

## Research Project Description Form

Project Number: 211085

Project Title: Potential Economic Benefits of Public Private Partnerships on Reclaimed Mine Sites in the Construction of the King Coal Highway (KCH)

Primary Investigator Contact Information:

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External Project Contact:

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Project Objective:

The objective of the study is to demonstrate the economic benefits derived from a public-private partnership for construction of portions of the KCH on land that is being surfaced mined or will be surface mined and adjacent land which lies in the designated route of the KCH.

Abstract:

A public private partnership (PPP or P3), according to the FHWA, "...is a contractual agreement between a public agency and a private entity for private sector participation in the delivery of transportation projects". One of the most innovative aspects of the KCH is the P3's which have developed and continue to develop. These consist of using surface mine sites as locations for portions of the KCH roadbed. Under this form of P3, after extraction of the coal by surface mining, instead of returning the property to as near as possible its original contour, the mining company agrees to build a section of rough roadbed. When completed, the roadbed will be turned over to the WVDOT for further development. Further, the company which extracted the coal proceeds as a construction company to

build the rough road bed on adjacent property. The coal company is allowed to remove all coal located within the right of way. The sale of the coal extracted is used to reduce the cost to the public sector of building the roadbed. This project examines the potential for the expansion of P3 in the construction of the KCH. The analysis also includes an estimation of the possible economic benefits of using P3's along the route of the KCH and the economic development which could result.

#### Task Descriptions:

The work to be performed will consist of three tasks:

#### Task 1:

- A detailed review of the results of the current P3's including 1) the agreements between the public and private entities and 2) permits and other regulatory hurdles which were present and overcome
- The planned and potential uses of the adjoining land to the KCH for commercial development
- Determination of the economic benefits from the P3's to include cost savings from construction. Based on the estimated cost savings from the Alpha and Consol projects, estimates from other investigations and projections from the West Virginia Department of Transportation, this study will calculate the potential reduction in costs for construction for expanding P3's along the KCH route.
- An economic impact analysis of the expansion of existing business, attraction of new business, increased tourism, additional public space for construction and recreation.

#### Task 2:

- Determination of the potential for additional P3's along the route of the KCH by reviewing plans of the route to be followed to establish where coal property underlies the proposed roadbed. The maps of coal seams produced by the West Virginia Geological Survey are complete for the counties in the KCH project and will be used in this analysis.

#### Task 3:

- Provide recommendations for the future public policies related to P3's (e.g., permits, legal liabilities, ownership issues, land use plans, and additional or revised legislation). In particular, possible incentives to facilitate private participation in P3's are discussed.

Milestones, Dates, Schedule:

Schedule of this project (due date) is as follows:

Task 1 and 2 of this study will be completed 240 days from the date of a signed contract. Task 3 will be completed 360 days from the date of a signed contract. The final report is scheduled to be delivered in August, 2011.

Yearly and Total Budget: Total: \$150,000

Student Involvement: Yes (1 MBA student)

Relationship to Other Research Projects: N/A

Technology Transfer Activities: N/A

Potential Benefits of this Project: The results will support the West Virginia Department of Transportation (WVDOT) in its investment planning for P3 projects in West Virginia

TRB Keywords: King Coal Highway, Public Private Partnerships (P3), Regional Economic Impacts