

P3 Project Feasibility

Ohio Transportation Engineering Conference 2008

Kirk Haybarker
*Vice President
for Grant Holland*

WilburSmith
ASSOCIATES

Columbus, Ohio

October 29, 2008

P3 Feasibility

- There Is No Single Factor That Makes a P3 Project Feasible
- P3 Feasibility is Not an Issue of Design and Construction
 - Design and construction typically constitute about 5% to 10% of a concession's term
- Feasibility of a P3 Project is Driven by Financial and Contractual Considerations

Elements of P3 Feasibility

- **Statutory Framework**
 - Authority to enter into a P3
 - Ability of public to participate financially in P3
 - Toll rate enforcement
 - DOT or Transportation Commission/Board as power to approve concession agreement
- **Project Costs**
 - Capital costs
 - Operations & Maintenance
 - Long-term or capital maintenance
 - Future expansion needs

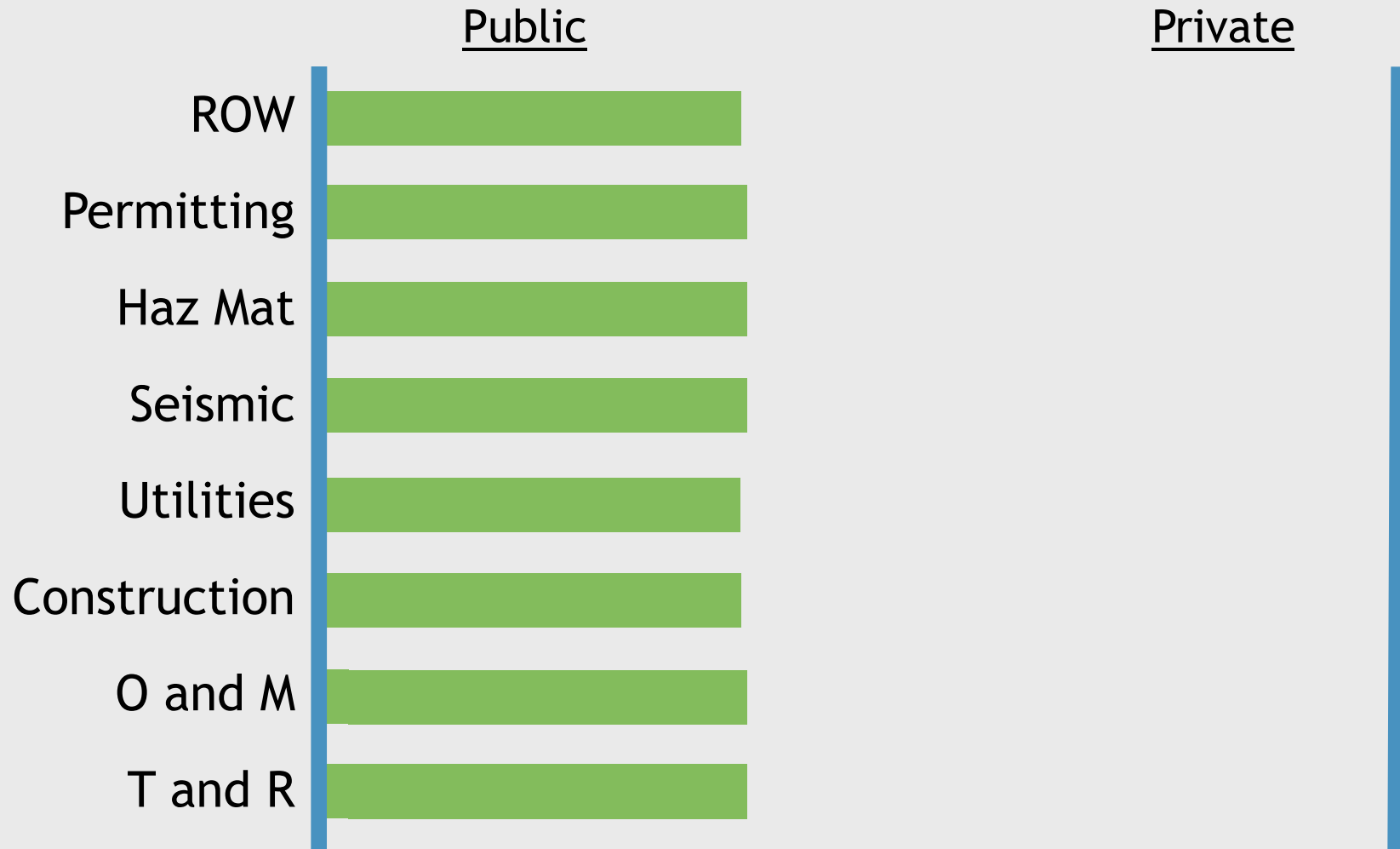
Elements of P3 Feasibility

- Economic Considerations
 - Local economic drivers
 - Employers
 - Population growth
 - Tax base
 - Income levels
 - Employment levels
- Traffic and Revenue
 - How does the project fit into the regional transportation network?
 - Alternative routes
 - What, when and where are future facilities planned

Elements of P3 Feasibility

- **Project Type**
 - Congestion reliever
 - Development driven
 - Managed lanes
 - Roadway
 - Bridge
- **Project's Risk Profile**
 - Startup
 - Design and construction issues
 - Toll rate regime
 - Change in laws or regulations
 - Permit/Environmental
 - Termination

Indicative Risk Cost Transfer



P3 Feasibility

- There Is No Single Factor That Makes a P3 Project Feasible
- P3 Feasibility is Not an Issue of Design and Construction
- Feasibility of a P3 Project is Driven by Financial and Contractual Considerations