



Prospects for Public-Private Partnerships in the Municipal Stormwater Sector

Alhambra, CA
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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

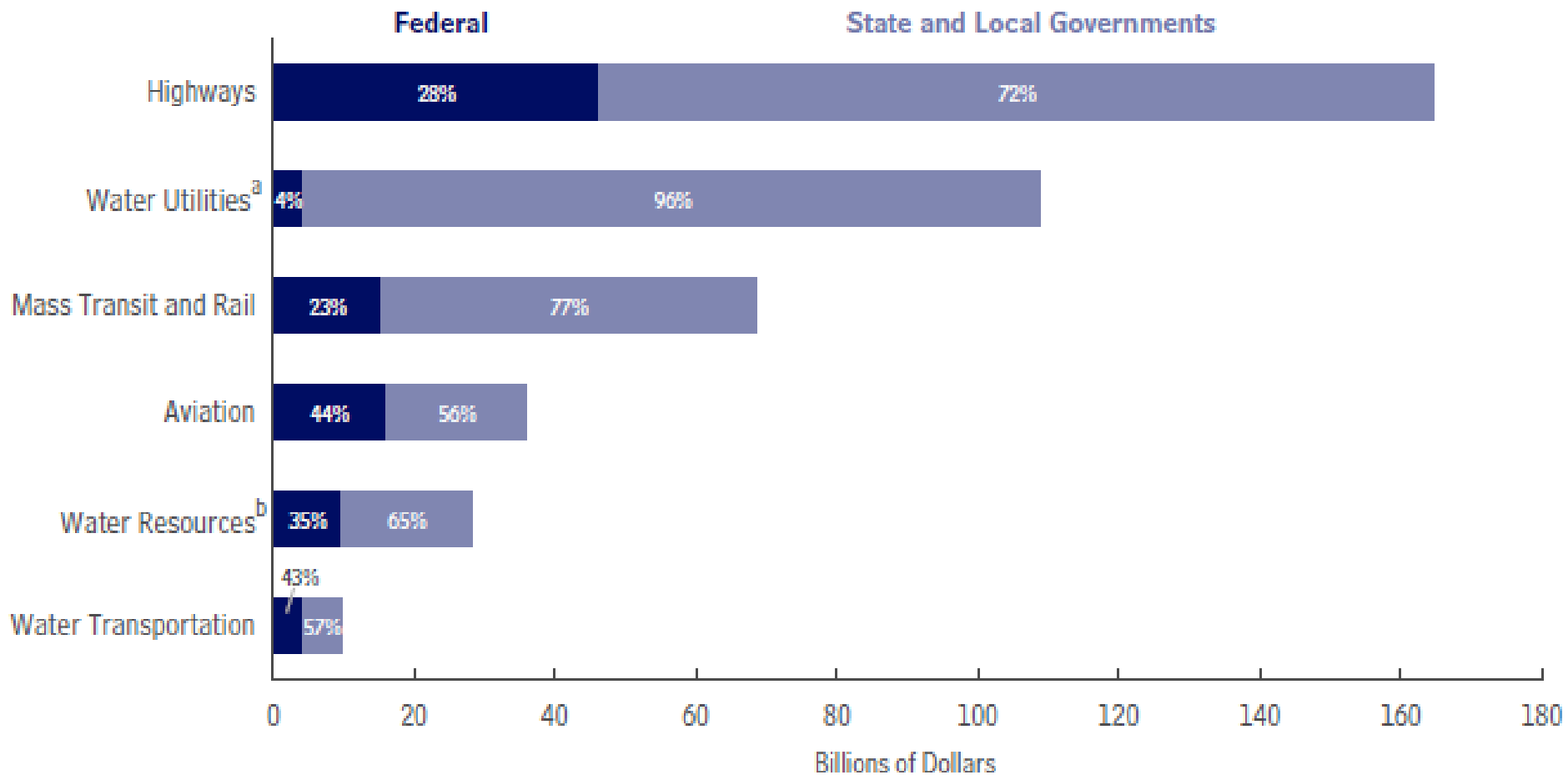


An infrastructure delivery method that...

