

FLORIDA COUNCIL FOR PUBLIC PRIVATE PARTNERSHIPS

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Announcement: Moody's: US is poised to become largest public-private partnership (P3) market in the world

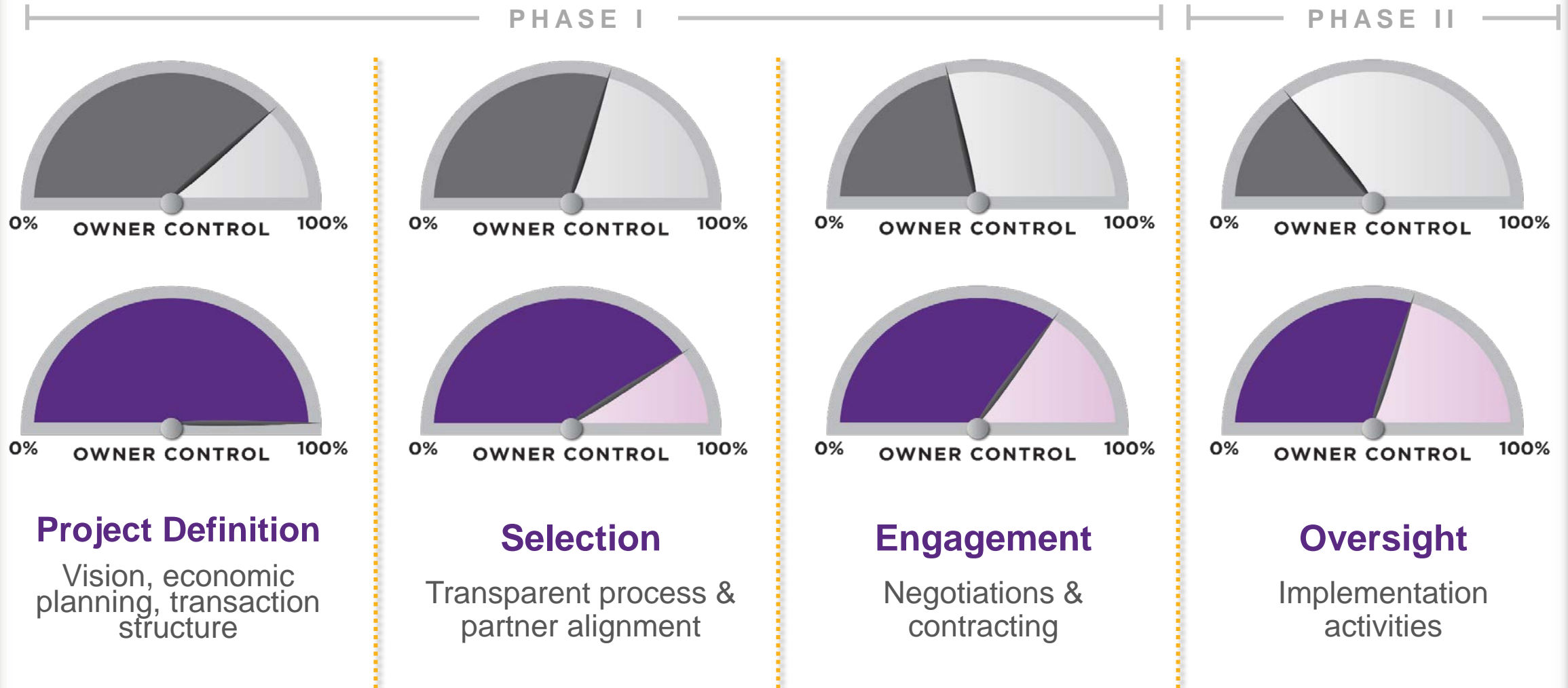
Global Credit Research - 08 Sep 2014

New York, September 08, 2014 -- Given the sheer size of its infrastructure and growing urban population, the US has the potential of becoming the largest market for public-private partnerships (P3s) in the world, says Moody's Investors Service in its "Global P3 Landscape" report. An increasing number of US states are authorizing the use of P3s for transportation projects, typically the first type of P3 project in a new market, and the use of P3 models has been steadily increasing over the last five years.

"More US states and governments around the world are using P3s to develop and maintain public infrastructure," says Managing Director Chee Mee Hu. "Two inter-related trends are at work that could cause P3 activity to expand: the need to upgrade, replace or build out essential infrastructure assets and the inability of governments to finance these current and future infrastructure investments entirely on their balance sheets."

