

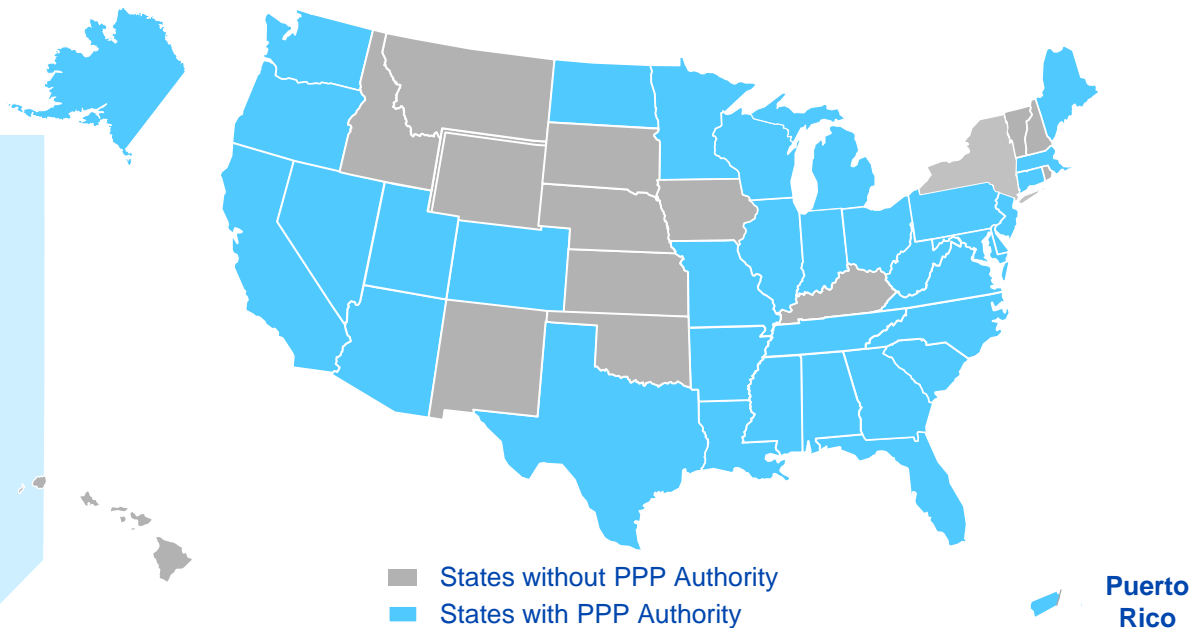
# P3s in the United States



*October 2015*

# STATE P3 LEGISLATION

- Specific P3 Legislation required state by state
- Currently, 36 states and D.C. And P.R. have some sort of P3 legislation
- Not all have states have broad P3 powers



# CURRENT STATE OF PLAY IN U.S. TRANSPORTATION

1993 to Present

Total Value of Concessions:

**33 Projects**

**\$36.2 Billion**

- \$8 bn in 5 brownfield leases of toll roads
- \$25 bn in 25 highway and bridge capacity additions
  - 16 (\$15.1 bn) toll revenue risk
  - 9 (\$10 bn) availability payment
- \$2.4 bn in 2 transit P3s
- \$0.7 bn in P.R. Airport

# CURRENT STATE OF PLAY IN U.S. TRANSPORTATION

Preferred Bidder status:

**\$ 5+ Billion**

- \$1.1 bn SH 288 in TX  
(revenue risk)
- \$4.0 bn LaGuardia Central  
Terminal in NY (revenue risk)

# CURRENT STATE OF PLAY IN U.S. TRANSPORTATION

In Procurement:

**\$ 6+ Billion**

- \$2.0 bn I-70 East in CO (availability payment)
- \$2.1 bn I-66 in VA (revenue risk)

# CURRENT STATE OF PLAY IN U.S. TRANSPORTATION

37 Projects  
\$47.2 Billion  
Market

- Projects are large > \$1.3 bn
- Predominantly Roads and Bridges
- More than 2/3 are revenue risk
- Tend to close 2 to 3 per year over last 10 years.
- Majority include TIFIA/PABs
- Only 12 states and P.R. have used P3s

# BEHIND THE NUMBERS: TRANSPORTATION

13 P3s are in  
two states:

- Virginia: 7 P3s
  - Dedicated P3 office
  - Revenue Risk focus
  - Managed lanes and toll roads under operation
- Texas: 6 P3s
  - Revenue Risk focus
  - New bills limit tolling
  - Hybrid models: DBOMf (25 year O&M)
  - Active pipeline for complex projects in urban areas: I-35, LBJ East, South Padre 2<sup>nd</sup> Access, Grand Pkwy

## BEHIND THE NUMBERS: TRANSPORTATION

14 P3s are in  
four states +  
PANY/NJ

- Indiana: 4 P3s
- Florida: 3 P3s
  - Primarily AP but capped
- Colorado: 4 P3s
  - Active pipeline
- California: 3 P3s
  - Legislation expires in 2016



# BEHIND THE NUMBERS: TRANSPORTATION

6 States,  
PANY/NJ,  
P.R. Have 2  
or less

- Pennsylvania (separate P3 office, accepts solicited and unsolicited)
- Ohio (separate P3 office)
- North Carolina (Revenue Risk)
- Nevada
- Alabama
- Illinois
- Puerto Rico (separate P3 office) (2)
- PANY/NJ (2)

# STATE OF PLAY IN THE U.S. SOCIAL P3 MARKET

## A Wide Variety

- Municipalities
- Institutions
- Military

- Military Housing: A huge success!
- Long Beach Court House and Long Beach Civic Center: Successful models but will they be replicated?
- Student Accommodations:
  - U.C. Merced
  - A robust pipeline under a variety of models
- Kentucky Broadband
- Michigan Street Lighting
- Ohio State Parking
- Miami Dade \$7.5 bn pipeline

# CHALLENGES FOR THE U.S. MARKET



- Deal Flow ebb and flows
- Political influences in the P3 process:
  - Indianapolis Justice Facility
  - Nevada Project Neon
- Tolling is becoming more political
- Public financing comparisons
- Long term federal funding is not resolved and affecting megaprojects
- Transit and airport P3s are not really taking off
- Social Infrastructure pipeline is weak

# OPPORTUNITIES FOR THE U.S. MARKET



- Infrastructure needs are growing more acute
  - Estimated \$2,700 billion of needed investment)
- P3 project performance in U.S. consistently stellar
- White House and DOT support P3s
- Bright spots:
  - LA Metro has the potential for a large pipeline
  - Water and wastewater opportunities on the rise
    - Five potential projects in Miami
  - Potential Port P3s in Philadelphia and Miami
  - U. S. COE has mandate to use P3s

# WHAT DOES THE U.S. MARKET TAKE?



- Have patience because the procurement process is long
- Continually help to educate public officials and communities
- Be flexible because things change all the time
- Do your homework to evaluate deals
- Develop relationships at every level in the public and private sector