Ballard Spahr LLP

Public-Private Partnerships

October 11, 2016

Introduction to P3s

Public-private partnerships (PPPs or P3s) are an innovative method of funding, delivering and procurement for infrastructure projects. P3s are used for a variety of infrastructure asset types.

A contractual agreement between a public agency and a private entity to achieve all, one or a combination of the following:

- Extract the value of an existing infrastructure asset.
- Design, construct, finance, and/or operate and maintain a new infrastructure project.
- Transfer risks, such as revenue, operations, environmental, labor, construction, to the entity best able to retain and manage them.

Types of P3 Projects

Greenfield Projects

- Roads/Highways (I-95 HOT Lanes, PA Rapid Bridges)
- Transit (Purple Line, Denver Eagle)
- Social Infrastructure (Long Beach Courthouse, Civic Center)
- Universities (UC Merced, University of Kansas)
- Joint Development (Amtrak Stations, PennDOT Middletown)

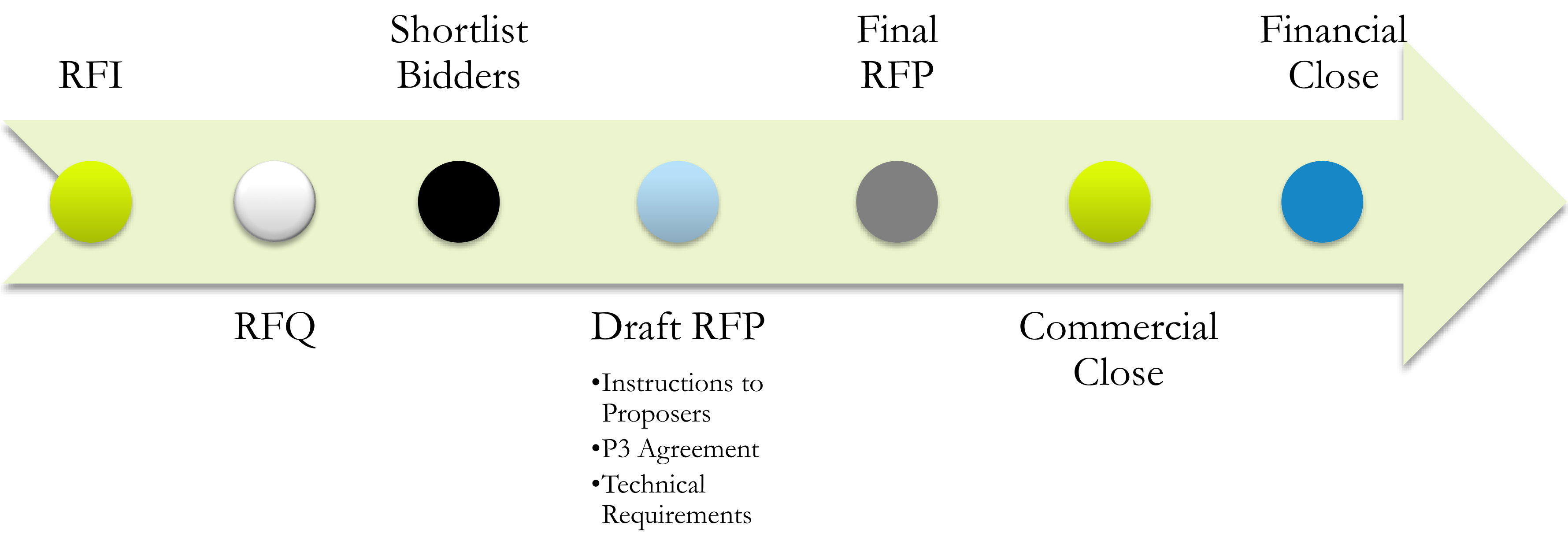
Brownfield Projects

- Utilities (Allentown Water, Ohio State Energy)
- Parking (Ohio State University, Harrisburg)
- Transportation (Chicago Skyway, Indiana Toll Road)