P3 PROCESS OVERVIEW

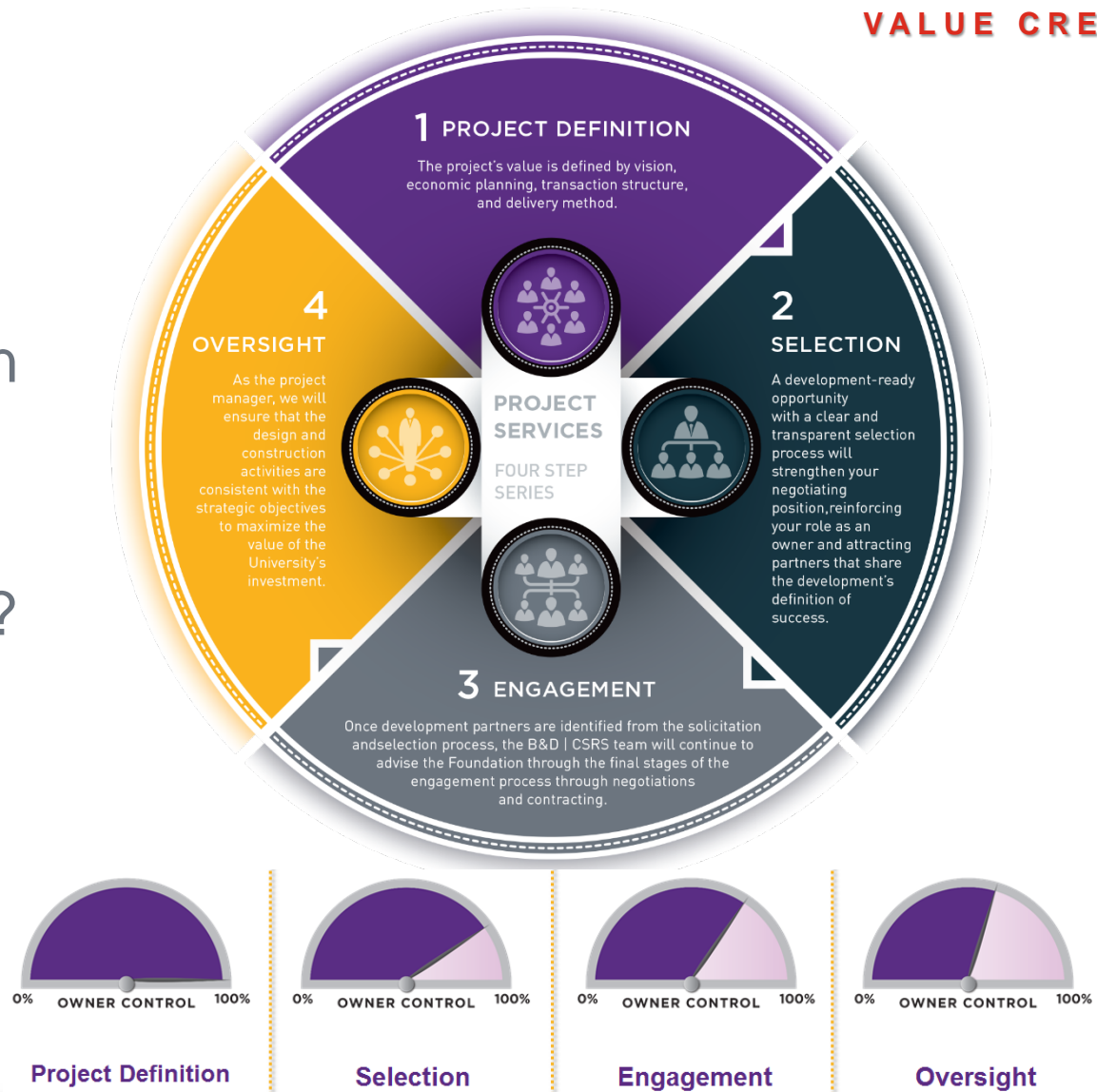
VALUE CREATION



P3 PROCESS OVERVIEW

VALUE CREATION

- + What are the intended outcomes?
- + What does the 100% solution look like?
- + To what extent do the economics support the ideal?
- + You must define the “why” and the risk profile



