

Pennsylvania, New York and New Jersey P3 Market Snapshot

The Business Case for CNGNY

The Consulate General of Canada in New York (CNGNY) is responsible for covering the states New York, New Jersey, Delaware, Connecticut, Pennsylvania and Delaware. Only one of these states has enacted P3 legislation: Pennsylvania. Therefore, our efforts have traditionally focused on that region above the others in the past.

While there is no indication that NYS would pass legislation on P3 in the near or medium term, the LGA project has revived interest in major infrastructure projects in NYS, and made a strong case for P3 in NY. The demographics of the state, along with its aging infrastructure, should also create some interesting opportunities in the future.

Delaware and Connecticut have not seen any significant P3 activity in the last few years, so they were excluded from this snapshot. Bermuda is currently working on a P3 airport project, headed by Aecon, but nothing has been announced further to that.

Pennsylvania

- With P3 enabling legislation for transportation, Pennsylvania is the hottest state for P3s in CNGNY territory.
- In late 2014, PA Department of Transportation awarded an \$899M contract to Plenary Group for its Rapid Bridges Replacement P3, and has further issued an RFP to build CNG refueling stations
- In August 2015, it issued another RFP for P3 legal and advisory services.
- Before these projects, Middletown Water/Sewer completed a \$126M upgrade utilizing the P3 model.
- Given the success of past projects, enabling legislation, new Administration support and several projects in the pipeline, it is expected for PA to continue utilizing P3s for infrastructure projects throughout the state
- Future projects may include additional bridge repairs, as 27% of Pennsylvania's 22,280 bridges are considered structurally deficient and 17% are deemed functionally obsolete
- Another area of possible development is Pennsylvania's roadways, specifically its highway network - the 5th largest in the United States - for the number of state-owned highways with 40,000 State and 76,000 local miles. Truck traffic on Pennsylvania's 1,754 miles of interstate roads is more than double the national average, and many of the state's roads are at or exceed their design capacity, with demand predicted to increase in the near future.



New York

- According to the National Council for Public Private Partnerships, legislation aimed at allowing P3s for public infrastructure in New York State is not expected to move forward after multiple proposals stalled in 2014, and it could be several years before the issue reemerges.
- The legislation, proposed by state Sen. Greg Ball (R), would have created a state-wide P3 board and allowed P3s for a variety of projects, particularly transportation deals.
- In place of the P3 bill, state lawmakers will likely focus on renewing legislation authorizing design-build projects, originally passed in 2011 and used, for example, by the Thruway Authority to rebuild the Tappan Zee Bridge - scheduled for completion in 2018 at an estimated cost of \$3.9B.
- In addition, the Port Authority of NY & NJ is continuing its use of P3s for similar megaprojects, such as the Goethals Bridge P3 (design, build, finance & maintain) scheduled for completion in 2018 at a cost of \$1.16B, and the LaGuardia Airport Central Terminal Building P3 (design, build, finance, maintain & operate), which was awarded in May 2015 to a consortium led by Vancouver's Vantage Airport Group at \$3.6B.

New Jersey

- NJ Governor Chris Christie conditionally vetoed a P3 bill in August 2015 which was approved by the NJ Assembly and Senate in June 2015. The Bill (Senate bill 2489) provides that the state's counties, municipalities and some other qualifying government entities can enter into a P3 engagement for certain building and highway infrastructure projects with a price tag of at least \$10 million.
- Successful P3s in NJ include the campuses of Montclair State University, Rutgers University, Ramapo College, Drew University and the College of New Jersey, and a successful water/wastewater P3 completed by Bayonne Municipal Utilities Authority (BMUA) in November 2012 at a cost of \$173M.

CNGNY is committed to improve its infrastructure in various areas and is willing to see more Canadian companies developing those projects. The decision is yours!

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