

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2560**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 9, 1997

The Assembly Transportation and Communications Committee reports favorably Assembly Bill No. 2560 with committee amendments.

As amended by the committee, this bill would authorize the Commissioner of Transportation (the commissioner) to select seven transportation projects to be developed as demonstration projects using public-private partnership agreements.

Over the next five fiscal years, the commissioner could select up to a total of seven projects from the list of transportation projects in the annual appropriations acts. However, if a project is not contained in the appropriations acts, the bill requires legislative approval before that project is developed as a demonstration project.

The bill authorizes a public partner, namely, the Department of Transportation (the department) or the New Jersey Transit Corporation (the corporation), to solicit proposals from private or public entities or consortia thereof to plan, design, construct, equip operate, finance, improve and maintain demonstration projects. The public partner would negotiate with one or more proposers to reach an agreement in the best interests of the State.

Upon entering an agreement, the public partner would publish a notice in a newspaper circulating in the county in which the demonstration project will be located describing the project and the responsibilities of the developer and the public partner with respect to the project. If a demonstration project will be located in more than one county or have a regional impact, the notice shall also be published in a publication circulating in the region in which the demonstration project will be located.

Any power possessed or function performed by a public partner may be used by the public partner to facilitate the development, construction, maintenance and operation of demonstration projects.

An agreement entered into would include the requirement that a developer include public involvement in the development of a demonstration project and to periodically provide a forum for users

and residents of the affected project area throughout the development and implementation of a demonstration project.

Agreements may authorize the developer to set and impose rents, fares or user fees for use of a facility constructed by the developer and may provide that the revenues received by the developer be applied to the repayment of the developer's capital outlay costs, interest expense, costs associated with operations, fare or user fee collection, facility management, reimbursement of State project review and oversight costs, repayment of loans, technical and law enforcement services, and a reasonable return on investment to the developer.

Demonstration projects constructed by and leased by a developer would, from the commencement of operation, be deemed to be a part of the State highway system for purposes of the enforcement of traffic and other applicable laws or a part of the State public transportation system for the purposes of enforcement of all applicable laws, as the case may be.

Demonstration projects would be subject to all applicable environmental requirements and all other applicable State and federal laws and regulations necessary to the protection of the public health, safety and welfare. The demonstration projects are to comply with departmental or corporation standards for transportation projects, unless determined otherwise. The bill provides that all absolute and qualified immunities and defenses provided to the State and State employees shall apply to all interests held and activities performed by the department, the corporation and other State agencies in connection with demonstration projects. The bill also authorizes the public partner to enter into indemnification agreements in connection with the demonstration project.

The committee amended the bill to provide that upon entering an agreement the public partner shall publish a notice in a newspaper circulating in the county in which the demonstration project will be located describing the project and the responsibilities of the developer and the public partner with respect to the project. The amendments further provide that if a demonstration project will be located in more than one county or have a regional impact, the notice shall also be published in a publication circulating in the region in which the demonstration project will be located.