

Contact:  
John Grubb  
Vice President, Communications  
Bay Area Council  
415-946-8705  
Cell: 415-847-6320  
jgrubb@bayareacouncil.org



## **RESIDENTS AGREE – PUBLIC INFRASTRUCTURE PROJECTS NEED BOOST FROM PUBLIC-PRIVATE PARTNERSHIPS, BAY AREA COUNCIL POLL SHOWS**

**BAY AREA, April 11, 2008** — A super majority of 87 percent of residents agree that the Bay Area has a serious problem when it comes to governments keeping pace with the demands for public infrastructure projects, according to a new poll by the Bay Area Council. Furthermore, the 601 residents surveyed overwhelmingly support (71% - 64% in favor, depending on the target) establishing public-private partnerships, also known as Performance Based Infrastructure (PBI), to construct or rebuild desired infrastructure projects.

PBI-type arrangements allow the government to partner with private sector companies to help plan, finance, deliver and operate infrastructure projects. Similar systems are now being used in Canada, France, Britain, Australia and other places but are not allowed on state projects in California. Experts estimate such partnerships could bring billions of dollars of new money to construct or rebuild infrastructure projects in the Bay Area alone. PBI generally implies a transfer of risk, management skills and best practices between the public sector and the private sector. Proponents argue that PBI benefits government by providing access to private sector investment, opening up access to specialized expertise and technology – particularly design, building and finance skills – and enable public sector staff to focus on improved delivery of public services.

Much of the Bay Area's core infrastructure was build decades ago, for much smaller populations. For example, the Bay Bridge – arguably the region's most important transportation link – was built in 1936 to serve 3.3 million vehicles a year, but now serves 41 million vehicles a year. The Hetch Hetchy water system that provides water to a third of the Bay Area was built in 1923 for 506 thousand residents, but now serves 2.4 million residents. The Metropolitan Transportation Commission estimates the Bay Area needs an additional \$13 billion over expected revenues by 2030 to keep up with transportation demand. According to the American Society of Civil Engineers, in 2005, Bay Area infrastructure receives low ratings, with an overall C- grade, and specifically with highways getting a D+, water a C-, transit a C, bridges a C and goods movement infrastructure a D+.

“Our infrastructure can't keep up with our current population, much less the 1.6 million new residents headed to the Bay Area over the next 20 years,” said Jim Wunderman, president and CEO of the Bay Area Council. “Despite best efforts, such as the November 2006 infrastructure bonds and sales tax and toll funded infrastructure programs, the fact is we can't squeeze enough money out of the government lemon to pay for our infrastructure needs. Overcrowded schools, insufficient water and huge traffic increases are some of the obstacles we will face if we don't move toward PBI.”

A clear majority of residents said they would support the establishment of PBI-type arrangements to construct or rebuild the following: hospitals; schools; public transit; water supply and treatment

plants; recreational facilities and roads and highways. The highest level of support went to hospitals and recreational facilities with 71 percent in favor while water supply and treatment plants received a smaller 64 percent in favor. Not one category received an unfavorable rating.

Governor Schwarzenegger has called for legislation that would make PBI arrangements available across the state. This solution has been available to California for many years but the legislature must authorize it. Every county in the Bay Area supports PBI arrangements for every category queried by a two or even three-to-one margin.

“With the public’s concern for the region’s decrepit infrastructure and overwhelming support of PBI-type arrangements as the solution, the time to move forward is now,” said Wunderman.

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### **About the Bay Area Poll**

A total of 601 residents of the nine-county Bay Area were surveyed in English and Spanish by Field Research Corporation during the period of March 4-14, 2008. Survey respondents were selected using a random probability sampling technique that gives all residents with telephones (listed or not) an equal chance of being selected for the survey. The sample was stratified to obtain representative samples in each of six Bay Area regions: Alameda County, Contra Costa County, San Francisco County, San Mateo County, Santa Clara County and the North Bay counties of Marin, Napa, Solano and Sonoma. After the completion of interviewing, the sample was weighted to conform to actual population estimates of the nine-county Bay Area. Findings are subject to a sampling error of plus or minus 4 percentage points at the 95 percent confidence level.

### **About the Bay Area Council**

Founded in 1945, the Bay Area Council ([www.bayareacouncil.org](http://www.bayareacouncil.org)) develops and drives regional public policy initiatives and researches critical infrastructure issues. Led by CEOs, the Bay Area Council presents a strong, united voice for hundreds of major employers throughout the Bay Area region whom employ more than 501,000 workers, or 1 of every six private sector employees in the Bay Area.