

AGENDA

PUBLIC PRIVATE PARTNERSHIP PANEL DISCUSSION WORK SESSION

Bi-State Bridge Replacement Working Group Video Meeting
February 5, 2021 / 1:00-4:00pm
Video Conference Zoom Credentials Sent via Email

Members: Betty Barnes (Mayor), City of Bingen; John Everitt (President), Port of Hood River; Marla Keethler (Mayor), City of White Salmon; Kate McBride (Mayor), City of Hood River; Bob Benton (Commissioner), Hood River County; Jacob Anderson (Commissioner), Klickitat County; Kristi Chapman (Commissioner), Port of Hood River – *alternate*

Staff/Consultants: Kevin Greenwood (Project Director), Port of Hood River; Michael McElwee (Executive Director), Port of Hood River; Lowell Clary (Consultant)

Panelists: Jen Mayer, Concept Jeneration (Public); Ken Szeliga/Ryan Dolan, United Bridge Partners (Private); Nick Farber, Colorado DOT (Public); Sia Kusha, Plenary (Private)

1. Welcome – Mayor Barnes 1:00
2. Purpose of Work Session/Format – Kevin Greenwood 1:05

The purpose of this afternoon's session is to increase the public's knowledge base and understanding of public private partnerships. Panel presentations will be brief and focus on case studies. An hour has been scheduled for a roundtable discussion based upon themes heard during the presentations.

3. Introductions of Panelists – Lowell Clary 1:10

Biographies on Mr. Clary and the panelists are included as part of the meeting packet.

4. Presentations – Lowell Clary 1:20

Panelists will have 10-15 minutes to present case studies. Questions should focus on clarifying elements presented.

- A. Jen Mayer, Concept Jeneration (Public) 1:20
- B. Ken Szeliga/Ryan Dolan, United Bridge Partners (Private); 1:45
- C. Nick Farber, Colorado DOT (Public); 2:10
- D. Sia Kusha, Plenary (Private); 2:35

5. Q&A/Roundtable – Lowell Clary 3:00

The session concludes with a roundtable discussion among committee members and panelists. This will be an opportunity to compare case studies, discuss strengths and weaknesses of presented approaches and allow time for in-depth conversations.

6. Adjournment 4:00

Summary minutes of the work session will be printed and posted on the Port of Hood River's website at www.portofhoodriver.com.

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LOWELL R. CLARY

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PROFESSIONAL EXPERIENCE

Clary Consultant Company, December January 2008 to present

Lowell R. Clary (Lowell) is the President of Clary Consulting. Clary Consulting provides advisory services to governmental and private sector clients on transportation finance, developing transportation projects, public-private partnerships (P3s), procurement, and assisting in negotiations of complex projects and agreements. A sample of Clary Consulting clients includes state DOTs such as Colorado, Connecticut, Florida, Maryland, and North Carolina; State Auditors in Colorado and North Carolina; local governments such as Hood River Port Authority, Miami-Dade County Transportation Planning Organization, Puget Sound Regional Council (Seattle Region MPO) and private developers developing toll roads and developers developing Transit Oriented Development projects.

Sample Projects include:

