

## What types of transportation facilities have been built as PPTA projects?

Since the PPTA's inception, VDOT and the Virginia Department of Rail and Public Transportation have entered into more than 10 PPTA agreements. Some completed projects include the Pocahontas Parkway (Route 895) across the James River south of Richmond, a 17.5-mile stretch of Route 288 west of Richmond, and the Route 199 partial loop around Williamsburg. A number of other projects are under construction or consideration.

## How does a PPTA project affect property owners?

The property acquisition process is very similar to that used in traditional projects administered by VDOT.

## How do PPTA agreements affect motorists?

Each PPTA project is unique and may affect motorists in several different ways. The project may increase the efficiency of the facility, reduce congestion or allow easier access to residential areas or business districts. In some cases, the finished PPTA project may be financed, at least in part, by tolls collected by the private firm or through a business tax district established along the roadway. The goal of each project is to have a positive affect in keeping Virginia moving.

*For more information on the PPTA process and current project status, go to <http://www.vdot.virginia.gov/business/ppta-default.asp>*



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# Public-Private Transportation Projects



## VDOT Answers Your Questions



# Public-Private Transportation Projects

## What is a 'public-private' project?

A public-private transportation project is one in which a public agency partners with a private firm in planning, financing, constructing and/or operating a road, bridge or other facility.

## What is a PPTA project?

In Virginia, the Public-Private Transportation Act (PPTA) of 1995 authorizes state agencies and local governments to execute agreements with private firms to develop, construct and/or operate transportation facilities. The PPTA is not for all projects—only for ones that provide an innovative method of construction or financing that can deliver a project in a faster or less costly manner. Typically, these projects involve tolling or some other method for the private entity to recoup investment costs.

## Which transportation facilities can be developed under the PPTA?

Transportation facilities provided for under the PPTA are roads, bridges, tunnels, overpasses, ferries, airports, mass transit, vehicle parking, port or similar commercial facilities used for the transportation of persons or goods.

## What advantages do public-private partnerships offer?

Public-private projects usually can be completed more quickly. PPTA guidelines allow projects to be accelerated by compressing and overlapping activities, which are sequenced in a traditional project. The guidelines also allow for agreements in the midst of a project to accelerate it. In addition, firms proposing PPTA projects are required to share financial and other risks. Such firms might be required to raise capital or find alternative sources of funding, as opposed to using government funds. Project cost savings and improved quality often result. PPTA guidelines also promote creation of multimodal and intermodal solutions to transportation challenges.

## What expectations do public and private partners have?

Public agencies expect to provide transportation facilities based on established and agreed-upon public objectives while making the most efficient use of taxpayer dollars. Private firms expect to provide needed services to the public while deriving a return on their investment.

## What kinds of contracts are used for PPTA projects?

There are several contract packages. Three typical ones are:

- **Design-Build-Finance:** The private partner designs and constructs the facility within a fixed cost and time and with a certain amount of risk for the investment. The private partner agrees to pool private investment with limited public investment.
- **Design-Build-Operate-Maintain-Finance:** The private partner becomes a long-term partner with the public entity. After design and construction, the private partner takes over operation and maintenance as well. This is usually developed on a project that allows tolls or other user fees. The private partner finances all or a portion of the project.
- **Lease-Operate-Maintain:** The private partner leases, operates and maintains an existing facility for a certain period of time.

## What steps are taken after a private entity brings a proposal for a possible PPTA project?

There are six steps in VDOT's PPTA evaluation process. They are detailed in VDOT's "PPTA Implementation Guidelines," but briefly are:

- VDOT reviews the feasibility of all proposals for a PPTA project.
- An Independent Review Panel reviews the proposals and evaluates comments from affected citizens and jurisdictions.
- The Commonwealth Transportation Board acts on the recommendations of the review panel to proceed or stop with a proposal.
- A detailed proposal evaluation is presented by the private firm.
- VDOT and the private entity negotiate the multiple aspects of a contract.
- An interim or a comprehensive agreement is signed and the project is begun.