A New Formula for Infrastructure Investment

The BUILD AMERICA BUREAU serves as the single point of contact and coordination for states, municipalities and project sponsors looking to:

- UTILIZE federal transportation expertise,
- APPLY for federal transportation credit programs
- and EXPLORE ways to access private capital and expertise in public private partnerships.
Build America Bureau Objectives

- Consolidate US DOT’s key Finance Programs and finance expertise.
- Provide project development assistance.
- Provide a one-stop shop for streamlining credit processes.
- Administer US DOT Credit programs, including project credit reviews, due diligence, loan negotiation and documentation.
- Promote best practices in public-private partnerships.
- Advance large, complex, multi-modal, multi-jurisdictional projects.
- Utilize the expertise of US DOT Operating Administrations.
Starting on the Path to Delivering a Potential Transit P3

Challenges Faced in Maryland

- Limited public familiarity with:
  - P3s (Design-Build-Finance-Operate-Maintain or DBFOM)
  - Transit P3s
  - Availability Payments

- Existing team structures and processes may not satisfy the demands of a thorough P3 analysis and solicitation process...

- The P3 industry was not yet aware of the Maryland project and the potential delivery approach...

Guidance from Lessons Learned
The path to delivering a potential transit P3.....

- Establishing the Foundation
- Legislative / Regulatory Framework
- Project Screening / Scoping
- Focusing on a Specific Project / Developing a Business Case
- Market Soundings / Refining the Business Case
- Making the Final Decision for Project Delivery Approach / Commence Procurement Process
- P3 Solicitation
- Selection and Award
- Project Implementation / Long-term Monitoring

How can the US DOT Build America Bureau assist?
Establishing the Foundation

- P3 definition
- Recruitment of in-house staffing capacity
- Identify potential senior-level champions
- Identify staff-level partnerships, particularly in other parts of local/state government
- Identify potential options for external contract support (consultants, etc.)
- Determine program needs: Specific project needs? Screening of multiple projects? Unsolicited?

Potential US DOT Build America Bureau Resources

- Establishing a Public-Private Partnership Program: A Primer
- Successful Practices for P3s:
  https://www.transportation.gov/sites/dot.gov/files/docs/P3_Successful_Practices_Final_BAH.PDF
- P3 101 Training Sessions
Legislative / Regulatory Framework

• What is currently possible under the existing legislative, regulatory, and policy frameworks?
• Ideas from other jurisdictions:
  – AIAI: http://aiai-infra.info/legislative.html
  – NCPPP: http://www.ncppp.org/resources/research-information/state-legislation/
• Options and timing for establishing / clarifying existing frameworks
  – Legislative fixes? (multi-year)
  – Regulatory fixes? (within one year)
  – Policy fixes? (within months, depending on the level of support from leadership)

Potential US DOT Build America Bureau Resources
• Peer Exchange Sessions: Various peer exchanges for state and local officials are organized throughout each year.
Legislative / Regulatory Framework

States with Transportation P3 Enabling Legislation as of Jan. 1, 2016
(Updated from page 15 of the 2010 NCSL PPP Toolkit)

- Broad enabling legislation
- Limited or project-specific legislation
- No legislation
### Project Screening / Scoping

- What are the project needs? Short-term priorities? Long-range transportation plan?
- Revenue sources
  - Project-specific revenue sources?
  - If not a revenue generating asset, are availability payments an option?
- Is there a clear alignment between transportation needs and proposed project?
- Examples of other cities/states addressing similar needs through a P3?

### Potential US DOT Build America Bureau Resources

- **P3 SCREEN:**  

- **Case Study Webinars:** AASHTO / Bureau case study on the RTD Eagle project:  
Focus on a Specific Project / Developing a Business Case

- Develop initial risk register and initial Value for Money (VfM) or similar analysis, which will be refined over time
- Briefings for senior-level project champions, internal and external to the department

Potential US DOT Build America Bureau Resources

- **Risk Assessment for P3s – A Primer:**
- **Financial Structuring and Assessment for P3s – A Primer:**
- **P3 VALUE Tool / Training:**
  https://www.fhwa.dot.gov/ipd/p3/toolkit/analytical_tools/p3_value/
Market Soundings / Refining the Business Case

- Participate in conferences, roundtables, panels, informal discussions, etc. to start understanding the market perspective of the potential project.
- Release a Request for Information (RFI) to gather written feedback from potential proposers.
- Host an industry forum that includes both a presentation of the potential project elements and, if possible, 1-on-1 meetings with potential proposers.
- Provides advance notice to the market that a project may be in the pipeline in the near future.
Final Decision for Project Delivery Approach / Commence Procurement Process

- Decision requires a relatively high degree of certainty for a successful procurement.
- The public sector sponsor needs to sufficiently mitigate various procurement risks, including political & stakeholder risks.
- This is another key time to arrange briefings for potential project champions that are external to the department / agency that is sponsoring the project.
- Determine final timeline and approach for:

  - Potential US DOT Build America Bureau Resources
    - Credit Programs (Loans from TIFIA / RRIF)
    - Private Activity Bonds (PABs) Program
For assistance with best practices and project development, contact BuildAmerica@dot.gov