- **Maryland DOT I-495 and I-270 P3 Program – Currently Active** - Lowell Clary serves as strategic advisor on the Technical Joint Venture General Engineering Consultant Team. Mr. Clary focuses on the solicitation and commercial elements of the request for qualifications, request for proposal, and upcoming evaluation stage of the active procurement process advising the Maryland DOT. Mr. Clary partners with members of an engineering consultant team in this effort.
- **Miami-Dade County Transportation Planning Organization (TPO) – SMART Plan – Currently Active** – The SMART Plan is composed of six proposed major rapid transit corridors in Miami-Dade County in Florida that are the number one priority of the Miami-Dade TPO. Lowell Clary leads strategic and financial advisory services for the TPO in evaluating the financial feasibility of the proposed rapid transit corridors as these come forward for recommended preferred alternative for consideration by the TPO. Lowell Clary also developed a corridor delivery approach matrix (procurement options) and brochure for the TPO that outlined the project delivery approaches from traditional to P3. See 2020 report at <http://miamidadetpo.org/library/smartplan-fiscal-priorities-committee-financial-report-2020-07.pdf>
- **USDOT – Credit Bureau of the Build America Bureau – Currently Active** – Clary Consulting serves as one of the financial advisors in the “pool of advisors” that advises the USDOT Credit Bureau on Transportation Infrastructure Finance and Innovation Act (TIFIA) loans. Clary Consulting is currently active on two TIFIA loans where Lowell Clary is the senior advisor and has advised on toll backed loans under a government ownership and public-private partnership approach. This provides Clary Consulting with an in-depth understanding of the TIFIA loan process.
- **Hood River Port Authority – Hood River-White Salmon Bridge Replacement Project – Previous Tasks Complete** - Lowell Clary served as a strategic advisor for the Port of Hood River to discuss key issues such as project delivery approach after the Port Authority received an unsolicited proposal for a public-private partnership for the Bridge Replacement Project. This included reviews of policies and guidance on the procurement process including public-private partnerships and interaction with staff and board members of the Port Authority.

- **North Carolina State Auditor – Review of the I-77 P3 Project – Complete** - I-77 is a major urban roadway in Charlotte. The I-77 P3 Project is adding new High-Occupancy-Toll lanes in the corridor. The I-77 P3 Project was the first P3 project by the North Carolina Department of Transportation. Select legislators expressed concerns about the Project and asked the State Auditor to review the Project. Clary Consulting partnered with an engineering firm and a law firm to support the North Carolina State Auditor’s review in response to the legislative request.
- **Colorado High Performance Transportation Enterprise – P3 Management Manual – Complete** - Clary Consulting partnered with an engineering consulting team to develop a P3 Management Manual for the Colorado High Performance Transportation Enterprise (HPTE), a division of the Colorado Department of Transportation. The P3 Management Manual was adopted by the HPTE Board and provide guidance on the decision-making to determine the best project delivery approach and for specific guidance in the development and implementation of P3 projects for the Colorado Department of Transportation. The P3 Management Manual can be found at <https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte/procurement/p3-management-manual>
- **Puget Sound Regional Council “Transportation Futures Task Force” – Complete** - The Puget Sound Regional Council (PSRC) had a major shortfall in their proposed Long-Rang Transportation Plan. In 2015 the PSRC and other key partners such as Washington DOT and major local governments jointly appointed a “Futures Task Force” composed of business leaders, former elected officials and current elected and appointed officials in the Puget Sound region to develop a funding plan to address the major shortfall. Clary Consulting led the development of funding options and in a partnership with a major engineering firm provided the analysis and interaction with the members for the Futures Task Force. Further information can be found at <http://www.thefuturestaskforce.org/>

Florida Department of Transportation – Key positions held by Lowell Clary:

- **Assistant Secretary, Finance and Administration** – Chief financial and administrative officer and a member of the Executive Board of FDOT. Provided leadership on transportation program and financial development; development and management of the FDOT’s Five-Year Work Program; procurement; human resources; information technology, and finance and accounting. Recognized as a national expert on transportation finance and public-private partnerships. Key role in the development and implementation of transportation elements of “Pay as You Grow” program that added \$7.5 billion in transportation improvements over a ten-year period. Led development of project delivery approaches including public-private partnership program, laws, rules and guidelines for Florida and spearheaded major P3 projects like the Miami Port Tunnel, Miami Intermodal Center and I-595 Express. Championed “95 Express” creation of High Occupancy Toll Lanes in Southeast Florida. Led development of “finance” tool for Design-Build-Finance that has advanced over \$3 billion of projects in Florida. Led traditional bonding programs such as toll revenue bonds and general obligation bonds. Awarded Public Sector P3 Innovator of the Year by ARTBA.
- **Manager of Financial Planning, Deputy Comptroller, Chief Internal Auditor/Inspector General**

PROFESSIONAL EDUCATION, CERTIFICATIONS, AND MEMBERSHIPS

Education

Florida State University
Bachelors in Accounting

Professional Memberships

American and Florida Institute of CPAs
Association of Government Accountants
Transportation Research Board

