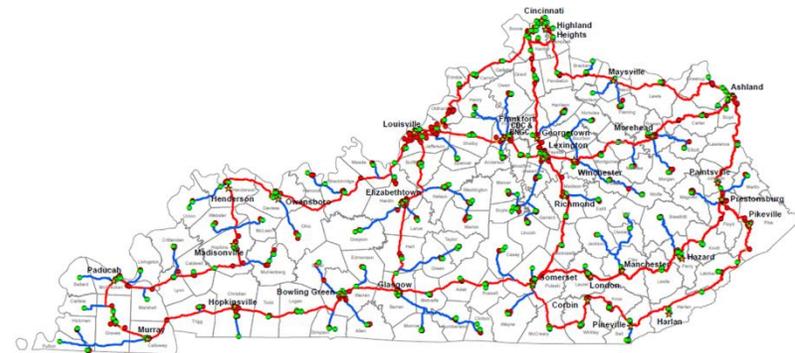
- New State Office Building in Frankfort (recently opened)
- KentuckyWired Statewide Broadband Network (under construction)
- Pilot “design-build” transportation projects
- Student housing at several public universities



The 300 Building



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Louisville-Southern Indiana Ohio River Bridges Project

- Legislation in 2009 established a process for a KY-IN bi-state authority to oversee the construction of the bridges and have the power to set up tolls as a method of financing.
- The Kentucky Public Transportation Infrastructure Authority (KPTIA) was created to oversee the Downtown Cross Project and all state transportation megaprojects.
- Kentucky is utilizing a design-build contracting approach for procurement of the Downtown Crossing project.
- Indiana is utilizing an availability payment P3 approach to deliver the East End Crossing project.
- Electronic tolling is anticipated to start when construction is completed later this year.
- Price Tag: \$2.32 billion (shared between Kentucky and Indiana)
- Kentucky is paying for its portion with a combination of state/federal transportation funding, toll revenue bonds, GARVEE bonds, and the federal TIFIA program.



House Bill 309

- Passed April 8, 2016
- Authorizes and establishes a consistent framework for P3s for both state and local government in the following areas:
 - Capital Construction Delivery
 - Service Delivery
 - Major Transportation Infrastructure
- “Public-Private Partnership” defined broadly for a range of models
- Statutorily recognizes P3 as a distinct delivery method
- Outlines minimum requirements for competitive procurement

House Bill 309

- Requires legislative notifications of RFPs and final agreements for projects utilizing P3.
- Legislative approval is required for projects in some instances. For example, any state P3 agreement with a value of \$25 million or greater would require approval.
- Transparent process for submitting unsolicited proposals by private entities with a 90-day public notice period.
- Provides framework for local P3 utilization – Projects with an estimated value of 30% of the local government's annual General Fund revenues must be reviewed and approved by a newly created state oversight board.
- A similar framework is established for major state transportation projects.

House Bill 309 – Current Status

- The Finance and Administration Cabinet filed regulations for the procurement process concerning state and local non-transportation projects on August 15th.
- The State Transportation Cabinet is expected to file regulations for transportation projects soon.
- Department of Parks has already expressed opportunities they will seek through P3 to enhance park facilities and operations.

Ongoing Involvement



Rep. Leslie Combs (HB 309 Bill Sponsor) is a member of the NSCL's Foundation for State Legislatures' Multi-Sector Public Private Partnerships. This one-year project will allow lawmakers to work with industry leaders, researchers, and national experts as they discuss emerging issues surrounding the P3 Industry and its role in strengthening public infrastructure assets



The Kentucky Chamber of Commerce in conjunction with The National Council for Public-Private Partnerships have organized this conference which will focus on Kentucky's new P3 legislation and what it means for businesses and government entities across the state.

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Link to House Bill 309

<http://www.lrc.ky.gov/record/16RS/HB309/bill.pdf>