P3 PROCESS OVERVIEW

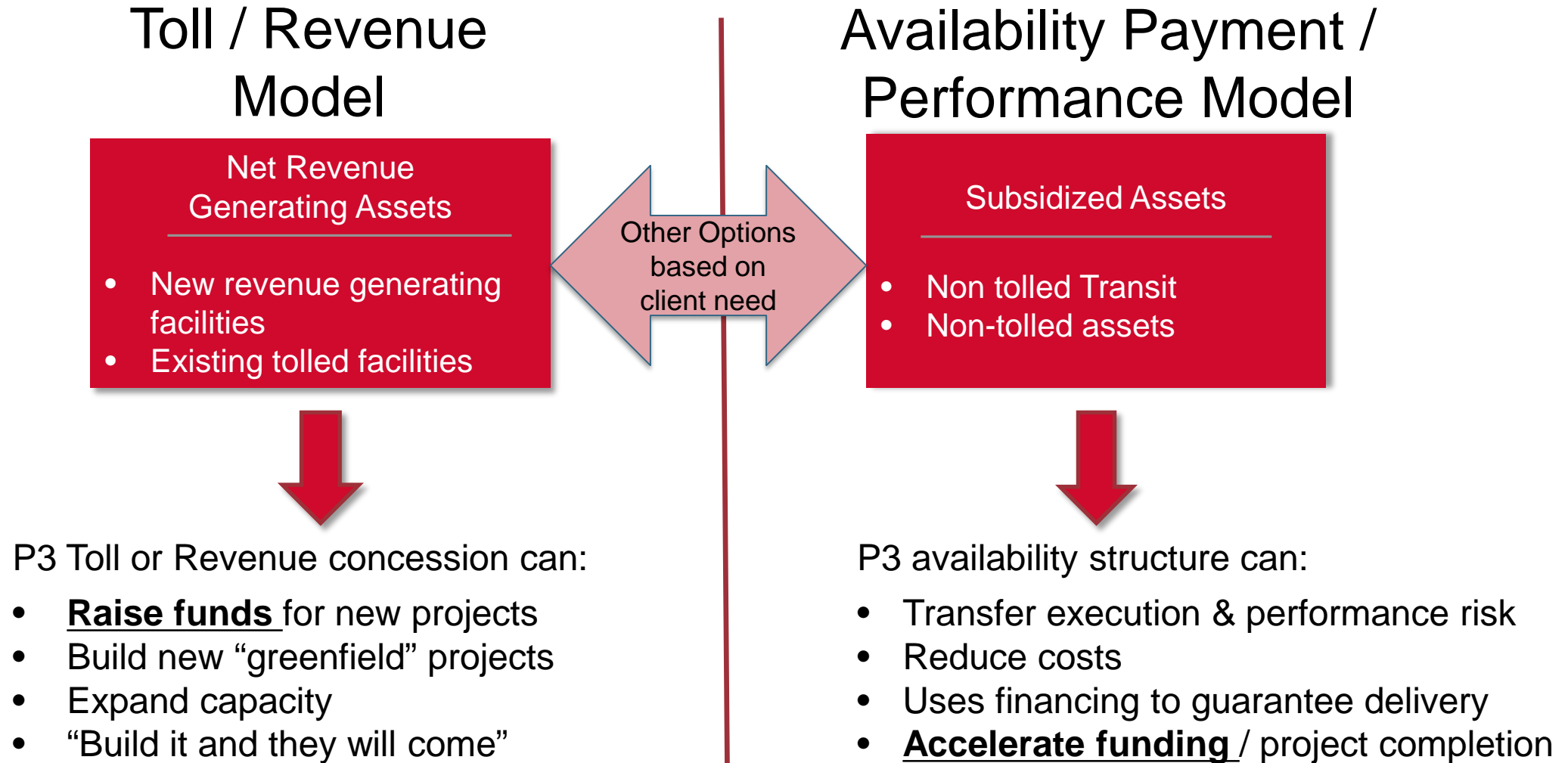
VALUE CREATION

- Identify the key elements of risk in various public private partnership structures:

