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Fixing bridges proves a 'good deal' for Pennsylvania

Trade publication praises public-private partnership

By Roger DuPuis, December 7, 2015 at 9:01 AM

Gov. Tom Wolf may be having trouble bridging the budget gap between Democrats and Republicans, but his administration has drawn praise for its efforts to mend the state's aging bridges via innovative financing.

The Bond Buyer, a New York-based trade publication that covers the municipal bond market, named the Pennsylvania Economic Development Financing Authority's \$721.5 million **Rapid Bridge Replacement Project** its "**Deal of the Year**" for the Northeast region.

Under the plan, 558 aging bridges will be replaced through 2018, including 60 in the midstate: 10 in **Cumberland County**, three in **Dauphin County**, 31 in **Lancaster County**, one in **Lebanon County** and 15 in **York County**.

State officials and Bond Buyer described the **PEDFA** project as the largest private activity bond financing of a public-private partnership, or P3, in U.S. history.

It's also the first P3 in the U.S. to bundle multiple bridges into a single procurement, Bond Buyer pointed out, which is projected to save 20 percent on average costs to design, construct and maintain those bridges for 28 years.

"It is exciting to see that this PEDFA-financed project is being recognized," **Wolf said**. "Making projects like this a reality takes time, planning and teamwork on behalf of state agencies, boards and private partners and it is great to see their efforts recognized for a transaction that will allow for much-needed work to hundreds of Pennsylvania bridges."

That teamwork also crossed party and administrative lines.

The legislation which made such **transportation-related P3s** possible, **Act 88 of 2012**, was signed into law by Republican Gov. Tom Corbett, who was defeated by Wolf, a Democrat, in the November 2014 general election. PEDFA's Rapid Bridge Replacement Project was approved during the agency's February 2015 board meeting.

The Pennsylvania Department of Transportation awarded the project to **Plenary Walsh Keystone Partners LLC** under the formal PennDOT request for proposal process.

"Making investments in our infrastructure is critical to the overall economic success of the commonwealth," said Department of Community and Economic Development Secretary Dennis Davin. "Recognition of this project is reaffirmation that we are committed to Gov. Wolf's government that works initiative."

And there will be plenty of opportunities for infrastructure investment: The P3 legislation was a response to the state's growing backlog of about 4,000 structurally deficient bridges.

Although Plenary Walsh Keystone's constituent companies are based outside of the state, the consortium maintains offices in Pittsburgh. Its proposal included **11 Pennsylvania-based subcontractors**, however, and the project will create additional opportunities for suppliers and subcontractors **to bid on work**.

The project missed out on Bond Buyer's top honor, though. The paper's overall "Deal of the Year" went to the Kentucky Economic Development Finance Authority, for its \$232 million P3 to bring high-speed Internet to all 120 of that state's counties.

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