

COMPREHENSIVE DEVELOPMENT AGREEMENTS (CDA)

Description

A Public Private Partnership (PPP) is an agreement for a private company to fund and/or operate new and existing roadways over which a public agency normally has jurisdiction. One type of PPP used in the state of Texas is the Comprehensive Development Agreement (CDA). A CDA allows a private company to perform different combinations of design, finance, construction, maintenance, and operation.



How Will This Help?

- **Reduces cost to the public agency** – A CDA allows public agencies to share costs with the private sector. More projects can be completed by an agency with less public money.
- **Help funds keep pace with rising highway construction costs** – Since 1991, roadway construction costs have almost doubled. Engaging in CDAs would help transportation revenues keep pace with rising construction costs.
- **Reduce need for borrowing** – Texas has increasingly turned to debt mechanisms such as bonds as a way to finance transportation improvements. Texas could help slow a growing trend of using the “credit card” to pay for roadway projects by allowing for the use of PPPs.

What's the Down-Side?

Loss of operating revenue – Revenue generated from the operation of a privately maintained or operated facility would not benefit the public agency.

Implementation Issues

- Implementation costs are low.
- Voters/users would need to be educated regarding the costs and benefits.

Example CDA Projects in Texas:

Austin Region:

- State Highway 130
- Segments five and six (2007)

Dallas/Fort Worth Region:

- North Tarrant Express (2009)
- LBJ I-635 Project (2009)
- DFW Connector (2009)