

Subject: Presentation re Billboards for the Dollarton Bridge

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As we were not permitted to talk about the bridge last night at Council, even though Viacom did, I enclose my full presentation fyi (PowerPoint).

A COUPLE OF POINTS I WOULD NOTE:

-As C. Muri said, not only did the referendum on the Dollarton Bridge NOT refer to paying for it with billboards, but the question put to residents (see slide 10) sure did not make it obvious that only one in five cars were helped by the project. (Recent numbers show about half that figure: 1 in 13). I believe people were left with the (false) impression that the twinning alone would solve the line-ups on Dollarton.

-I am very disappointed that a company would come to council and put up information which is potentially misleading to the public, particularly after that was pointed out in the newspapers. Viacom have claimed (if properly quoted in the papers; I saw no correction) that the tax increase for the Dollarton Bridge would be 18% if we did it ourselves. DNV finance says 2%. Last night they claimed a 5.6% tax increase for the Mt. Seymour pedestrian overpass (\$2.6 MM) if we did it ourselves. Or we can do Dollarton Bridge and the pedestrian overpass Viacom's way, for nothing but billboards was their pitch.

How do they get these high tax increase numbers which seem designed to scare residents into doing the billboard thing? Easy. Assume DNV would amortize (pay off) the project over one year. Huge tax increase, but (and they do not seem to note this) only for one year.


What is reality? DNV typically amortizes debt over 20 years. Result. 18% tax increase is actually 2%, 5.6% is 0.6%. They hit us with our costs over one year; their cost (uglification) and our standard practice is 20 years. By any standard I can think of, Viacom's presentation is not appropriate, and I am being as charitable as I can with my wording.

The Viacom fellow did give one of the projects at a longer amortization and showed the tax increase of something over 2% per year, which he referred to as a tax increase of 2.x% EVERY YEAR. This may have left the impression that the taxes go up an INCREMENTAL 2.x % every year. I believe a quick check with DNV finance would have told them that the taxes would go up 2.x% ONCE, and the increase would remain imbedded in rates for 20 years. Not the same!

I also note that the BC Government's own PPP handbook strongly recommends against unsolicited proposals of this type. The reason is they are too open to abuse - secret deals and worse - and to perceptions of abuse.

Overall, I was considerably less than impressed by this affair, and that is without considering the effect on the character of our district. As one speaker said more or less, it is an embarrassment that this proposal even came in front of council and through them to the public.

John Hunter

 Presentation Billboards for Bridge April 2002.ppt	<p>Name: Presentation Billboards for Bridge April 2002.ppt Type: Microsoft PowerPoint Show (application/vnd.ms-powerpoint) Encoding: base64 Download Status: Not downloaded with message</p>
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THE DOLLARTON BRIDGE BY BILLBOARD PPP

**Presented to
The Council of the District of North Vancouver**

April 18, 2002

by

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MPPP \$US 550 MM INDONESIA
43% B.C. OWNED



PPP SHANGHAI POWER
33% B.C. OWNED



J. Hunter & Associates

***PPP CANTARELL PROJECT MEXICO
\$1.2 BILLION US - 30% B.C. OWNED***



PPP CAMPECHE PROJECT MEXICO

\$US 250 MM 50% B.C. OWNED



THE MESSAGE

- **CDNS KNOW/DO PPP AROUND THE WORLD**
- **PPP IS NOT ABOUT BILLBOARDS**
- **PPP WORKS AROUND THE WORLD**
- **AND YOU COULD PAY WITH BILLBOARDS**

RECIPES FOR FAILURE 1

- **POOR GOVERNANCE BY PUBLIC BODY**
- **POOR OR CANCELLED RFPs (ATF)**
- **INEXPERIENCED/NAÏVE/ STAFF, SHORT OF RESOURCES OR THE WRONG ONES FOR PPP**
- **CONCESSION AGREEMENT TOO LOOSE OR TOO TIGHT**

RECIPES FOR FAILURE 2

- NO *CLEAR & VISIBLE* WIN FOR CITIZENS
- FIRST PROJECT A LIGHTNING ROD OR A PROJECT OF DUBIOUS VALUE
- SUPPLY AN “EMOTIONAL FOG” ISSUE
- LACK OF TRANSPARENCY
- NOT USER PAY, OR WORSE
- POOR PR/PREPARATION/OPPOSITION MGT

BRIDGE A LOSER PROJECT NOW

- **KEY IS SECOND NARROWS BRIDGE FIX**
- **50 LANES ON DOLLARTON BRIDGE WON'T HELP TRAFFIC BOUND FOR SOUTH SHORE**
- **ESTIMATE HELPS ONE IN 12 WESTBOUND**
- **BRIDGE NOT THE BOTTLENECK TO EASTBOUND TRAFFIC**
- **HELPS BUSES AND CNV BOUND TRAFFIC**

WHAT DID WE TELL THE PUBLIC AT REFERENDUM TIME?

- **“EAST-WEST TRAFFIC NEEDS TO BE SEPARATED FROM TRAFFIC ACCESSING THE SECOND NARROWS BRIDGE (ESTIMATED AT 20%).”**
- **HOW WAS THAT TRANSLATED?????**
- **RESIDENTS REPEATEDLY GET APPROX 1 IN 12 VEHICLES HELPED BY THE TWINNING**
- **IS THAT WORTH \$9 MM????**

ALTERNATIVES IF THE TIME IS RIGHT

- **TRADITIONAL STYLE: TAX HIKE 2%**
- **TRADITIONAL PPP: USER PAY OR ALL PAY, NO BILLBOARDS**
- **BILLBOARD PPP: POLITICAL SUICIDE, CULTURAL MISFIT**
- **DNV PERFORMANCE ON PROJECTS SUGGESTS PPP APPROACH**
 - **DOLLARTON FIASCO**
 - **BRIDGE COSTS PLUS 50% IN 2.5 YEARS**

CONCLUSIONS

- **PPP IS A GOOD PLAN ON MANY PROJECTS**
- **MAY BE ON THIS ONE GIVEN HISTORY TO DATE**
- **WANT A WAR – GO FOR BILLBOARDS**
- **MEETS ALMOST EVERY “RECIPE 2” FOR FAILURE**

“IS MY PET A PIG????”



J. Hunter & Associates