

36 Commuting Solutions

P3s: Public-Private Partnerships

Jessica Yates
Snell & Wilmer, L.L.P.
May 8, 2012

About Snell & Wilmer L.L.P.

- A full-service law firm with offices in Colorado, Arizona, California, Nevada and Utah
- Active in planning, structuring and representing P3s throughout our footprint, nationally and around the globe

Snell & Wilmer L.L.P. and P3s

- We represent concessionaries, project team members (including contractors, investors, lenders, etc.) and public entities in implementing P3 projects
- We help our clients manage the risks and responsibilities that come with being involved in P3s

What is a P3?

- Partnership (contract) between public and private sectors to deliver a service or facility for public use
- Each party shares in risks and rewards, specifically negotiated to the issues of the specific project and role
- Many different models and applications

P3 Models: Transportation

- Most popular P3 model in U.S.
- Agreement between public entity and “concessionaire” or consortium of private entities to design, build, finance, operate & maintain project
- Private partner collects user fees/tolls from the public
- Example: Eagle P3 Project

P3 Models: Other Applications

- Courthouses
- Water Infrastructure
- Parking Garages
- Schools
- Hospitals
- Detention Facilities
- Other public facilities or public purpose projects

P3 Models: Public Facilities Example

Long Beach, CA, 545,000 Sq Ft Courthouse

- Private partner put in place a project-financing package with a total investment of \$500m
- Private partner will design, construct, operate and maintain courthouse
- Private partner will be paid an annual performance-based fee
- After 35-year of operations, the private partner will hand the facility back to the public

P3 Models: Urban Renewal (TIF/PIF)

- Public incentives for private developer to redevelop “blighted properties”
- Tax Increment Financing (TIF): capture future gains in taxes in district to subsidize improvements
- Public Improvement Fee (PIF): fee added to sales tax to pay for public improvements in district (examples: Belmar, Colorado Mills)

Keys to Successful P3s

- Statutory authorities
- Political champions
- Organized structure
- Detailed business plan
- Guaranteed revenue stream
- Stakeholder support
- Choose partner carefully

Conclusion

Please Feel Free To Contact Me With
Any Questions

Jessica Yates
[jyates@swlaw.com](mailto: jyates@swlaw.com)
(303) 634-2097