

New Jersey Department of Transportation  
Bureau of Research

## Technical Brief



### Feasibility and Efficacy of Public Transportation Partnerships

*The overall objective of this research was to identify and assess examples of local government and public transportation agency partnerships and the funding mechanisms used to improve or expand public transportation. In addition, the research sought to identify what needs to be done to ensure successful partnerships can be pursued on a continuous programmatic basis.*

### Background

Transportation agencies are looking to innovative financial strategies to support requests from local governments and developers for new and improved transit services. Agencies have seized the positive impact of transportation investments on land values as a source for financing transportation projects through value capture and other cost-share strategies. In many cases these funding approaches are utilized through the development of partnerships that may be required to successfully continue to meet the transportation demands. Despite the recognized need for partnerships, public agencies may face challenges forming successful partnerships. This research sought to identify an approach for utilizing partnerships, value capture and other funding strategies for improving public transit in a more systematic and strategic manner.

### Research Objectives and Approach

The overall objective of this research was to identify and assess examples of local government and public transportation agency partnerships and the funding mechanisms used to improve or expand public transportation. In addition, the research sought to identify what needs to be done to ensure successful partnerships can be pursued on a continuous programmatic basis.

A literature review was performed covering the current state of the practice of partnerships with transportation and transit agencies as well as with private organizations. A review of State and Federal legislation and regulations regarding the use of partnerships in public transportation, transit and other governmental agencies was also performed to better understand the legislative structure enabling partnerships. A survey of State Departments of Transportation and Public Transit Agencies was performed and successful and not so successful partnerships were identified. Exemplary partnerships were further studied to identify the essential elements within a partnership that make them successful. Recommendations on strategies to ensure partnerships are pursued on a continuous programmatic basis within NJ Transit were then prepared.

## Findings

Two themes emerge from the case study assessment in determining what should be done in New Jersey to ensure successful partnerships. The themes surround the adequacy of existing legislation and the leadership needs for partnership project directors. New Jersey should:

1. Evaluate the adequacy of existing state laws to enable innovative funding mechanisms to sufficiently fund projects.
2. Increase its organizational capacity to respond to private sector interests in partnership. Project leaders for partnership projects should be people wholly committed to success and knowledgeable about how to interact with other people and organizations involved in the project.
3. Project plans and expectations may need to be modified to fit within existing or future statutory environment, as well as within leadership strengths and based on the overall economic climate.

To avoid problems that may derail the partnership, New Jersey should:

1. Provide transparency in the process to avoid perceptions that the contract may be overly lucrative for the private partner.
2. Avoid being blindsided by opposition to the project. This would require understanding the situation on the ground and being ready to minimize the opposition's influence.
3. Avoid long-term partnerships without opportunity to make changes to the agreement without penalties. Longer partnership agreement terms make it attractive and profitable for the private partner, but make it difficult to respond to system changes.

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A final report is available online at: <http://www.state.nj.us/transportation/refdata/research/>.

If you would like a copy of the full report, send an e-mail to:  
[Research.Bureau@dot.state.nj.us](mailto:Research.Bureau@dot.state.nj.us).

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