- 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

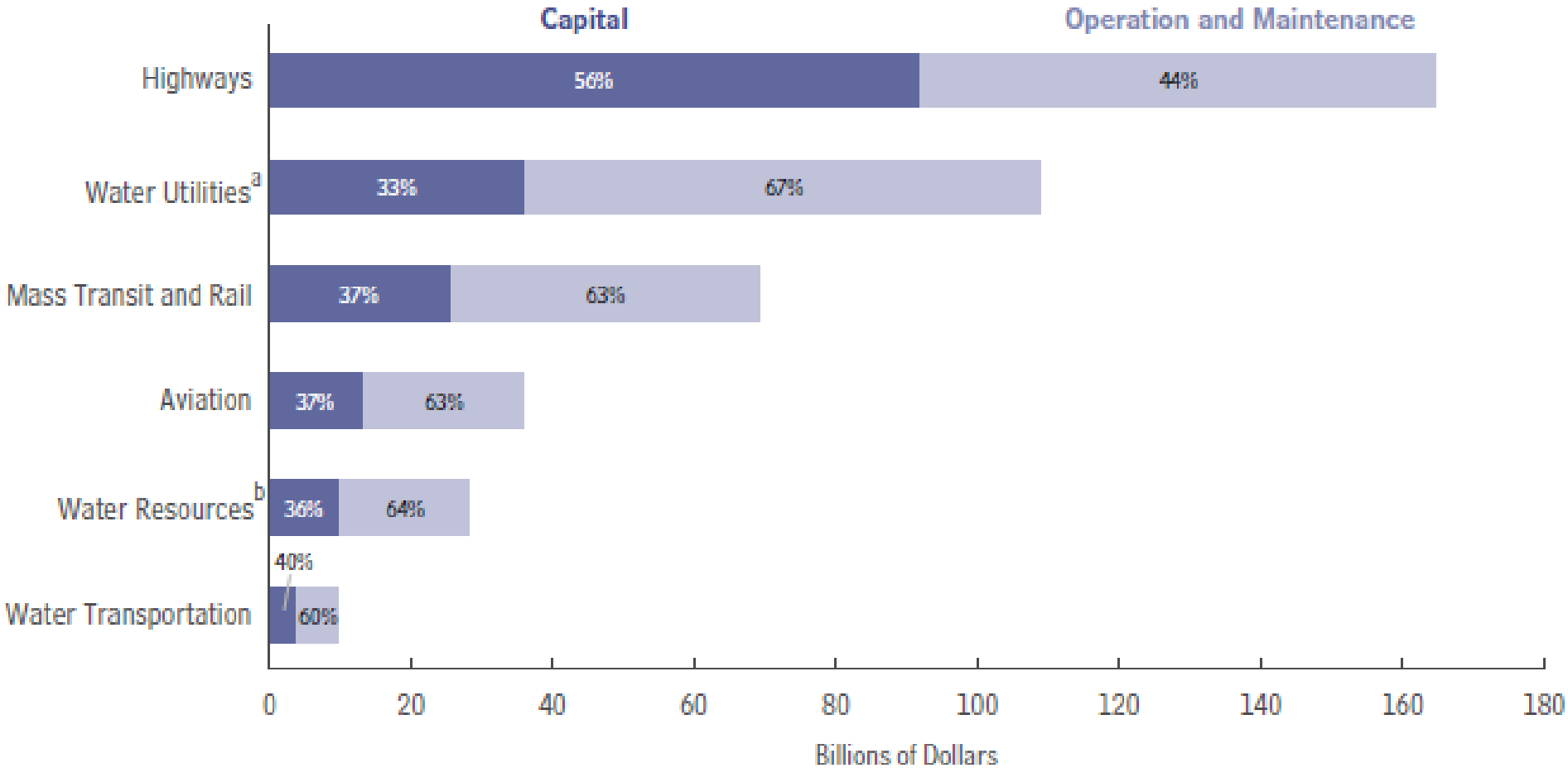
The Federal Government's and State and Local Governments' Spending on Transportation and Water Infrastructure, by Type of Infrastructure, 2014



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?

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