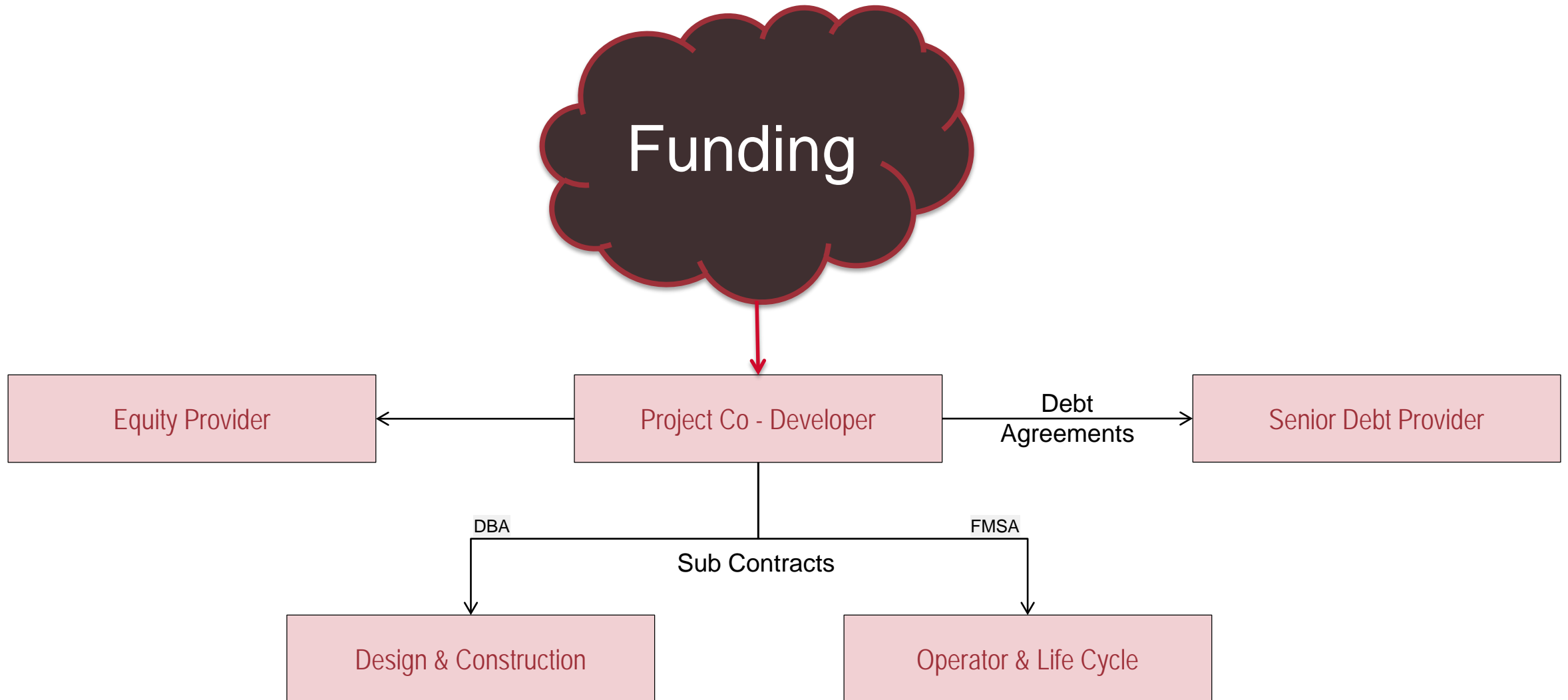
Design & Construction	Site risk	Availability of site (land acquisition/rights-of-way), quality of site (geological conditions, existing asset condition), zoning permits
	Design risk	Inadequate planning, substandard design vs user requirements, lack of system integration, delayed construction permits, delay PPP approval
	Construction risk	Time delays, completion risk, cost overruns, quality issues, sub-contractor underperformance, untried and complex technologies, design change requests
	Environmental and social risk	Delayed environmental permits, environmental constraints for construction and operation, stakeholder opposition, costs of social and environmental mitigation
Operations	Commercial risk	Lower demand than forecast, higher price elasticity, network interface risk, revenue collection risk
	Operating cost risk	Higher operating costs, maintenance costs, labor costs and commodity prices
	Performance risk	Operational inefficiency, system underperformance, reduced asset availability and capacity, service interruptions, innovation risk
	Financing risk	Refinancing availability, borrowing rate risk, counter-party and government sponsor risk
Political & Macro	Macroeconomic risk	Changes to economic growth, population, demographics, industrial development, interest rates, exchange rates, inflation
	Regulatory risk	Changes in regulated prices, competition, sector framework, taxation
	Political risk	Breach of contract, expropriation, currency inconvertibility, no profit repatriation
	Force majeure	Natural or man-made events, e.g. earthquake, flood, hurricane, civil war, riot, crime, strike

Source: World Economic Forum and The Boston Consulting Group – Strategic Infrastructure – Steps to Prepare and Accelerate Public-Private Partnerships, 2013, p.46

