



A Better Way Forward

This week metro Atlanta commuters take a step toward congestion relief. The Georgia Department of Transportation (GDOT) will issue a Request for Qualifications to construct the northwest corridor (NWC) project, two reversible managed lanes on I-75 from I-285 to the I-575 split and a single reversible lane running several miles along both I-75 and I-575 north of the split. The project will provide much-needed new capacity along a corridor that is critical to commuter and freight traffic.

Improving the movement of people and products in a 21st century Georgia requires adding lanes while maintaining our current roadways. Building new capacity is expensive, and like Georgia taxpayers, state government must balance its budget and set priorities to remain competitive. With a four-year state transportation budget of less than \$9 billion, the estimated cost of over \$900 million for the NWC project requires us to carefully assess our options.

Georgia ranks at the top nationally for the condition of its roads, but ranks the near the bottom for investment in new capacity. We must maintain the new roads we build just as a homeowner must maintain a new addition to his or her home. Maintaining a top tier road network pays dividends in mobility and safety, but it becomes more challenging as we add miles to it. Our capacity and maintenance needs exceed existing funding sources, which have slowly eroded through the years due to inflation and fuel efficiency despite Georgia's population growth.

States increasingly look to public-private partnership (P3) projects to bring innovation and efficiency to transportation infrastructure. While P3 projects can better allocate risk and tap the innovative power of the private sector, taxpayers and road users still pay 100% of the cost of a P3 project. The private sector plays a key role in delivering projects better, cheaper and faster, but it does not do it for free.

Last December, Governor Deal supported the State Transportation Board's cancellation of a Request for Proposal that would have contracted away sovereignty in the NWC through a 60-year "concession" P3. Taxpayers and commuters would not be best served by a private entity controlling toll rates and revenues on new lanes while limiting our options for future use of existing lanes.

The Governor pledged in January to deliver this project and expressed confidence that there was a better way forward. The better way was identified through the cooperation and thoughtful analysis of state agencies and transportation experts. This vital project is now moving forward as a design-build-finance (DBF) P3 that is better for Georgians.

This new approach maintains many of the benefits of a P3 by incentivizing the private sector to innovate through the design-build process. Also, the contractor puts skin in the game by paying a percentage of the construction costs not to be repaid until the project is open to traffic. This financing element incentivizes on-time completion, gives commuters the new lanes sooner and allows more state and federal motor fuel tax proceeds to be used on other transportation needs throughout the state.

The DBF method eliminates key problems with the concession P3 model. Georgians rightfully keep sovereignty over all lanes in the corridor since they will have been built and maintained with motor fuel taxes and tolls. Revenues from the optional toll lanes will provide mobility and reliability, not generate a profit. They will pay for the financing of the project and offset future operations and maintenance costs of the new lanes.

As stewards of public resources and trust, the Governor and GDOT have identified the right solution to mitigate congestion, incentivize innovation and keep Georgians in the driver's seat.

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