Partnerships for Connectivity: Leveraging Public-Private Partnerships For Mutually Beneficial Infrastructure Projects

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Facing New Challenges

• Increased Demands for Sustainability
  – Growing our Business to meet Future Customer Needs
  – Increased Interest by Communities for Support
  – Environmental Stewardship

• Infrastructure Needs:
  – New
  – Replacement for Aging

• Stretched / Shrinking Budgets

• Less Traditional External Funding Sources
One Approach to Meet the Need

- Partnerships range from:
  - Outsourcing
  - Privatization
  - Public – Private Partnerships (PPP’s)

- Public - Private Partnerships
  - Joint Ventures
  - Collaborative Enterprises

  Difference from Privatization is level of public control
Traditional Private Sector Strengths

- Management Efficiency
- Newer Technologies
- Cash Flow Management
- Personnel Development
- Available resources
- Nimble Decision Making
Traditional Public Sector Strengths

- Legal Authority
- Protection of Procurement Policies
- Broad prospective/ balancing the competing goals to meet public needs
- Limited Capital resources
- May have underutilized assets
Ports are a blend of both

• Many run as a profitable business entity
• Have good Cash Management skills
• Personnel Development is supported by the industry
• Many ports have legal authorities that allows us to do things Private entities can’t
  – Eminent Domain
  – Patience Capital
  – Environmental Expertise
Successful Partnerships

• Balance the traditional Strengths of both
  – Public
  – Private

• This is a great fit for Ports
Advantages of PPP’s

• Reduces development risk
• Leverages public capital investment
• Mobilizes excess or underutilized assets
• Leverages efficiencies and may provide quicker completion
• Increased Environment Stewardship
• Improved service to community stakeholders
Criteria to Consider

- Enabling Legislation in place?
- A pressing Need?
- Reasonable development timeframe?
- Financially feasible / Revenue stream?
- Managed and Shared risks
  - Market Evaluation
  - Environmental Evaluation
- Political Climate
- Shared Philosophy of the Partners?
22 States with Transportation PPP authority
Partnerships that Work

• Urban Development
  – Capt. Alwyn Soppitt – Saint John Waterfront Development

• Joint Business Development
  – Steve Cernak – Galveston Cruise Terminal

• Transportation
  – FAST Corridor – Jeannie Beckett
Questions and Answers