



MDOT's Airport Parkway P3 procurement suspended due to economic conditions

MDOT's procurement process for its first toll road structured as a public private partnership has been suspended reported Brenda Znachko, Chief Financial Officer for MDOT. Proposals were due from short-listed proposers on September 15, but the procurement is now temporarily on hold.

The procurement, which has been suspended due to the credit crisis and general economic circumstances will be reconsidered in alternative formats. MDOT staff will present a set of options to the Mississippi Transportation Commission later this year.

While disappointed, MDOT Executive Director Larry L. "Butch" Brown said that the project, like many other greenfield toll road projects, is suffering from general economic weakness and tight credit markets which limit the amount of credit and capital available for new transportation projects.

"The private sector needs to demonstrate that it can deliver meaningful savings versus a traditional MDOT financing and delivery plan. For example, unless private sector bidders can genuinely deliver construction cost savings, operational savings, or financing savings, the numbers just don't work. In this economy, revenue projections are under pressure and investment grade ratings for the project's senior debt are difficult to obtain."

The project qualified under the U.S. DOT's TIFIA program and MDOT will look to take advantage of that program as it considers options for project financing and delivery.

The proposed Airport Parkway Project for the Jackson, MS metro area consists of an access-controlled, high-speed toll road to be constructed on new alignment. The proposed alignment will start at I-55 in Jackson, extend to the east into the quickly growing cities of Flowood and Pearl, and, after diverging at the proposed West Rankin Parkway, will terminate at MS 25 north of the Jackson Airport and at MS 475 to the south of the Jackson Airport. The Project will be comprised of approximately twelve (12) miles of roadway and several bridges. The Project is intended to relieve current and future road congestion within the Jackson metro area, provide time and fuel saving benefits, reduce network travel times via needed roadway links, improve levels of service and operational efficiency along existing roadways, integrate the Jackson area with adjoining cities that are served by major highways, and encourage the region's economic growth and development.