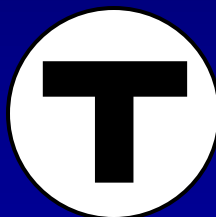




National Council for Public-Private Partnerships



Implementation of Public-Private Partnerships for Transit



Jonathan R. Davis

Deputy General Manager & Chief Financial Officer

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MBTA Profile



- Ⓣ The oldest subway system in the United States – 1897
- Ⓣ 5th largest transit property
- Ⓣ Multimodal public authority
- Ⓣ 175 communities and 4.5 million people served
- Ⓣ 1.2 million passengers per day



The MBTA is Key to the Regional Economy



- Ⓣ 42% of trips to downtown Boston are made by transit
- Ⓣ 55% of all work trips to Boston are made on the MBTA
- Ⓣ The MBTA is the second largest land owner in Massachusetts
 - Transit oriented development



Public Private Partnership – APTA Task Force

Assess opportunities and best practices for utilization of public-private partnerships in the development and operation of public transportation.

Public-private contractual agreement

- ① **Typical Objective:** Increase funding and financing opportunities and better facilitate project and service delivery





Examples of Public-Private Partnerships at the MBTA

Traditional public-private partnership

- Ⓣ Commuter rail service
- Ⓣ Cleaning of stations and vehicles
- Ⓣ Provision of the RIDE paratransit service





Examples of Public-Private Partnerships at the MBTA

Next generation public-private partnership

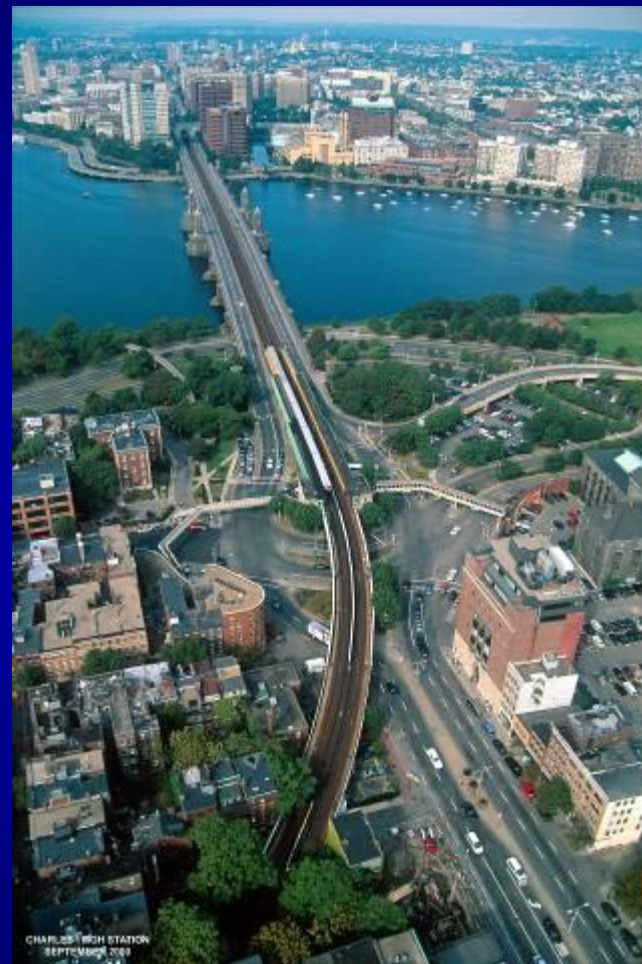
- Ⓣ Outsourcing of Real Estate Operations to Transit Realty Associates
 - Generates non-transportation revenue through the sale, lease, or licensing of MBTA-owned real estate
 - Disposition of Authority property, either by sale, long term lease, or easement
 - Management of outdoor advertising contract – billboards, bus shelters, and other revenue generating programs (ATMS)
 - Includes maintenance of a GIS based property inventory database.
 - Compensation is based on a fixed base management fee plus transaction related commissions.



Examples of Public-Private Partnerships at the MBTA

Transit Oriented Development

- Ⓣ Encourages commuting by transit
- Ⓣ Provides environmental benefits
 - More efficient land use
 - Fewer cars on the road
- Ⓣ Encourages private participation in projects
- Ⓣ Provides convenience and flexibility to MBTA customers and the public
- Ⓣ Applicable to small and large scale projects





Transit Oriented Development – Woodland Station



- Ⓣ Smaller scale development
- Ⓣ Privately developed high density mixed use project
 - 480 apartments
 - 25% designated affordable
- Ⓣ MBTA Participation
 - Housing complex was built on the site of existing surface parking lot
 - New 548 space garage facility constructed adjacent to new development
 - Station improvements
- Ⓣ Development benefits MBTA customers and local community



Development at South Station – Public Private Cooperation



- Ⓣ Intermodal transportation center
 - Northeast corridor high speed rail and regional AMTRAK service
 - Commuter rail terminus; Red Line and Silver Line subway connections
 - Inner city MBTA bus service
 - Bus terminal with several intercity bus lines
 - Taxi service and parking facilities
- Ⓣ Economic and environmental benefits
 - Transit oriented development
 - Creation and preservation of jobs downtown
 - Smart growth development model
 - Increased use of mass transit



South Station Development – The Federal Role



- Ⓣ Participation of FTA and FRA critical to success of the project
 - Grant agreement provided funding necessary to make project viable
- Ⓣ South Station as intermodal model
 - Joint development guidance
- Ⓣ Silver Line grant agreements
 - Connection to Airport
- Ⓣ Transit Oriented Development
 - Station built to support future building expansion over tracks
 - (Note concrete footings in top picture)