Professional Certifications

Florida Certified Public Accountant
Registered Municipal Advisor Principal (SEC/MSRB)

Former Chair, Policy Section,
Revenue and Finance Committee
Public-Private Partnership Subcommittee

Jen Mayer

Concept Jeneration, LLC

Jen Mayer (Concept Jeneration, LLC.) is an infrastructure finance and policy expert with more than 25 years of experience advising federal, state, and local transportation and environmental agencies on public private partnerships and innovative finance. She was the facilitator for the City Accelerator's Infrastructure Finance Cohort, a



CitiFoundation-funded program helping four major US cities bring innovation and inclusion into their capital programs and projects. As a consultant for Ernst and Young Infrastructure Advisors and Apogee Research, Inc., and as a technical advisor for the Federal Highway Administration, she helped state and local agencies create financial plans and issue bonds for infrastructure projects, create revolving loan funds, and consider and implement public-private partnerships (P3s) and other financing innovations. Jen holds a B.A. from Brown University in Applied Mathematics and Political Science, and an MBA from Haas-UC-Berkeley. She was the founding chair of the Transportation Research Board's P3 Subcommittee, the former co-chair of TRB's Revenue and Finance Committee, and was selected for the Donella Meadows Sustainability Fellows program, focusing on systems thinking in infrastructure.

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Kenneth L. Szelig

Ken joined UBP in May of 2017 and currently serves as the Vice President of Construction and Operations and supports business development efforts as well. Ken has over 35 years of construction and engineering experience and prior to UBP worked for both Jacobs Engineering and AECOM which are currently ranked as the No. 1 and 2 largest engineering firms in the US by ENR. Ken also served as the Program Manager for the bridge reconstruction program for the Colorado Department of Transportation with over \$1.5B of programmed design and construction work. Ken has an MBA from Regis University, Denver, CO, and a BS in Construction Engineering from the University of Nebraska at Omaha.



Ken Szeliga

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Ryan Dolan

Ryan joined UBP in May 2019 as Vice President of Business Development. Prior to UBP, Ryan worked at EY-Parthenon as a Director in their Transaction Advisory Services Group, where he primarily supported clients through large-scale acquisitions and divestitures. Ryan has an MBA from the Kellogg School of Management at Northwestern University and a BBA from the Ross School of Business at the University of Michigan.



Ryan Dolan

VP Business Development
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Nicholas J. Farber, JD
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Nicholas Farber (Nick) is the Director of the Colorado Department of Transportation's High Performance Transportation Enterprise or HPTE, a government-owned business and division of the Colorado Department of Transportation. HPTE uses public private partnerships (P3), tolled managed lanes, and other innovative methods to finance and improve Colorado's surface transportation infrastructure. It is charged with the responsibility to aggressively pursue innovative ways at financing important transportation infrastructure projects that will improve the safety, capacity, and accessibility of the surface transportation system and will accelerate the economic recovery of the state. Nick Farber joined HPTE in 2011 and became the Deputy Director in 2015. He has played a key role in the delivery of nine major Express Lanes projects, including two Public Private Partnerships (P3s) totaling more than \$3 billion in project value for the State of Colorado and the Colorado Department of Transportation. Before joining HPTE, Nick worked for National Conference of State Legislatures on innovative finance and other transportation-related policy.

Nick earned his bachelor's degree from the University of Nevada, Reno and his juris doctor from the University of Denver Sturm College of Law.

Sia Kusha, PE, FACEC

Mr. Kusha is Plenary America's Senior Vice President and Group Head for Project Development and Partnering. In this role, he leads project development across all sectors. He is responsible for development, identification and assessment of new opportunities, as well as interaction with owners. He positions Plenary with appropriate project sponsors and selects partners through leveraging industry relationships.



Prior to joining Plenary, Sia served as Senior Vice President and Senior Managing Director of AECOM's Design and Consulting Services Integrated Delivery group in the Americas. In that role, he was the firm's Chief Strategy and Development officer for P3 and DB projects in the continent.

