

# Public-Private Partnerships in Ohio



## Overview of Benefits of Public-Private Partnerships (P3s)

More and more government agencies across the country are turning to the power of P3s, and for a good reason. These unique agreements between governments and private companies drastically increase the efficiency of public sector projects in every regard. From faster project completions and reduced delays, to a much higher return on investment and lower project cost than traditional methods, these agreements save governments and taxpayers money.

P3s have been proven to generate jobs and stimulate local economies by making projects affordable and viable, enabling them to address new and existing infrastructure needs in a cost-effective, sustainable manner. Government entities transfer the risk of building and maintaining public buildings while setting the parameters and expectations of delivery. Should these requirements not be met, the government has the financial recourse to remedy performance issues, ultimately protecting the taxpayer from unexpected cost increases or shortcomings in service delivery within their facilities.

### Quick Facts of Cost Savings

- Every dollar invested in infrastructure through P3s generates \$2.80 in economic activity.
- P3s offer cost savings of nearly 25% over the life of the project compared to traditional building methods.
- The greater efficiency of P3s reduces the strain on stressed government budgets.
- Building operating & maintenance costs, future life cycle costs and energy costs are guaranteed over the 30+ year term of the agreement, creating substantial cost savings.

### Quick Facts of Faster Project Completion

- P3s result in faster project completion and reduced delays on infrastructure projects by implementing penalties to guarantee on-time delivery.
- P3s reduce the risk of change orders through a rigorous integrated design-build process, which shortens both the design and construction schedules.

### Overview of Proposed Ohio P3 Legislation

- Enables public and private entities to enter into agreements together to Design, Build, Finance, Operate and Maintain (DBFM) public projects by a private entity.
- Grants explicit authority to Ohio's municipalities, school districts, universities and state agencies to enter into P3s for the procurement of public buildings.
- Allows public entities to accept unsolicited proposals while remaining compliant with public bidding regulations.

## P3 Projects in the US

### Long Beach Courthouse Project Profile

The Long Beach Courthouse is the first social infrastructure project completed under a P3 model in the United States. The consortium was responsible for designing, building and financing a new \$495 million, 545,000 square-foot courthouse, and then maintaining it over 35 years. Located on six acres, the building houses 31 courtrooms with adjoining holding cells and pre-trial meeting rooms. Completed under budget and 11 days ahead of schedule, the project won the Design-Build Institute of America's Excellence in Design Award, Civic Buildings, National Award of Merit.



### Long Beach Civic Center Redevelopment Project Profile

The project includes creating a new City Hall, a new Main Library, a revitalized Lincoln Park, parking facilities and a new Port of Long Beach headquarters, as well as complementary private development in downtown Long Beach. The private sector partners will develop, design, build and finance the new Civic Center, and will then manage operations and maintenance over a 40-year concession period. By using a public-private partnership model, the City of Long Beach is able to benefit from a new Civic Center for less than it currently pays to use and maintain their existing facilities.



### University of California – Merced 2020 Project Profile

The UC Merced 2020 Project is a 1.2 million gross-square-foot campus expansion and redevelopment that will nearly double the campus' physical capacity by 2020. The project will be the first in the UC system to use a single private development team for a multi-year, multi-building project of this scope. The facility will be built using the DBFM model, creating guaranteed cost certainty for O&M, future life-cycle and energy performance results over the 39-year term. The design and construction approaches are flexible and highly adaptable, helping the campus achieve long-term life-cycle and sustainability goals.

