

## Public-Private Partnership (P3) – Call for Projects 2017/2018

### Applicant Information

**Applicant:** Concord Coach Lines, Inc.

**Address Line 1:** 7 Langdon St

**Address Line 2:**

**City:** Concord

**State:** New Hampshire

**Zip Code:** 03301

**Phone Number:** (603) 228-3535

**Email Address:** [bblunt@concordcoachlines.com](mailto:bblunt@concordcoachlines.com)

### Project Description

**Project Name:** I-93 Motorcoach Coordination and Consolidation

**Type of Project:** Transit

#### **Explanation of Project Need:**

Boston Express Bus, Inc (BX), the contractor for commuter bus service along the I-93 corridor to Boston (as required by the EIS for I-93 widening), is responsible for operating bus terminals in North Londonderry—Exit 5, Londonderry—Exit 4, and Salem—Exit 2. All of these facilities are staffed, maintained and run at the expense of BX through their State contract and add to the subsidy requirements of BX. All capital improvements and repairs on these facilities are the responsibility of NHDOT.

The facility at Exit 4 is run as a “commuter only” location and is open Monday-Friday from 5:15am to 8:45am, a grand total of 17.5 hours per week. Under this proposed P3, nothing would change from the status quo at the Exit 4 terminal.

The locations at Exit 5 and Exit 2 are open from 3:45am to 8:30pm 7 days a week, that’s 117.25 hours per week each or 234.5 hours per week between both. The cost to BX of operating these two terminals (Exit 5 and Exit 2) will be roughly \$375,000 in 2017, before including grounds maintenance, snow removal, fringes and general liability. In addition to these costs and complications borne by BX, the State of New Hampshire is responsible for site and signage improvements, security camera operations and footage, and capital repairs to the facilities themselves.

Our proposal is that Concord Coach Lines, Inc (CCL) would take over the lease and operating agreements and thereby the complete operational and capital considerations and costs for the terminals at Exit 5 and Exit 2. These facilities would remain staffed at similar levels, and would be capable of selling tickets and providing customer service to BX for a commission. Ultimately, this proposal should save BX (and thereby NHDOT) money, and reduce the number of facilities that are the responsibility of NHDOT.

CCL would be interested in discussing the implementation of a paid parking system at these two terminals, at the expense of CCL, that would provide user generated parking fees to help support both the operations and maintenance of the facilities. These modest fees may also be able to provide some funding to BX, reducing the requirements of other more traditional funding sources that BX requires.

**Description of Project: (Include general scope, limits of work, duration of project, etc.)**

In connection with this project, the BX I-93 Contract is up for renewal on 12/31/18. BX is submitting a letter to NHDOT that recommends a few revisions to the terms of that extension. Those revisions include the separation of the terminal lease agreements from the contract (consistent with this P3 submittal), and a reduction in the number of buses and schedules operated by BX along I-93 during off peak times.

Given that CCL would be assuming the risks associated with the long-term operations and capital requirements of these facilities, it would be the expectation of CCL that the lease agreements would come with a minimum term of 20 years. Especially, if a model that included CCL investing in paid parking infrastructure was pursued.

Given that the BX contract extension begins on 1/1/2019, it would make sense that this project commences at that time, or shortly thereafter—within the first 6 months of 2019.

**Estimated Cost & Financing**

**Estimated Design/Planning Cost:**

Costs of engineering on paid parking could be expected to be roughly \$200,000 combined for both sites, though no formal estimates have been prepared. These costs could be paid for by the private sector. No other design or planning costs.

**Cost of Property Acquisitions/Leases:**

\$0 acquisition cost and \$0 lease cost

**Estimated Construction Cost:**

There would be no construction costs in changing the lease operators of the terminals. There would be, potentially, construction costs for the implementation of a paid parking system that would be borne by the private sector at a rough cost of \$2m for both sites combined, though no formal estimates have been prepared.

**Estimated Cost of Operations/Maintenance:**

Operating Cost of North Londonderry—Exit 5: \$300,000/year or \$6,000,000 for life of 20-year lease (non-inflation adjusted)

Operating Cost of Salem—Exit 2: \$260,000/year or \$5,200,000 for life of 20-year lease (non-inflation adjusted)

These figures do not account for increased taxes. As of now, both the terminals (Salem, and North Londonderry) pay nothing in local property taxes. In Concord, where CCL operates a State-owned bus terminal, similar to the terms in this proposal, property taxes are paid on the footprint of the office space and the remainder of the facility is considered a public park and ride. It could be expected that with the addition of paid parking systems and the lease agreements operated by a fully private entity, these tax bills could be significant.

***Total Estimated Project Cost:***

\$11,200,000 cost for terminal operations before inflation. These costs do not reflect CCL expected capital investment in buses, staffing and operating costs, and contain no contingency for paid parking improvements, or tax liabilities that do not currently exist.

