My turn: Here's a way to help California can get moving again

Guest Commentary

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By Jim Wunderman and Lucy Dunn, *Special to CALmatters*

California's promise to move people and goods efficiently and safely remains a cornerstone of economic, social and environmental quality for all.

Yet 85 percent of the state's urban interstate freeways are congested, and we're just now playing catch-up on overdue repairs to our transportation system, thanks to gas tax increases lock-boxed for those improvements.

Further, California's roads, bridges and trains are strained as 40 percent of the nation's imports move through California to final destinations. Climate change poses additional challenges to build projects that will be resilient.

We cannot finance, manage and build transportation projects, let alone a modern mobility system, the same old way and expect better results. California must be flexible and entrepreneurial, especially in light of new accountability and oversight rules the Legislature has imposed to protect taxpayer funding.

One approach with a track record of success in California, the U.S. and globally, is through public-private partnerships.

Public-private partnerships use private capital to augment and leverage limited public dollars to construct projects that otherwise would have been unaffordable or delayed for many years. Public-private partnerships also move some of the risks involved in development away from taxpayers to the private sector.

This provides an attractive option to design, finance, construct and operate vital infrastructure, including transportation projects, throughout its life-cycle. Public agencies can select desirable projects on a competitive basis where collaboration with private sector partners may best deliver public works through an integrated, outcomes-oriented, performance-driven basis. The process achieves taxpayer benefits by reducing both development time and costs.

Because of these benefits, 37 states have embraced the use of public-private partnerships.

In California, public-private partnerships methods are being used to build a new Civic Center for Long Beach; new academic buildings, recreational facilities and student housing at University of California, Merced; and an automated people mover and rental car facility at Los Angeles International Airport. State routes 241, 261, 133, and 73 were built in Orange County.

These projects enjoyed cost efficiencies and schedule discipline otherwise unavailable through traditional delivery methods. Project management responsibilities substantially reside with the private parties who have assumed the risk of delivering the projects on-time and within budget.

If they come up short, the private sector bears the burden, not taxpayers.

The projects also generated high quality jobs and offered long-term savings since the private sector accepted responsibility for ongoing operations and maintenance. By so doing, life-cycle costs, not just initial construction costs, are incorporated into the consideration of the project, from the outset.

Unfortunately, the authority to permit public-private partnerships for state highway projects has expired.

Gov. Gavin Newsom and Legislature should reauthorize this option. It is a modern choice employed by an overwhelming majority of other states.

At the local and state levels in California, only traditional processes are currently allowed: design, bid, build processes using only public funds to undertake transportation projects with taxpayers retaining all of the construction risks, cost overruns and delayed project delivery, as well as long-term liability for deferred maintenance.

Recent experience here, and around the globe, demonstrates that public-private partnerships offer opportunities that share risk, save money and yield the best value for all—public agencies, users, and taxpayers. For the sake of commuters and our economy, California lawmakers should reauthorize public-private partnerships.

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