South Station Development – South Station Project Model

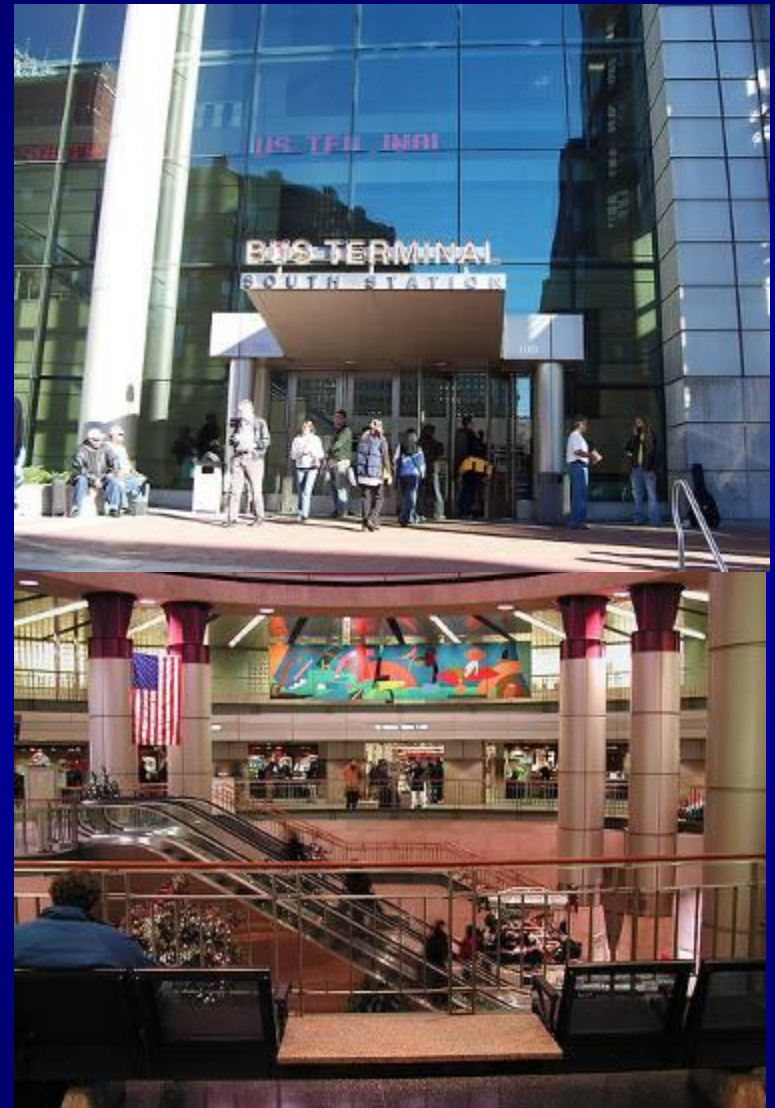
- ⓘ MBTA purchased South Station from city of Boston
 - MBTA was already managing transit and commuter rail
- ⓘ Funding from Federal government and private equity partner
 - Private partner developed and manages commercial space inside headhouse
 - Long-term lease allows for equity payback
 - Five stories of office space
 - Revenue sharing with MBTA
- ⓘ Much needed headhouse rehabilitation
 - Award winning public space
 - New subway station
- ⓘ MBTA retains ownership control
- ⓘ Over 120,000 commuters daily





South Station Development – Bus Terminal Project Model

- Ⓣ Privately managed bus terminal
 - Maximizes retail
- Ⓣ Private carriers benefit
 - Consolidated operations
 - Strong demand for intercity bus services reflected in the waiting list for existing bays
- Ⓣ City of Boston benefits
 - Idle buses are off the road
 - Direct bus connection to major highways
 - Reduced congestion on local streets
- Ⓣ Future expansion will improve link between commuter rail platform and bus terminals
 - Expanded mezzanine level retail and customer amenities
 - 16 additional bus bays to add needed capacity
 - MBTA retains ownership control of facility





Real Estate Development at South Station – Private Benefits



T Forty-one story office tower

- Received air rights from MBTA and City of Boston in exchange for \$50 million in station improvements
- Approximately 195,000 square feet
- Fully permitted
- Possible phase II hotel and adjacent development

T Developer benefits from proximity to multi-modal transit

- Permits more density in development
- Proximity to transit beneficial to tenants and employees
- Highly marketable property
- Higher rents



Public-Private Partnerships at the MBTA – What's Next

Recently enacted transportation reform legislation includes public-private partnership provisions

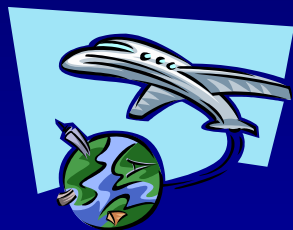
- Ⓣ Establishes a special public private infrastructure oversight commission
- Ⓣ Encourages the exploration of public-private partnership opportunities with private and nonprofit institutions





Who Knew?

T MBTA vehicles travel the equivalent of 5 trips around the world each day



T Only cemetery in N. America traversed by Light Rail Rapid Transit (Cedar Grove Cemetery in Dorchester on the Red Line)



T Each day, the bus fleet carries the equivalent of 10 times the capacity of Fenway Park



- T** **Red** – Harvard University Crimson
- T** **Orange** – Original line ran over Washington St, formerly known as Orange Place or Orange Way
- T** **Blue** – Waters of the Atlantic
- T** **Green** – Serves Frederick Law Olmsted’s “Emerald Necklace”, a 6 mile linear park in Boston and Brookline
- T** **Purple** – European monarchs used the color on their private trains
- T** **Silver** – Symbolizes speed and high performance