



**THE STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF TRANSPORTATION**



**Victoria F. Sheehan**  
**Commissioner**

**William Cass, P.E.**  
**Assistant Commissioner**

His Excellency, Governor Christopher T. Sununu  
 and the Honorable Council  
 State House  
 Concord, New Hampshire 03301

Bureau of Rail & Transit  
 December 27, 2019

**REQUESTED ACTION**

The Department of Transportation requests placing this item on the Consent Calendar.

Pursuant to the provisions of RSA 228:107-115, Public-Private Partnership Projects, the Department seeks concurrence that a Public-Private Partnership (P3) approach is appropriate for the long term lease and management of the Portsmouth and Dover Bus Terminals and that the Department should develop a request for proposals to select an operator.

**EXPLANATION**

NH RSA 228:107-115, Public-Private Partnership Projects, was enacted into law in 2016 and established a Public-Private Partnership (P3) Infrastructure Oversight Commission and allows for the development of P3 projects. The P3 Commission shall consider and recommend to the Commissioner of Transportation projects that may be suitable for delivery using design-build-finance-operate-maintain or design-build-operate-maintain services. The Commission shall also act as an advisory board during the execution of a public-private partnership project, supporting the Department in the development of a request for proposals and in the preparation of agreements for public-private partnership projects. The duties of the Commission state that a process for the submission and evaluation of public-private partnership projects must be established, for both projects proposed by the Department of Transportation (solicited proposals) and by other entities (non-solicited proposals).

Accordingly, the P3 Commission convened meetings in 2016 and accepted letters of interest for P3 projects. An unsolicited proposal for the long term lease of the Portsmouth and Dover Bus Terminals was received in the 2017/2018 call for projects. Based on the project need, benefits of the P3 approach, and benefits to the State as detailed during P3 Commission meetings and public hearings, and summarized in an attachment, the P3 Commission suggested that the P3 procurement method was appropriate and that the Department should develop and issue a Request for Qualifications for this project. It should be noted that while there was a lot of public testimony at the January 2019 public hearing, most of the comments were related to the current operator or concerns relative to future expansion of the facilities. These comments will be addressed as the Request for Proposal (RFP) is developed and a separate public hearing will be held to solicit further feedback on the draft RFP. The January hearing was specific to the use of P3 as a procurement method and there were no negative comments regarding the use of the P3 approach, rather the feedback was positive and affirmed that the DOT should be looking at new ways to contract and fund improvements.

In June 2019 the Department issued a Request for Qualifications: Long Term Lease/Concession Agreement of the Dover and Portsmouth Bus Terminals. Two (2) proposals were submitted by the August 16, 2019 deadline and, after review, both respondents met the minimum qualifications necessary to be advanced to the RFP phase, should it be deemed appropriate.

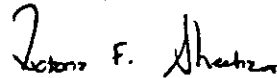
In accordance with legislation, several additional steps and approvals are necessary to advance this project including:

- Approval from the Capital Budget Overview Committee for the use of the P3 project approach and for the Department's development of an RFP;
- Hold a public hearing, via a P3 Commission meeting, on the draft RFP in order to solicit feedback;
- Approval from the Governor & Executive Council to release the RFP;
- Department's release of RFP to the two qualified respondents;
- Evaluation of proposals;
- Long Range Capital Planning and Utilization Committee review;
- Negotiation and finalization of Ground Lease Contract with selected respondent; and
- Governor and Executive Council approval of the final Ground Lease Contract.

The Department's proposed RFP will seek to identify an Operator that will, for no less than 30 years, be responsible for all financial obligations for developing, maintaining, operating, and potentially expanding the Dover and Portsmouth Bus Terminal facilities, with the goal of enhancing transit-related services. The Department will develop and administer this RFP in accordance with other similar projects ensuring that the necessary terms, conditions, requirements, and scoring criteria are included to allow both potential respondents the opportunity to submit a complete proposal.

Your concurrence that a Public-Private Partnership (P3) approach is appropriate for the long term lease of the Portsmouth and Dover Bus Terminals and that the Department should develop a request for proposals is respectfully requested.