**Is this Project approved in a Transportation Plan such as an RPC/MPO Long Range Plan, NHDOT Ten Year Plan or Other Planning Document?**

Yes. BX is funded through the State's Ten-Year Plan for capital, operating and marketing funds. As such, the terminal operations are included in the TYP. This proposal would shift some of these approved costs to the private sector, and the Lessee of the facilities would change.

**Preliminary Financial Plan: (Description of initial funding proposal including any State, Federal or Local funding that may be required, as well as any fees or tolls that may be necessary to support the project. If the applicant has concerns relative to confidentiality, they should note those concerns and only provide the information they feel could be discussed in a public setting.)**

This proposal would require no public investment. If paid parking were introduced, there would be a modest fee (between \$1 and \$5 per day) to park at these facilities.

**Project Readiness**

**Level of Planning/Design Completed: (Describe the degree of project planning and/or design that has been completed, including disposition of deliverables such as feasibility studies, conceptual plans, data collection, etc.)**

This project requires no construction or public investment, and could commence close to the start date of (revised) terminal lease agreements and the I-93 Commuter bus service contract.

**Project Milestones/Durations: (Provide duration and anticipated completion dates for major milestones such as planning, design, construction, operations and maintenance phases.)**

CCL would expect that with the investment in parking infrastructure, the term of the project/agreement would run from 2019 through at least 2039.

### **Private/Public Partners/Assets Necessary to Support Project**

#### **State or Municipal Agencies Impacted:**

As for assets, the State-owned bus terminals in North Londonderry and Salem, NH. Additionally, NHDOT owned equipment as well as operating subsidies would be required to operate a redesigned BX contract for commuter service along the I-93 corridor, though both should see a reduction from current requirements.

The I-93 Manchester to Boston Operating Agreement is a contract between BX and the Department of Transportation. This contract is overseen by the Bureau of Aeronautics, Rail and Transit within NHDOT.

Property tax revenues could be impacted/increase to the municipalities where these facilities are located.

#### **Private Entities Involved in Proposal:**

Concord Coach Lines, Inc.

Boston Express Bus, Inc. – currently operates State contract for Commuter service

It should be noted that these two entities share the same ownership.

#### **Public Assets Necessary to Advance Project:**

None

#### **Private Assets Necessary to Advance Project:**

Capital investments by CCL into State owned properties in North Londonderry and Salem to provide for paid parking systems. Capital investments in buses as well as operating funds from CCL.

#### **Property/Facilities Impacted and Current Ownership:**

North Londonderry—Exit 5 Bus Terminal and Parking lot, Owned by the State of New Hampshire

Salem—Exit 2 Bus Terminal and Parking lot, Owned by the State of New Hampshire

## **Project Benefits**

### **Benefits/How this Project Addresses a Need:**

This project should reduce the Capital and Operating funding/subsidy needs of BX. In addition, CCL would be able to provide a market driven transportation service in the southern end of the State that would better unify the intercity bus network along I-93 from Salem all the way through to Littleton, Berlin, and Conway.

### **Benefits of P3 Implementation versus Conventional Delivery:**

Conventional delivery of this project would mean status quo for the operations of these bus terminals and the contract of Boston Express Bus. By implementing this P3, the State would be reducing the size of its footprint in the intercity bus business along I-93. NHDOT would no longer be responsible for any funding, liability or complications that arise in the current agreement.

The implementation of modest paid parking at these sites would ensure a self-sustaining facility and may be able to offset some of the funding requirements of Boston Express or local transit operators.

Concord Coach Lines is a private company that forfeited nearly \$2 million dollars of operating revenue from Manchester and Londonderry to Boston Express when service began in 2008. Since that time, BX has continued to effect growth at CCL with subsidized facilities, parking, fares, and frequency. A P3 delivery of this project would improve the unification of bus schedules on I-93, and help support the long-term viability of the private sector bus industry in NH which moves roughly 1.5 million people in and out of the State each year.

This P3 would also enable modification to the BX contract agreement that would reduce the capital and operating requirements of NHDOT.

### **Similar Project Examples: (Have any other States or Municipalities to your knowledge pursued a similar P3 project?)**

CCL currently operates the State-owned bus terminal in Concord, NH at their own expense. While the State does maintain the infrastructure, CCL has operated bus service from and carried the costs of this facility since it opened in 1996.

### **Contact Information**

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### **Supporting Documentation**

#### **List of Supporting Documentation & Attachments, Including Maps:**

Attachment A – Boston Express Bus, Inc – Route Map

**It should be noted that this Letter of Interest is completely non-binding, but will be used by the Commission to establish the appropriate process and framework by which to evaluate and advance projects. Following review of this project proposal the Commission will contact the applicant to communicate the next steps in the process.**