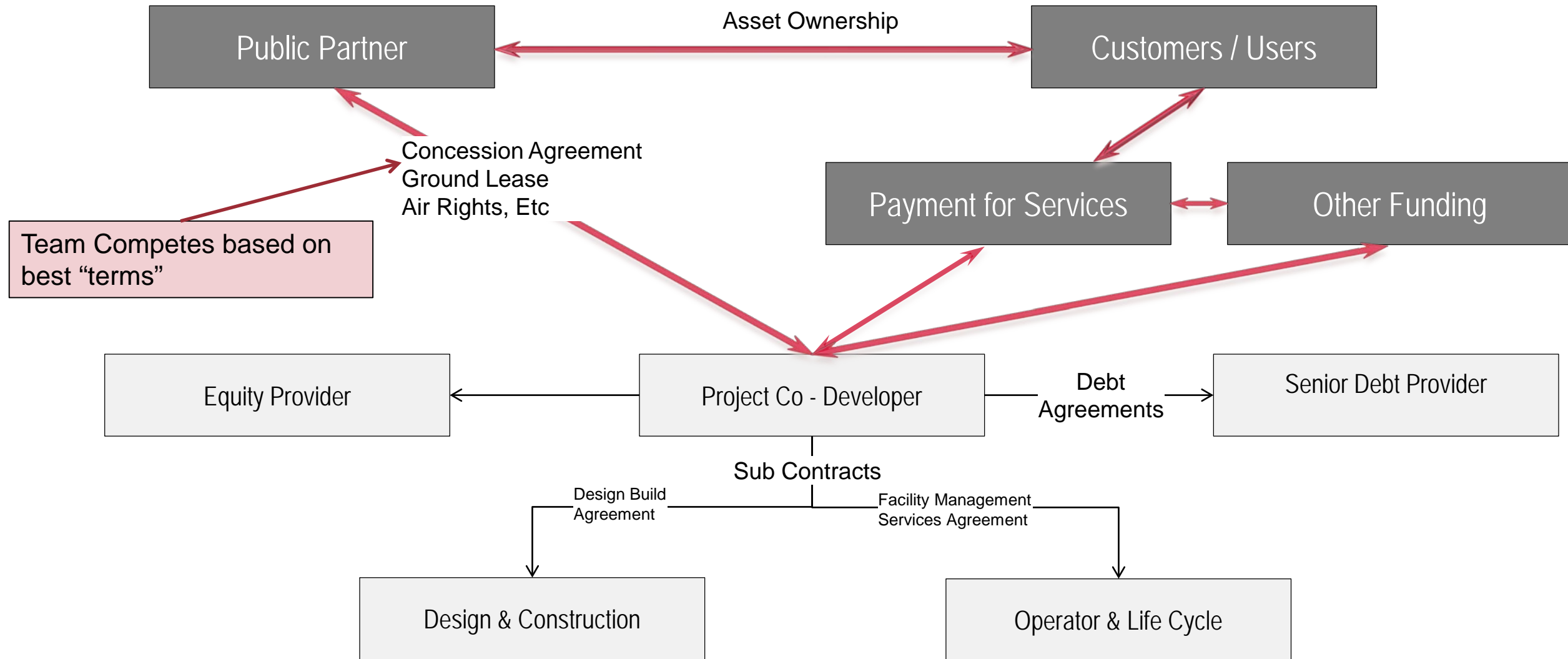
P3 - AT A HIGH LEVEL, TWO MODELS



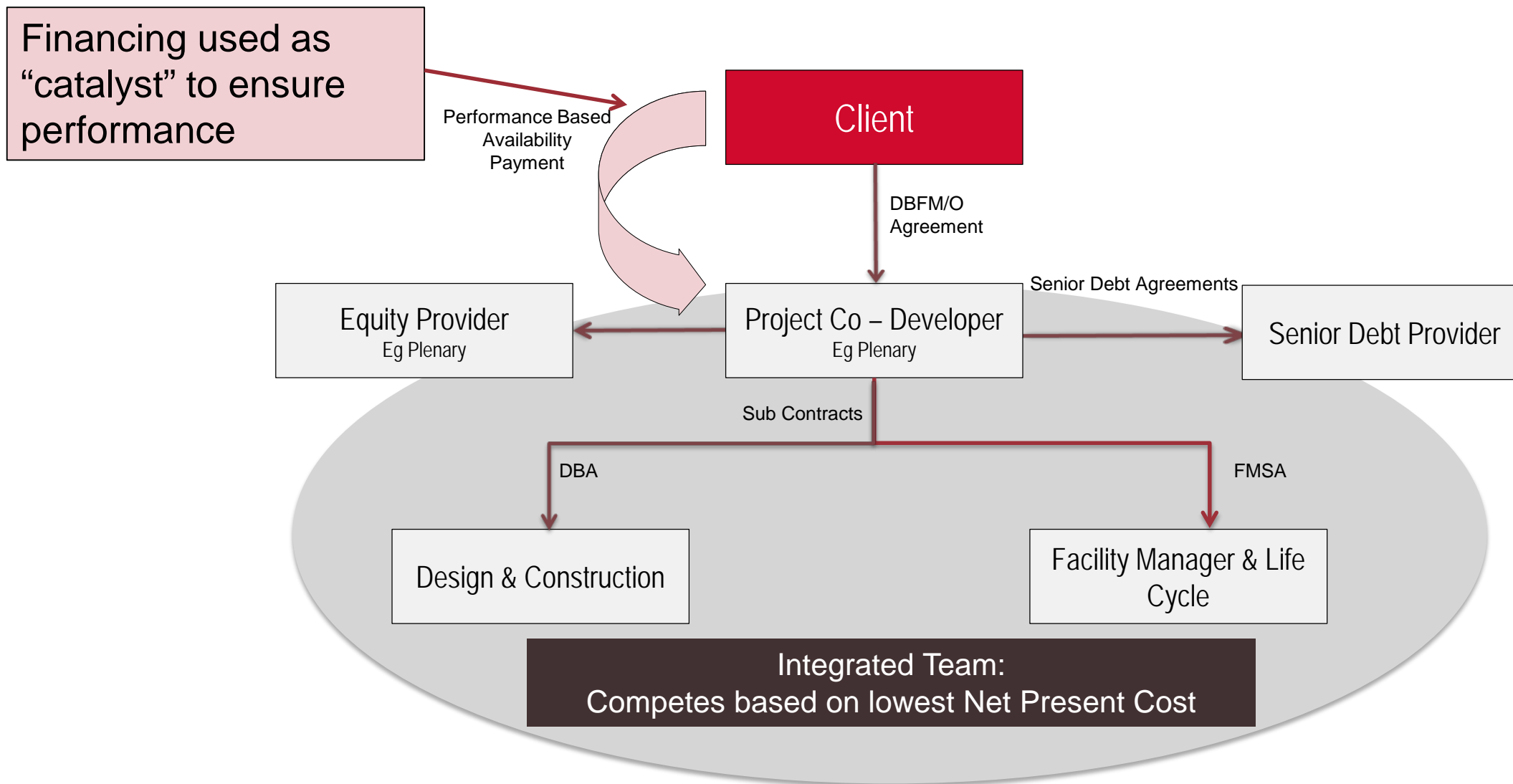
