

TESTIMONY in Favor of HB 218

Thank you Chairman Duffy, Vice Chair Antani and Ranking Member Ramos for providing Star America the opportunity to speak in favor of HB 218.

Star America Infrastructure Partners is a developer and investor in infrastructure projects, both civil projects and building projects throughout the United States.

SA is privileged to be a partner with ACS and InfraRed in Ohio DOT's first Public Private Partnership the Southern Ohio Veterans Memorial Highway

That job reached substantial completion on December 10, 2018 – ahead of schedule and within budget. This project provided Ohio with a single team to design, build, finance, operate and maintain this new highway. This included a fixed price for maintenance throughout the term.

Star America is also a developer and investor in new Public Buildings including a partnership with Edgemoor Infrastructure on a new 230,000 sq ft. county courthouse to be constructed in Howard County Maryland which reached financial close November of last year.

This project was possible because Maryland's P3 statute allows both transportation and social infrastructure projects and provides the counties in Maryland with the authority to use this procurement method. Within our pricing and financing for this project was a fixed price from Johnson Controls for maintenance and Facilities Mgmt. for the full 30-year term.

This price is based on building performance standards and technical requirements governing the buildings condition throughout and at the end of the term.

These deals and other P3's are structured with long term financing, fixed costs of construction, guaranteed schedule dates for completion and include the transfer of the risk of maintaining the infrastructure. This helps avoid any increase in deferred maintenance or debt loads.

This is important for educational institutions and others in Ohio. A 2016 Dayton Daily News Article stated that 10 of 14 public universities had \$2.8 billion in deferred maintenance on their assets and had seen their debt climb to \$6.7B in 2014.

DBFOM through a single contract also provides risk transfer to a single source of accountability. The right, pre-qualified private partners accept and are experienced in managing transferred risks such as timely completion and quality of work.

The P3 procurement method also promotes innovative solutions. Each bidder will take their own approach proposing unique solutions but will need to make sure that their own design still meets established performance criteria and technical specs.

This approach to the building of new facilities such as courthouses, government offices, student housing and academic buildings on college campuses can allow the public sector to focus on its core mission and maintain ownership of the facility while the private partner builds and maintains the asset.

15 states currently allow for P3's for public buildings. Allowing this additional tool to be available for building projects here in Ohio would allow various public entities to study their capital needs and find the projects that are right for this alternative procurement process.

Star America strongly supports the passage of House Bill 218, is proud to be a partner with the state of Ohio on its first civil P3 and looks forward to having additional opportunities to partner with you as you build your future.

I am happy to answer any questions from the committee.

