

Public-Private Partnership (P3) Infrastructure Oversight Commission

MEMBERS:

Kristyn Van Ostern - Appt. by Governor Tim Murphy - Appt. by Governor
Robert Letourneau - Appt. by Senate Pres. Kevin Smith - Appt. by Senate Pres.
Betsey Patten - Appt. by Speaker Edwin Smith - Appt. by Speaker
Christopher Clement - Appt. by State Treas. Victoria Sheehan – Appt. by Statute (Non-voting)

MEETINGS:

September 15, 2017: The Commission reviewed its duties and authority under the law. As part of its duties, the Commission is to establish the framework for Public-Private Partnership (P3) contracts. The Commission also discussed the purpose of P3 agreements. The Commission will write rules and processes for P3 projects to be submitted to and reviewed by the Commission, both DOT projects and unsolicited projects. Projects using State or Federal funds need to be identified in the Ten Year Plan. If a project is brought forward for consideration, the Commission will assess and make a recommendation to the Commissioner of Transportation, who will bring P3 proposals to Governor & Council.

October 20, 2017: Presentation by Peter Donahue, of WSP, a consultant on P3 projects, discussed the use and benefits of P3s.

November 3, 2017: The Commission reviewed an initial draft of the Call for Projects and draft “Letter of Interest” for interested parties to submit proposed projects to the Commission. The Call for Projects clearly states that the proposals are non-binding and that the proposals will be used to develop the appropriate process and framework to evaluate and advance projects. The proposal must be submitted via a Letter of Interest by January 5, 2018.

November 10, 2017: On November 7, 2017, the Call for Projects was posted on the NHDOT website, along with the “Letter of Interest” form. Letters of Interest are due by January 5, 2018. The Commission reviewed the screening processes from other states. Also, the High Level Screening document was revised to initially review proposed projects submitted via Letters of Interest. It was recognized that the screening criteria is subject to change, as the Commission views the types of projects submitted.

December 1, 2017: NHDOT Commissioner Sheehan has been appointed as Commission Chair by the Governor. Discussion with Attorney John Conforti of the Attorney General’s Office regarding confidentiality concerns for Letters of Interest (LOI) and required confidentiality at RFP stage. The Commission is looking to conduct a multi-phase RFP process to better insure confidentiality while obtaining the information necessary to properly evaluate proposals.

Commission members determined that a Detailed Level Screening is not necessary at this time, but recognized that the screening process may change as project ideas are brought forward and the Commission's process develops further.

January 23, 2018: The Commission reviewed 7 Letters of Interest (LOI) that were submitted by various applicants. The members determined that they could not evaluate the Letters of Interest using the scoring criteria established by the Commission, as the LOIs did not lend themselves to ranking or scoring. The Commission discussed the merits of each application, whether there was a transportation issue that the P3 approach would address in a unique way, and whether the proposal should be pursued further.

Three of the projects are rest area proposals. So the Commission discussed a broader rest area solicitation and perhaps a structured Request for Information (RFI). More discussion is needed, including consultation with the AG's Office.

One letter of interest, regarding a project in Manchester off I-293 at Exit 6, was viewed as an interesting idea, but the Commission was uncertain as to how it would proceed. There will be additional discussions and it may be referred to the AG's office for additional vetting. It was also discussed as to whether or not a public meeting or discussion with the City of Manchester should be held prior to any further advancement of the project.

The LOI for a scenic vista was not considered to be a P3 project.

Two Letters of Interest were the best developed proposals and the Commission agreed that these proposals could be advanced to the RFP phase: 1) take over lease and operating agreements for the bus terminals off I-93 at Exit 5 and Exit 2, to possibly include paid parking, submitted by Benjamin Blunt for Concord Coach Lines, Inc.; and 2) privatization of the Dover and Portsmouth Bus Terminals as proposed by Jalbert Leasing Inc., dba C&J Bus Lines. The Department will draft RFPs for these two projects.

For the next steps, the Commission agreed that financial resources should be allocated for consultant expertise to help advance these two projects and RFPs. The Commissioner (DOT) will look at including \$100,000 (\$50,000/year for 2 years) for anticipated consultant expenses in the current draft Ten Year Plan. The Commission will also consider how to proceed on the broader rest area solicitation through consultation with the Attorney General's Office.

February 23, 2018: The Commission conducted an overview of the projects proposed with the Letters of Interest. In regard to the commercialization of rest area related proposals, more time is needed to assess the idea and determine how to proceed. While the federal administration favors the commercialization of rest areas, it would also require federal legislative approval. In terms of transit facility projects, it was felt these could move forward to develop Requests for

Proposals (RFPs), but it would take some time to both secure the necessary consultants and/or to coordinate with Department projects in the vicinity of the proposed projects. For example, the Department would have to finalize the design for the interchange of the FEET Exit 6 in Manchester before a parking proposal could be advanced in that area.

The Commission plans to respond to all applicants and advise them of the status of their proposals. The meeting scheduled for March 23, 2018 at 10:00 am will be used as one of the required public hearings to solicit public comment. The meeting will also provide an opportunity for the applicants of selected projects to speak to their applications.