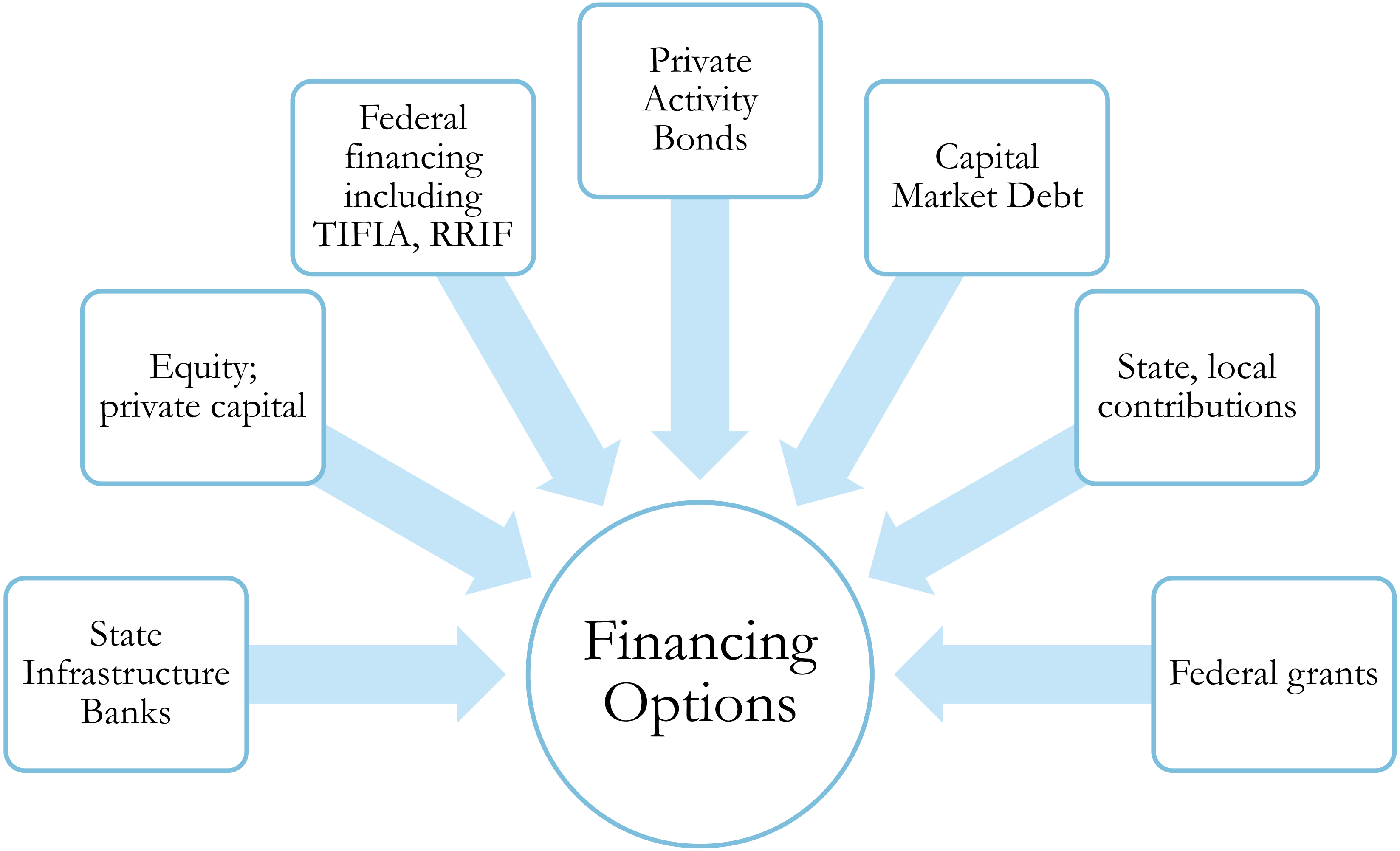
Key Considerations

- P3s are not free
- Accelerates project delivery
- Design-Build Construction Savings - reduced construction costs
- Operations and Maintenance Savings – reduced O&M costs
- Private Sector Financing – longer-term debt and wide array of financing tools; access to private capital; lower public sector debt
- Asset is still owned by public agency

Procurement Process



Financing Options



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