BASIC DEAL STRUCTURE



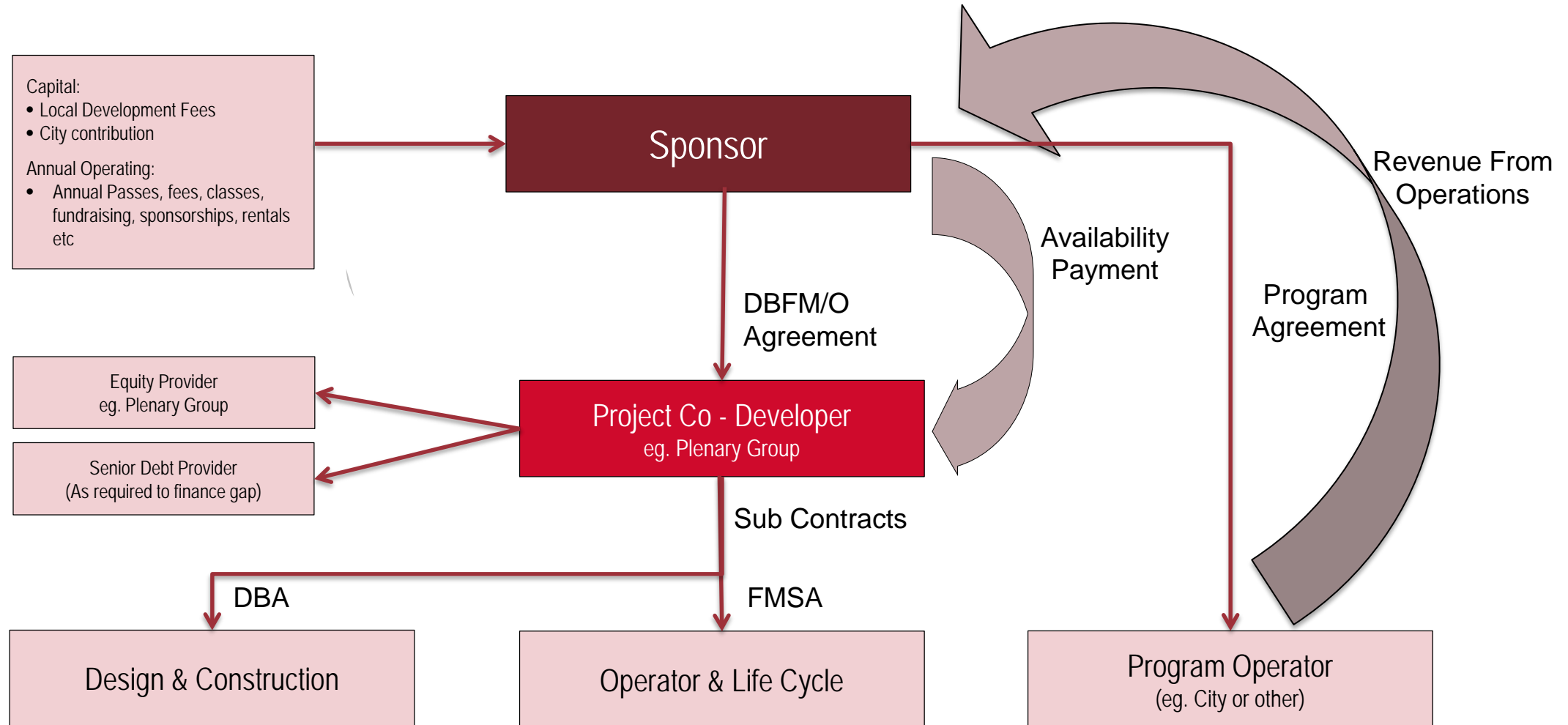
TOLL / REVENUE STRUCTURE – FUNDING MODEL