The information from the March 23rd hearing will be used to draft the RFPs. Once the RFPs are drafted, there will be a second public hearing, followed by any necessary adjustments to the RFPs. The RFPs will be presented to the Capital Budget Oversight Committee, as well as Governor and Council.

The Commission also discussed its report on the process for submission and evaluation of projects, due to the Legislature (Chairperson of Senate Transportation and Chairperson of House Public Works and Highways) on March 15, 2018. While it is premature to provide the still evolving framework for the Commission process for submission and evaluation, the Commission will summarize its progress to date.

Counsel from the Attorney General's Office was present to advise the Commission on legal issues as the Commission discussed how to proceed to the next steps in reviewing and advancing proposed projects.

Minutes from Public Hearing of March 23, 2018

Commissioner Sheehan advised those present that the purpose of the public hearing was to solicit public comments on the applications submitted and posted on the Commission's website and the suitability of the P3 procurement process for these proposals. Written comments could be submitted within 30 days of the Public Hearing.

The Commission received 7 applications for P3 projects, which the Commission reviewed and would revisit after reviewing public comments submitted. There is no commitment from NHDOT on any of the proposed projects. An RFP would have to be developed for any project, with an additional public hearing and approvals necessary.

Each applicant was given an opportunity to present their application and respond to questions.

Applicant Alex Ray gave an overview of his proposed project for a full service rest area off I-93, Exit 23, named New Hampton Commons on a 5.5 acre site. It could potentially replace the rest areas located in

Canterbury and Sanbornton, with close proximity to an Irving Service Station and 25 acres owned by DOT. The proposal may include changes to the configuration and site access to Route 104. Alex Ray said he would like to partner with DOT in addressing proximity to the I-93 entrance ramp and moving the access point from Route 104 to the Park and Ride/Patrol Shed driveway.

The Commissioner stated that the application regarding a scenic byway was not a good candidate for the P3 process. However, the Department is committed to working with the Lakes Region Planning Commission to address the need. The applicant was not in attendance and no public comments were offered.

The Commissioner addressed the application for a long term concession agreement for Welcome Centers and privatizing the Turnpike System. The application is not appropriate and privatizing the Turnpike System would need to be vetted through the Legislature. No public comments.

Mark Prestpino and Ken Rhodes presented their application for a parking structure/transit terminus off I-93, exit 6 for DEKA/HITCHCOCK consortium. The project is intended to help address a parking challenge in the Millyard. They discussed 6 acres of land near Exit 6. They note uncertainty as to next steps but asked that if the millyard proponents continue to support interest in the proposal, to keep the P3 process opportunities open. No public comments.

There was no presentation on the Concord Coach proposal to take over the lease and operating agreement and the complete operation and capital costs for the terminals off I-93, Exit 5 in North Londonderry and Exit 2 in Salem, to include paid parking. No public comments.

There was no presentation on the application submitted by Ziad Lababidi for a truck stop off Route 16. No public comments.

Jim Jalbert presented his proposal to privatize the Dover and Portsmouth bus terminals through a long term lease arrangement. The Portsmouth parking lot is beyond capacity, so they move vehicles off site and have a short-term lease at Pease. He intends to expand, and assume capital maintenance with support of fee based parking, revenue share, and pay local taxes. A Commission member asked about room for expansion at the Park-n-Ride in Portsmouth and having an area just for Park-n-Ride users. Jalbert said there is land adjacent to the airport area, but that he cannot police a marked Park-n-Ride area.

A comment was offered on the rest area proposals by Jon Shaer for New England Convenience & Energy Marketers Association, who represents gas/service stations/fueling companies. He asked the Commission to consider the impact on existing businesses, as not all have the ability to participate in the rest area proposal.

NHDOT staff will discuss the proposals. An RFP may be developed for the rest area projects, parking proposals and transit parking in Manchester.

Meeting Minutes for April 20, 2018

Members Present: Chair Victoria Sheehan, Robert Letourneau, Kristyn Van Ostern, Edwin Smith, Tim Murphy, and Betsey Patten

The Commission followed up after the first Public Hearing and noted that the public comment period on the proposed projects ends April 23, 2018. The Commission will make its final recommendations on the proposed projects. The Chair will finalize a report to communicate the Commission's actions to the Legislature, along with projects being advance to the RFP phase. The Chair will email a draft report for the Legislature to Commission members for their review before sending it to the Legislature.

The Commission decided to pursue 2 proposals on the rest areas and not to pursue privatization of the Turnpike System.

On the transit projects, feedback is necessary from FTA and FHWA. While there are no problems with the FTA, the Department needs to discuss issues with FHWA, including revenue sharing. A draft RFQ is being reviewing. The timeframe is estimated to be May for an RFQ and the fall for an RFP. Funding is through Turnpikes and FTA.

The Chair noted that it is a public process and the first of two required public hearings was held (March 23, 2018). After receiving results from an RFQ, a 2nd hearing will be held on the procurement and comments on the draft RFP.

