

STATE OF NEW JERSEY

GOVERNOR PHIL MURPHY

GOVERNOR PHIL MURPHY SIGNS BIPARTISAN LEGISLATION TO PROVIDE COMMUNITIES WITH OPPORTUNITIES FOR VALUABLE PUBLIC-PRIVATE PARTNERSHIPS

P3 Legislation Allows Flexibility and Collaboration for Community-Focused Improvements and Job Creation

TRENTON – Governor Phil Murphy today signed bipartisan legislation to further foster economic growth in New Jersey through public-private partnership (P3) agreements between government entities and the private sector for building and highway infrastructure projects in the state. The bill, S-865, provides for financial oversight and approval of these agreements by the State Treasurer.

“Today, I’m proud to enact bipartisan legislation that gives our communities greater opportunities to benefit from commonsense public-private partnerships for essential construction and capital projects,” **said Governor Murphy**. “Democrats and Republicans alike recognize the tremendous benefits that can arise when public officials and private sector partners work together. By doing so, we give state, county, and local officials the much-needed flexibility they need to improve their communities while creating good-paying new jobs – in most cases good, union jobs - while leveraging private capital to invest in public infrastructure.”

Governor Murphy signed the bill at The College of New Jersey’s Campus Town development, a project built collaboratively with private-sector partners. Similar developments have occurred at Montclair State University as well as Stockton University’s Atlantic City Gateway project.

Under S-865, government bodies, including school districts, municipalities, counties and state entities, may enter into a public-private partnership agreement with a private organization, which would assume the financial and administrative responsibility for the development, construction, reconstruction, repair, alteration, improvement, extension, operation, and maintenance of a government-related project that is financed in whole by the private sector organization. However, the law requires local public input and finance controls, as well as land use and financial approvals, should a municipality, county, or school district seek to pursue a P3. If the agreement includes the lease of a public building, road, infrastructure, or facility in exchange for up-front or structured financing by the private entity, the term of the lease may not be for a period greater than 30 years.

The legislation also requires that workers employed in the construction, rehabilitation, or building maintenance services of a project be subject to the applicable provisions of the “New Jersey Prevailing Wage Act;” that building construction projects contain a project labor agreement; and that the general contractor, construction manager, design-build team, or subcontractor for a project be registered and classified by the State to perform work on a project.

Additionally, the legislation allows for a small number (8) of statewide roadway or highway projects that require not only private investment, but also public support (at least \$100 million). For local projects this limit is significantly lower (\$10 million). A private entity is required to establish a construction account to fully capitalize and fund the project, while the general contractor, construction manager, or design-build team is required to post performance and payment bonds to ensure the completion of the project. The legislation prohibits the bundling of multiple projects. All projects are required to undergo a procurement process established under the bill.

As the department providing oversight, the State Treasurer must provide the status on each public-private partnership agreement on its website. Postings must indicate the status of each agreement by designating it as a proposed, under review, or active public-private partnership project.

Sponsors of S-865 include Senate President Steve Sweeney, Senator Steven V. Oroho, Speaker Craig Coughlin and Assemblymen Louis D. Greenwald, Jon M. Bramnick and Joseph A. Lagana.

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