

Prospects for Public-Private Partnerships in the Municipal Stormwater Sector

Alhambra, CA April 3, 2017 ≻501(c)(3) non-profit

➢Formed by Oregon, Washington, California

Advised by British Columbia

A publicly-funded resource to public agencies exploring alternative project delivery options



An infrastructure delivery method that...

Consolidates responsibility for the key aspects of a project's full lifecycle into a single, performance-based contract with a private partner

➢Design

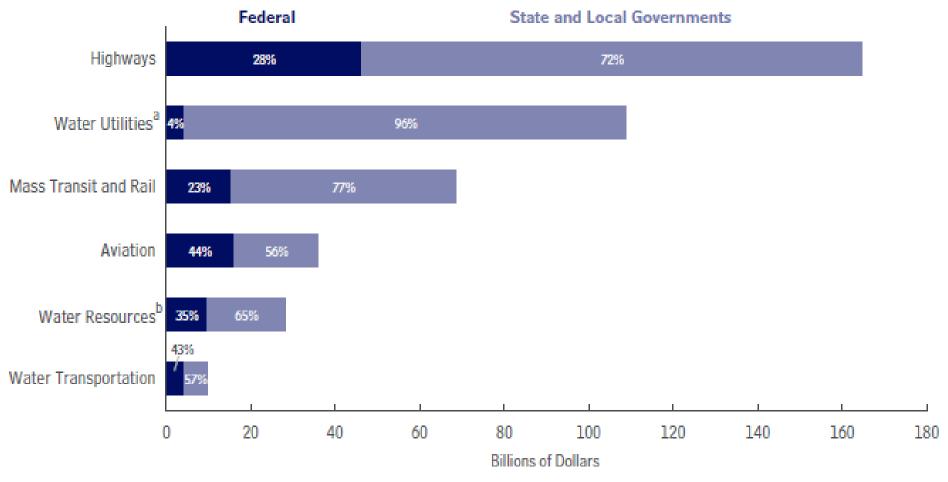
➤Construction

➤Long-term Maintenance

Can include, but does not require, elements of private sector financing and operational responsibility

Infrastructure Spending: Context

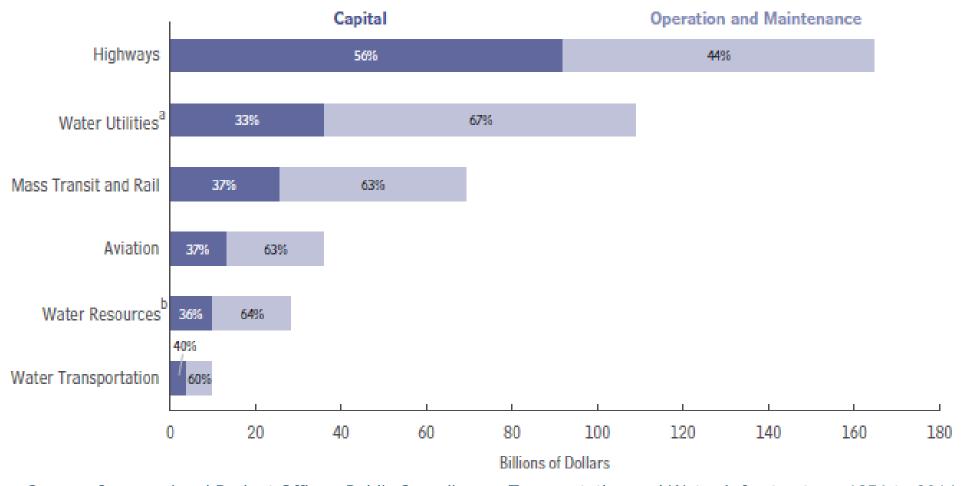
The Federal Government's and State and Local Governments' Spending on Transportation and Water Infrastructure, by Type of Infrastructure, 2014



Source: Congressional Budget Office - Public Spending on Transportation and Water Infrastructure, 1956 to 2014

Infrastructure Spending: Context

Public Spending for Capital and for the Operation and Maintenance of Transportation and Water Infrastructure, by Type of Infrastructure, 2014



Source: Congressional Budget Office - Public Spending on Transportation and Water Infrastructure, 1956 to 2014

Prospects for Public-Private Partnerships in Stormwater

>What is the scale of the project? Are there opportunities for bundling?

Stormwater as distributed infrastructure that comprises a system

➤How large is the design and construction budget?

How do operating and maintenance costs compare with initial construction?

➢No definitive threshold, but projects need to be of a size that justifies proposal's due diligence costs on part of private sector

➤How important is schedule certainty?

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➤To what extent can performance specifications be utilized?

How complex is the project and does the complexity create opportunities for innovation?

➤Is there a dedicated revenue stream?

➤Cash flow is a significant consideration; P3s are not a source of funding

>Will there be additional incentives for the public sector?

>What are we talking about when we speak of P3 with private financing?

➢ Debt & Equity

≻Debt

➤Can be tax exempt for qualified projects

Bankruptcy protections

≻Equity

➢No bankruptcy protection

➤More expensive than debt

Debt constraints

➢Project acceleration

Private financing can be tax-exempt and mixed with low-cost public financing sources

➤Additional scrutiny of performance

Security for long-term performance / turnback provisions

Prince George's County Clean Water Partnership

Green infrastructure stormwater management project

Design-Build-Operate-Maintain (DBOM)

➤ 30-year partnership to meet MS4 permit compliance requirements

Design, retrofit, and maintenance of up to 4,000 impervious acres



Prince George's County Clean Water Partnership

PGC has committed \$100m to retrofit 2,000 acres over 3 years

➢Option for additional 2,000 acres if County is satisfied with initial effort

➢PGC also using traditional procurement to retrofit 2,000 acres to benchmark the performance of the partnership







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Questions?

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