A forty-year veteran of the industry, Sia is a highly experienced program and project executive who has delivered a variety of infrastructure programs for a diverse range of public and private clients. He has been instrumental in Integrated Delivery policy development in United States and has helped public owners develop design-build and P3 legislation, programs, project pipelines and procurement processes in Arizona, Florida, Georgia, North Carolina, West Virginia and Virginia.

Chosen as a fellow of the American Council of Engineering Companies, ACEC, for his outstanding service to the industry with regards to integrated delivery policy development and procurement of professional services, Mr. Kusha is an industry expert who has deep relationships with elected and appointed officials, public sector owners, as well as private sector sponsors, developers and contractors in the US and abroad.

Mr. Kusha is a graduate of University of Wisconsin – Madison, with degrees in Civil and Environmental Engineering and is a Registered Professional Engineer in FL, GA, NC, WI, MN, and AZ.

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QUESTIONS FOR P3 PANEL

2/5/2021

PANELIST PRESENTATION QUESTIONS. Questions to clarify what was heard in the presentation. Most of these questions will likely be answered in the presentations.

PUBLIC PANELIST CASE STUDY CRITERIA. Did presentation cover...

1. Percent engineering complete before issuing RFP?
2. How decision to pursue P3 was made?
3. Why P3 was chosen over other options?
4. Whether state or federal grants were part of funding/financing package?
5. Tolling agreements. What were final tolls?

PRIVATE PANELIST CASE STUDY. Did presentation cover...

1. What made the project interesting for the firm?
2. Whether Requests for Information (RFI) or Industry Forums/One-on-One meetings or Market Sounding were utilized?
3. Private sector due diligence?
4. Type of project delivery approach?
5. What private sector expects from owner during each P3 phase?

ROUNDTABLE ICE-BREAKERS THEMES. These themes would be introduced to encourage a roundtable discussion among the panelists and committee members. Opportunity to find similarities and differences in P3 approaches.

RFIs and Industry Forums

1. Did your project/process utilize an RFI and/or industry forum and/or market sounding? At what point were those implemented?

State and Federal Appropriations and Grants

2. To what extent are state and federal grants involved in P3 funding plans? Do you prefer to have the federal and state grants secured prior to the procurement or are you open to partnering with the Public Owner in securing the grants?
3. Describe your funding and financing package?

What makes good projects good and bad projects bad?

4. What does a private firm expect from the owner during each phase of a project?

5. Identify the key factors a private firm considers before deciding whether to compete for a project?
6. Which pre-development criteria were completed before issuing an RFQ and then the RFP for P3? (ie after NEPA, after 30%)
7. How does a P3 firm select an engineer to work with or do firms tend to have standing relationships?
8. What was the capital costs of the project?
9. Describe the use of stipends for the RFP process?

Rates of Return. What public owners should expect for toll backed revenues

10. What Rate of Return on the Private Sector contribution would generally be anticipated for a Design-Build-Operate-Finance-Maintain (DBOFM) with the payments partially paid by government grants and the remainder from revenue risk tolls for the Replacement Bridge?
11. What sorts of requirements/rights would the Private Sector expect with regard to achieving its Rate of Return? How have you merged rate of return with revenue sharing for higher rates of return?

Tolling Agreements

12. When it came to toll rate setting, what level/types of control would the Private Sector require/anticipate, and what types of oversight are generally retained by the Public Owner?
13. How did your project handle the setting of toll rates including periodic adjustments? Were outside approvals required or were there limits set in the P3 Project Agreement?

Risk Sharing and Managing Risk

14. When it comes to the Private Sector's assumption of design, finance, construction risk, what limitations or conditions are typically or sometimes retained by the Public Owner?
15. What rights, authorities or capabilities do P3 firms expect to see in the government owner that you engage with to conceive and implement a project?
16. Describe the ownership of your P3 project.

Key Topics We Did Not Cover You Feel Should be Discussed in making a decision for P3 or traditional/design-build?

17. For a project like the Replacement Bridge, at what point in the project development process would it be best to solicit a P3 proposal? Under Progressive P3 approach? Under Firm Bid/Proposal approach? What level of engineering, environmental work, resolution of bi-state authority issues, etc. would be beneficial?

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