The Commission discussed the project at Exit 6, which involves the reconfiguration of the exit in the Ten Year Plan. The Commission members felt this should be kept on the table and discussed the concept versus a project. There was a motion to support the concept with Kristyn Van Ostern abstaining.

Robert Letourneau motioned to draft a letter to the applicants to advise them of action or inaction on the proposed projects by the Commission.

The Commission discussed possible dates for next meeting and set Jun 1, 2018 and June 29, 2018 as tentative future meeting dates.

Meeting Minutes from November 30, 2018

Members Present: Chair Victoria Sheehan, Christopher Clement, Tim Murphy, Kristyn Van Ostern, Betsey Patten, Kevin Smith, Edwin Smith.

Commissioner Sheehan provided a recap of the discussion from the March 23, 2018 Commission meeting noting there were two (2) general groups of applications (Letters of Interest), those pertaining to bus terminal/transit and those pertaining to rest areas/welcome centers that the Commission deemed worthy to advance.

Chris Waszczuk explained that NHDOT has been meeting with the Federal Highway Administration (FHWA, Division and Headquarters) regarding gaps in the federal regulations with regards to NHDOT's ability to address the bus terminal issues. The federal regulations (Congestion Mitigation Air Quality (CMAQ) and Surface Transportation) funding provisions do not specifically authorize what NH is trying to accomplish relative to the P3 discussions. NHDOT had hoped to have a firm response from FHWA before the meeting today. These discussions and clarification are continuing and NHDOT anticipates a response from FHWA in the near future. To maintain the momentum of the P3 Commission, work has been ongoing, including evaluating the options and preparing draft documents which will be discussed at today's meeting.

NHDOT staff explained that bus terminals typically fall under the authority of the Federal Transit Administration (FTA). The Certified Federal Register (CFR) is silent on FHWA oversight of these types of facilities, and FHWA cannot transfer oversight to FTA. NHDOT is asking FHWA if NHDOT can administer the transit facility akin to FTA standards. Although the discussions have at times been cumbersome and frustrating, it would be beneficial if NHDOT could apply the FTA standards, and using the P3 creative approach, implement some transit project ideas.

Three key topics of the bus terminal discussions include:

- ✓ Charge for parking above the FHWA allowable charge that only covers Operations and Maintenance (O&M);
- ✓ Charge and collect revenue for expansion;
- ✓ Advertise concessions in a building, which is currently prohibited under FHWA regulations.

Three (3) handouts were distributed and presented by Chris Waszczuk and Patrick Herlihy:

1. DOT Privatization of the Dover and Portsmouth Bus Terminal Draft RFQ 2019-XXXX (27 pages);
2. Privatization of Dover & Portsmouth Bus Terminal P3 Project Request for Qualifications (RFQ) and Proposal (RFP) Schedule (1 page);
3. Spaulding Turnpike Service Area Development Project Request for Qualification (RFQ) and Proposal (RFP) Summary (7 pages)

The two handouts on the bus terminals were reviewed and discussed, including some additions and corrections to the timeline. The P3 Commission agreed to have the next P3 meeting in Dover, which would be a public hearing and include a public comment period on the merits of using the P3 approach for the project; this is necessary prior to the issuance of a RFQ. Commissioner Sheehan noted that once the RFQ process begins, there is the issue of confidentiality that must be maintained. Therefore, NHDOT staff would review the short-listed applications and present a recommendation to the P3 Commission.

Rest areas and welcome centers - Chris Waszczuk provided an overview of handout # 3 on the Spaulding Turnpike Service Area Development Project (see above). He noted that the process would be similar to development of the Hooksett rest areas/welcome centers. The discussion included comments on whether liquor and wine outlets would be incorporated, providing direct access (as some locations are limited access), extending opportunities to local chambers and other tourist/economic development

entities to promote local businesses, and that there will likely be different approaches depending on the proposed location for a rest area (north/south needs differ).

The P3 Commission was asked to review the handouts distributed today and to provide any comments to Kathleen Mulcahey-Hampson prior to the January meeting.

Patrick Herlihy provided an overview of some rail corridor interests, including using an active freight corridor for a tourist excursions line and rail biking on an abandoned rail corridor (private interest using a state land). The discussion and questions focused on whether these projects should come before the P3 Commission because they are not design-build-maintenance-operation projects. And if these types of projects are reviewed by the P3 Commission, how should the process be adjusted?

The Commission agreed to issue a second "Call for Projects," which could help gauge other areas of interest. Another round of projects would require an update to the NHDOT website. There was discussion on NHDOT's ability to handle additional project ideas and the need to establish a process that is transparent and competitive to all. The P3 Commission agreed that the website would be updated, and a call for P3 projects would be posted. Projects submitted through Letters of Interest would be discussed at the January meeting. Meeting adjourned - 11:50 am.

Next meeting Wednesday Jan 9, 2019. (Inclement weather date is Wednesday, January 16, 2019) **in Dover** (proposed location Dover City Hall). Staff will arrange to have a meeting sometime in the evening.

February meeting scheduled for Friday, Feb 22, 2019 at NHDOT -10:00 am.