



# MEMORANDUM

AGENDA ITEM #VI.A

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DATE: APRIL 6, 2015  
TO: COUNCIL MEMBERS  
FROM: STAFF  
SUBJECT: CORRESPONDENCE AND ATTENDANCE FORM

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Recommendation

Information only.



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<b>Ex Officio Members –</b>											
<b>BOUCLE, Aileen</b> Florida Dept. of Transportation	CC	P	P								
<b>CORRY, Laura</b> South Florida Water Management District	P		P								

P = Present

A = Absent

D = Designee Present

\* = Excused Absence

- = Not Yet Appointed

CC = Via Conference Call

\*\* Executive Committee Only

# Not a solution for all of our public problems

BY XAVIER SUAREZ

03/08/2015 7:00 PM



Xavier Suarez

It seems that every major project the county considers is immediately referred to that mysterious, little black box that bureaucrats call a "P3," which is short for "public-private partnership."

At first blush, the concept sounds good: You involve the private sector in a public project in order to make the process of building it more efficient, easier to finance, or both. The problem is that there are public projects susceptible to some form of privatization and others for which privatization merely means that a classic public good (e.g., a highway or a beach) goes from being truly "public" (i.e., free to all residents) to being unaffordable to the working and middle class.

Let's look briefly at four categories of potential P3s and see where they fit the need — as opposed to where they merely enrich those who have access to government largesse.

- **The government-owned monopoly.** Airports and seaports have to operate as monopolies; most cities cannot support two airports or two seaports because of the high capital cost of building the infrastructure they need and the expensive site-acquisition cost, which often requires the eminent-domain powers of government.

At Miami International Airport, we have a terminal (the central or "C") that is in great need of refurbishing. Contracting with a private company that will (a) finance and (b) build out the facility means the public gets the benefit of a public project that is built quickly, within budget and without public indebtedness.

▪ **Transit-oriented affordable housing.** The county owns large lots next to Metrorail stations, which are prime for development by companies that obtain favorable credit from the state and federal governments in return for guaranteeing that the apartments built are affordable to the working class. The idea is to promote public transportation and affordable housing in one fell swoop. It has been successfully implemented at various transit stations in County Commissioner Audrey Edmonson's district and is being contemplated for another three along U.S. 1 next to Metrorail stops on 27th Avenue, 37th Avenue and Dadeland Station.

▪ **Building or restoring courthouses.** The problem with the idea of funding classic public services, like the administration of justice, with some sort of P3 is that most forms of justice are not supposed to be costly to the innocent party. In civil matters, access to the court system should be as close to free as possible, or else the aggrieved citizen cannot even begin the litigation and get to the point where some award of costs and attorney's fees might be available.

▪ **Transportation.** Here it gets tricky. A unique opportunity arises where a longstanding railway line, such as the FEC track along the southeastern corridor of Florida, becomes viable for four-city, private train service, as per the current project that goes by the name of All Aboard. The key element that makes a P3 viable for a commuter train on the passenger track being built by FEC is the private ownership of the otherwise prohibitively expensive right-of-way.

Not so convenient for the public is the idea that an existing highway is effectively privatized by either charging for the use of the "express" lanes or for the entire roadway. The same is true of thinking that we are going to fund the Baylink connector (light rail connecting downtown to the Miami Beach Convention Center) by some sort of P3.

The idea was discussed at a recent hearing of the Baylink Policy Study Committee, which includes the mayors of Miami, the county and Miami Beach, plus Miami-Dade Commission Bruno Barreiro and me. When asked about the prospects of a P3 facilitating this important rail connector, the private consultant surprised many of us when he said: "The P3 comes in when you have a completed design and financing in place." Oh, really?

So much for the idea that a P3 is some sort of magic wand.

Xavier Suarez represents District 7 on the Miami-Dade County Commission