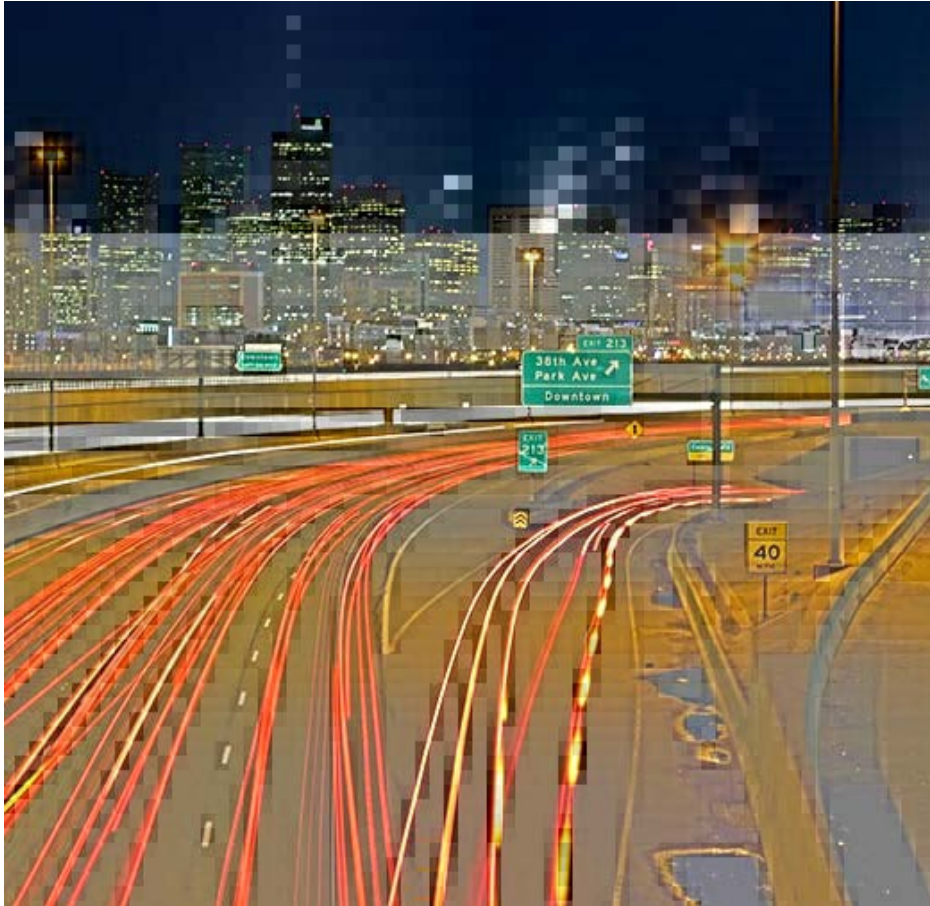
BUSINESS MODEL PARTNERSHIP STRUCTURE – PPP AVAILABILITY MODEL



PARTNERSHIP STRUCTURE – HYBRID MODEL



US36 Managed Lanes Denver CO



OVERVIEW

The Project promotes multimodal transportation strategies that increase travel choices and efficiency for all modes - including general and managed lanes, bus rapid transit, bicycling and walking, while reducing emissions and resource use.

Once completed, residents will have more options for cleaner, safer and less congested travel.

Once construction is complete, Plenary will begin operations and maintenance. In addition, Plenary will operate and maintain the existing I-25 Express Lanes segment connecting US 36 to downtown Denver.

KEY STATISTICS

CLIENT:	Colorado High Performance Transportation Enterprise
FINANCIAL CLOSE:	February 2014
COMPLETION	December 2015
VALUE:	US\$200 million
DEVELOPER	Plenary Group
BUILDER:	Ames / Granite Construction Company Joint Venture
LEAD ENGINEER:	HDR Engineering
OPERATIONS:	Transfield Services
FINANCIAL SERVICES:	Goldman Sachs
CONTRACT TERMS:	50 years, Design-Build-Finance- Operate-Maintain

Nicholson Gateway Development, Louisiana State University - Baton Rouge, LA



OVERVIEW

The Project is a student-centered development that accelerates deferred maintenance, responds to demands for on-campus housing, and supports student success by improving the campus living experience for both undergraduate and graduate students.

It will transform the western edge of campus, extending LSU's campus character and student life experience across Nicholson and creating a distinct entrance corridor for the university.

Existing campus residence halls will also be redeveloped as part of the public-private partnership in an effort to take advantage of scheduling and financing efficiencies.

KEY STATISTICS

CLIENT:	Louisiana State University Property Foundation
FINANCIAL CLOSE:	September 2016
COMPLETION	Phased Delivery – Fall 2018, 2019, 2020, 2021, 2022
VALUE:	US \$450 million
DEVELOPER	RISE: A Real Estate Group
BUILDER:	Lemoine Company
LEAD ARCHITECT:	Niles Bolton
OPERATIONS:	RISE / LSU