Sincerely,



Victoria F. Sheehan  
Commissioner

Attachments

## **NHDOT: Long Term Lease/Concession Agreement of the Dover and Portsmouth Bus Terminals**

The New Hampshire Department of Transportation (NHDOT) is seeking a partnership through the execution of a Facilities Lease/Concession Agreement with a private entity (hereinafter known as the Operator) to undertake the potential development and long-term maintenance and operation of two bus terminals/park & ride lots (facilities) located in Portsmouth and Dover, New Hampshire.

The Portsmouth and Dover facilities were constructed in 2000 and 2007, respectively. The NHDOT is required to fund increasing maintenance and operating costs, along with increased capital costs for building improvements and security systems. Each facility also warrants expanded parking. The ability to address these needs, while providing patrons with high quality facilities and services, is difficult given the available Federal and State funding and resources dedicated to transit-related maintenance and capital improvements.

Increased transit demand, carpooling and vanpooling, coupled with the lack of available parking and parking abuse at both locations, has resulted in a negative impression of the facilities and of services offered. There is a continuous challenge in providing a positive experience and with anticipated growth, the current operational model is unsustainable.

Numerous locations throughout the United States have proven fee-based parking to be an effective management tool. Funds collected support expansion of transit services, capital improvements, maintenance, and operating costs. The State is pursuing a long-term partnership with an Operator to manage all aspects of maintenance and operations at the two facilities, including parking, bus terminal operations, maintenance, capital improvements, and any user-based concessions. The Operator must implement parking control measures, which may include fee-based parking, as well as other revenue-generating measures noted within this Request for Proposal (RFP) at the facilities.

### **Proposed Public Private Partnership**

The State will negotiate and enter into a Long Term Lease/Concession Agreement (Agreement or Ground Lease Contract) with the Operator for no less than 30 years, during which time the Operator will be responsible for all financial obligations for developing, maintaining, operating, and potentially expanding the facilities, with the goal of enhancing transit-related services.

The Operator will control all operations, maintenance, and capital improvements at the facilities for parking and transit service. The Operator must implement parking control measures, which may include fee-based parking, as well as other revenue generating means noted within this RFP at the facilities to support operations, maintenance, and potential expansion of the facilities to provide additional parking/transit capacity while providing patrons with an expected level of service.

## **NHDOT: Long Term Lease/Concession Agreement of the Dover and Portsmouth Bus Terminals**

### **PROJECT NEED**

#### **Portsmouth Transportation Center (185 Grafton Drive)**

- Built in 2000, expanded in 2001 and 2014
- 4-dock bus terminal w/ 1,248 Parking Spaces
- Operates near capacity on daily basis
- Valet services & remote parking lots utilized to accommodate parking demand
- Lack of parking controls
- Abuse of parking – capacity issues exacerbated
- Lack of revenue source for expansion & unplanned maintenance
- Need for parking management

#### **Dover Bus Terminal (23 Indian Brook Drive)**

- Built in 2007
- Small bus terminal building w/ 414 Parking Spaces
- Operates at 85% capacity on daily basis
- Valet service ended 11/1/18. No suitable off-site parking location available
- Lack of parking controls
- Abuse of parking – capacity issues exacerbated
- Lack of revenue source for expansion & unplanned maintenance
- Need for parking management

### **BENEFITS OF P3 APPROACH**

- Improved Reliability
- Improved level of service with potential for expanded services (added transit, concessions)
- Predictable Revenue Stream – offset maintenance & operation costs, fund future expansion capital costs
- Infusion of Private Capital
- Heightened Responsiveness & Accountability

### **GOALS OF PROJECT**

1. Ensure that the facilities are operated to a high standard that will promote the growth of public transportation, carpooling, and vanpooling in NH's seacoast region.
2. Ensure the facilities are operated and maintained to a high standard that will provide a positive user/customer experience.
3. Efficient and effective parking management at the facilities to control capacity and prevent abuse.
4. Provide a fair return to the NHDOT.
5. Provide for the transfer of the Dover and Portsmouth facilities at the termination of the lease/concession agreement term.