



# Prospects for Public-Private Partnerships in the Municipal Stormwater Sector

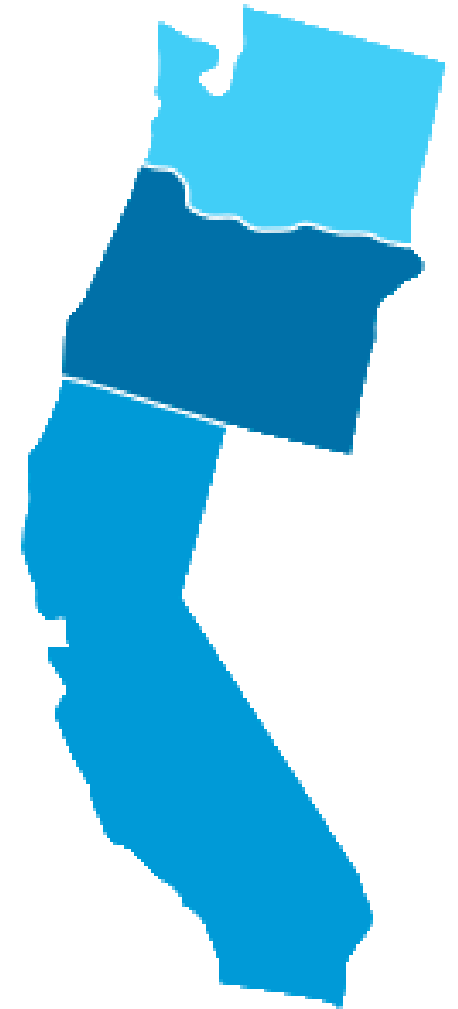
Oakland, CA  
April 5, 2017



# What Is WCX?

---

- 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

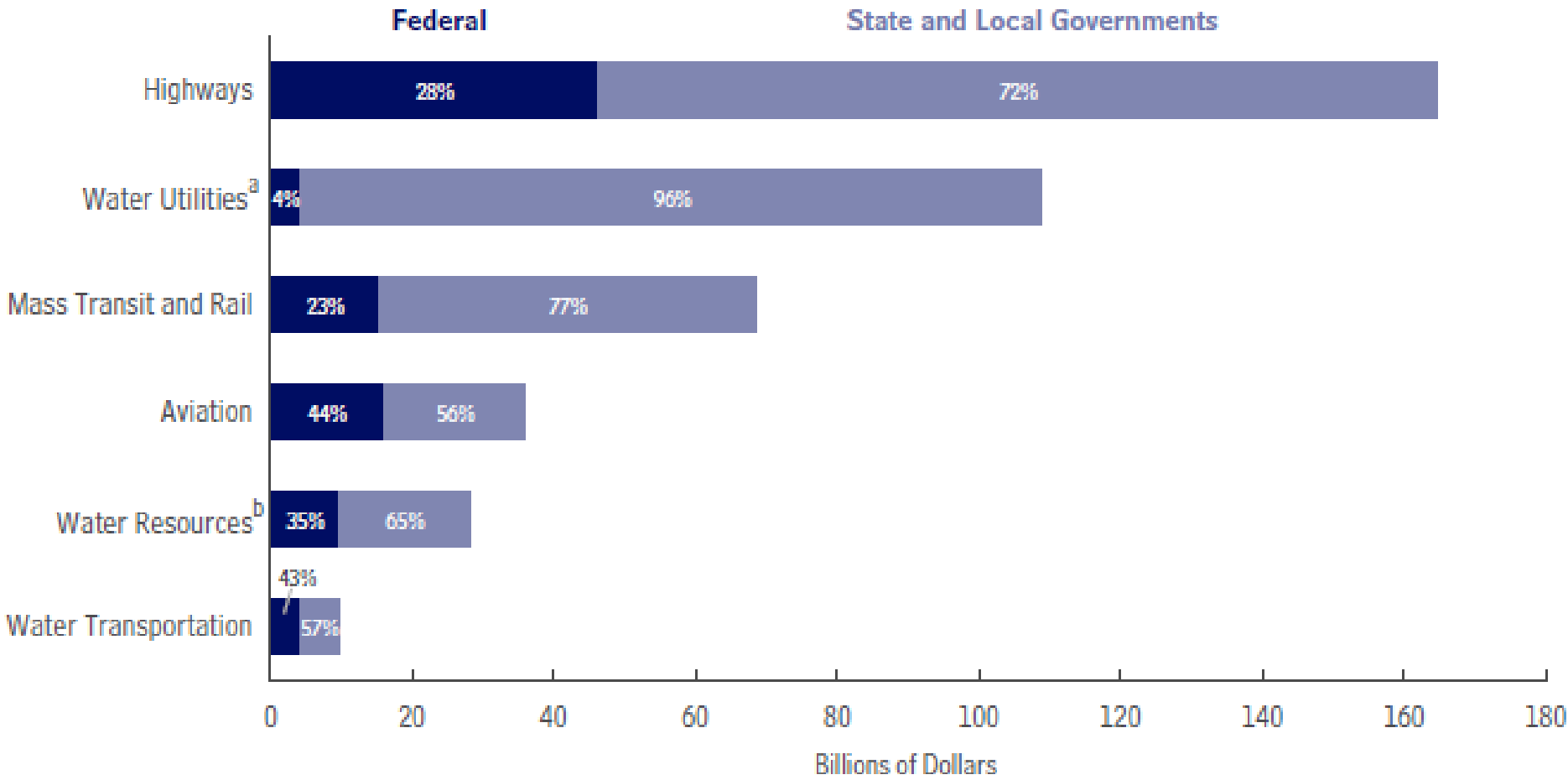


# **An infrastructure delivery method that...**

- 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

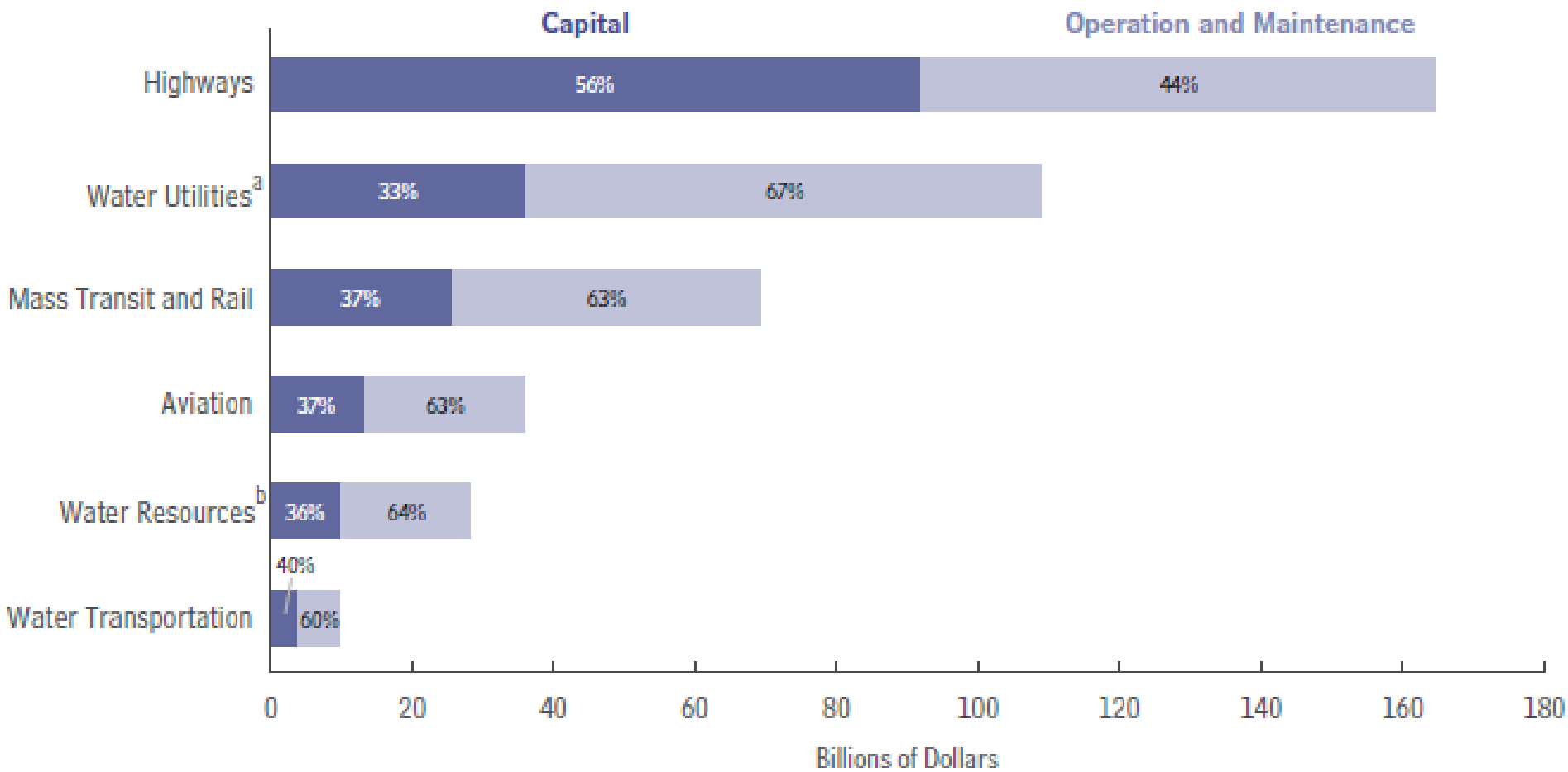
**The Federal Government's and State and Local Governments' Spending on Transportation and Water Infrastructure, by Type of Infrastructure, 2014**



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?

# Prospects for Public-Private Partnerships in Stormwater

---

- 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?

# P3s with Private Financing

---

- 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



# Why Consider Private Financing?

---

- 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





## Questions?

**Scott Boardman**  
**Acting Executive Director**  
**(503) 477-9259**  
**[scott.boardman@westcoastx.org](mailto:scott.boardman@westcoastx.org)**