FINANCIAL SERVICES:	RBC Capital
CONTRACT TERMS:	40 years, Lease Leaseback (Design-Build-Finance- Operate-Maintain)

Long Beach Civic Center – Long Beach CA



Project Description

Plenary Group was awarded the exclusive right to negotiate the DBFOM of a new civic center with the City of Long Beach in December 2014

The public portion of the project will include the delivery of a new City Hall, Port of Long Beach Headquarters building, revitalized Lincoln Park, and a new downtown library

In addition, a mixed-use development will occur on the unused portions of the site. A creative financial solution was developed that builds all of the public scope at the current level of annual expenditures

Develop three parcels of property (to contribute to the revitalization of the downtown area and to subsidize the delivery of the civic components)



Client	City and Port of Long Beach
Developer	Plenary Group
Financial Close	April 2016
Developer	Plenary Group
Builder	Clark Construction
Architect	SOM
Facility Manager	Johnson Controls
Contract Terms	40 Years
Status	Construction
Project Value	\$494 million

Thunder Bay Consolidated Courthouse, Thunder Bay ON



OVERVIEW

This 200,000 ft², state-of-the-art facility brings two existing courthouses – the Superior Court of Justice and the Ontario Court of Justice – into one building in downtown Thunder Bay and will include space for a number of services, including the Victim/Witness Assistance Program and Legal Aid Ontario.

The facility's design is also sensitive to the cultural aspects of the region and houses the Province's first Aboriginal Settlement Conference Suite, specifically designed to respond to the needs of the region's Aboriginal population.

The project achieved substantial completion in February 2014.

KEY STATISTICS

CLIENT:	Ministry of the Attorney General
FINANCIAL CLOSE:	November 2010
COMPLETION DATE:	February 2014
VALUE:	C\$247 million
BUILDER:	Bird Design-Build Construction
ARCHITECT:	Adamson Associates Architects/Ricci Greene
SERVICES:	John Controls Inc.
CONTRACT TERMS:	32.75 years, Design- Build- Finance- Maintain