

Public Private Partnerships

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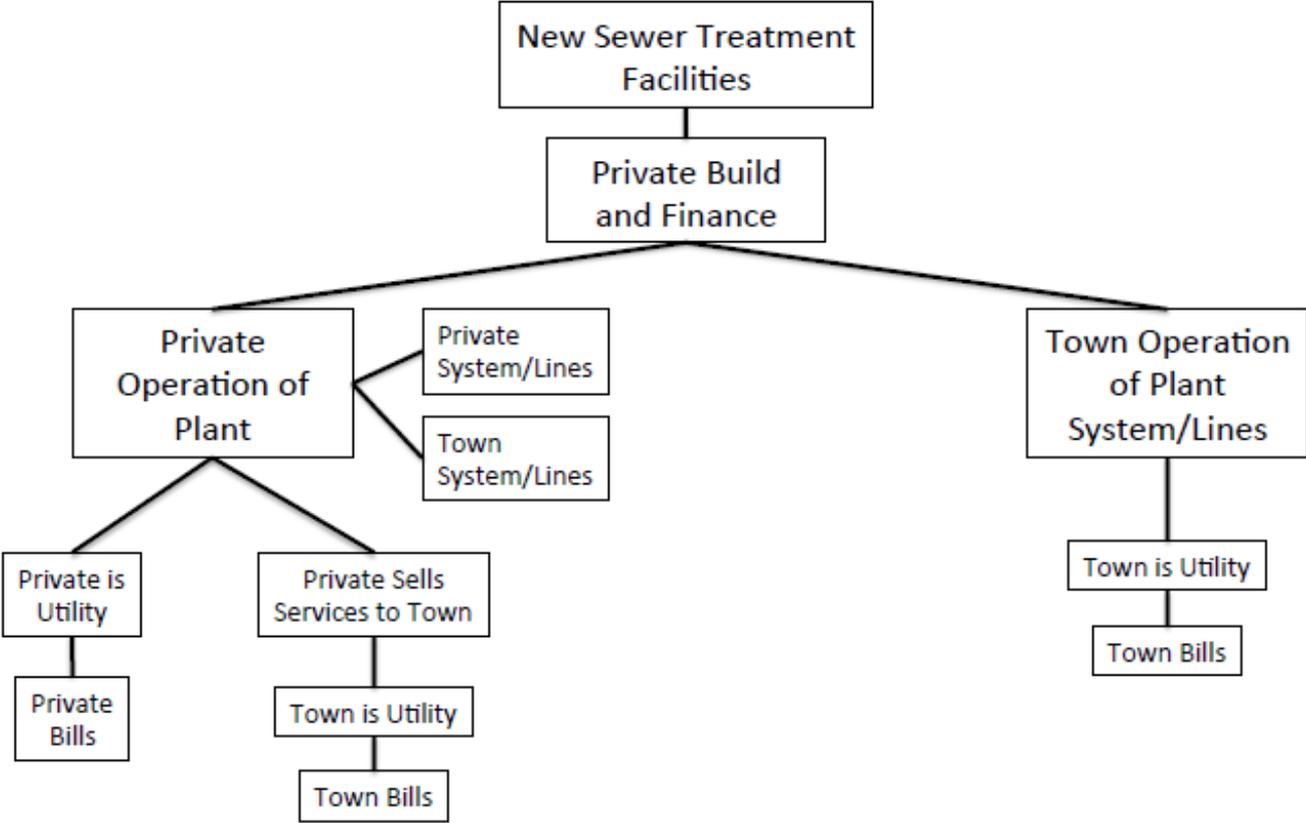
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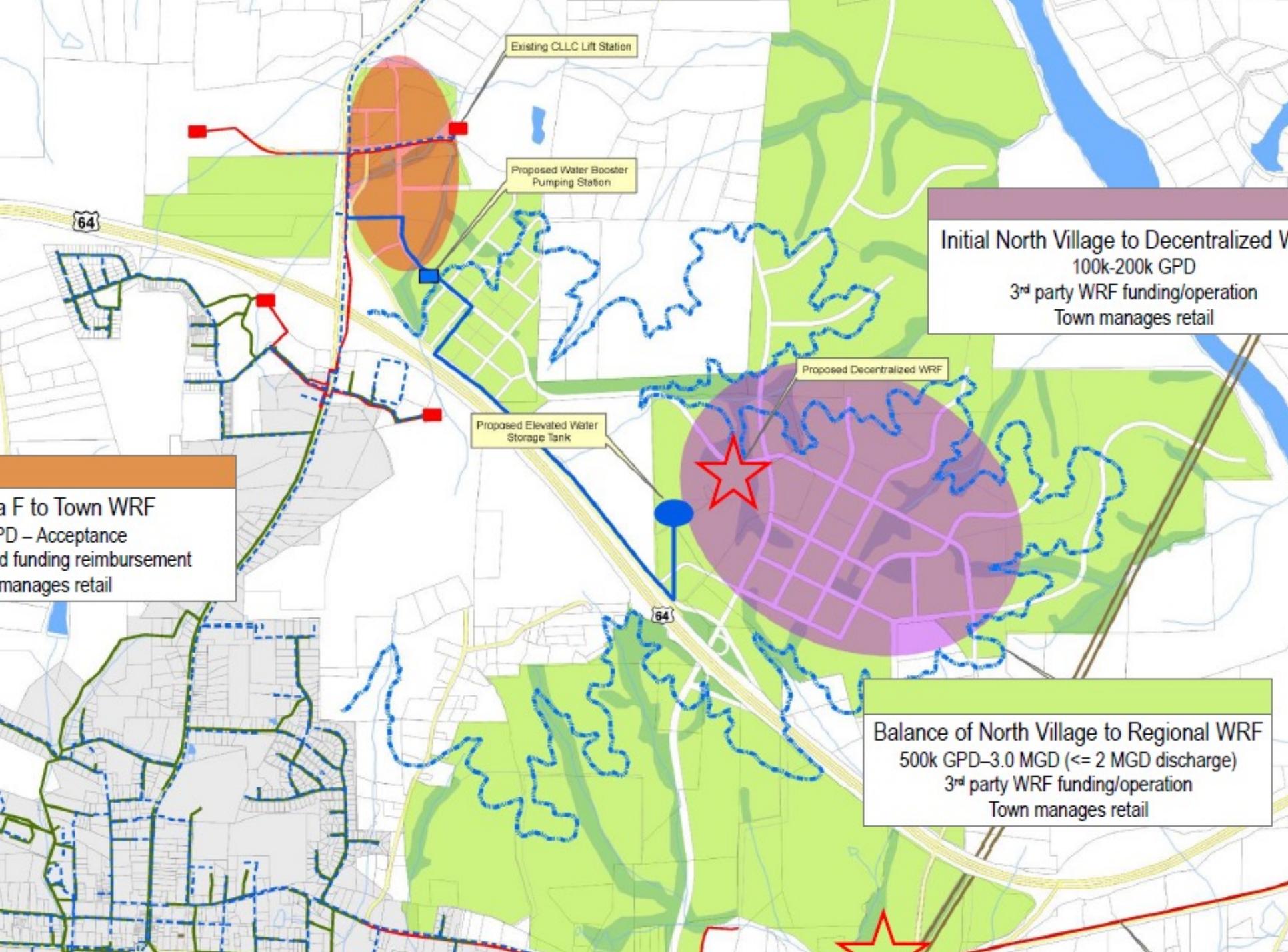
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Ownership/Operation Options Under a Private Build and Finance Model



Graphic Prepared by Byran Gruesbeck, Pittsboro Manager



Existing CLLC Lift Station

Proposed Water Booster Pumping Station

Proposed Decentralized WRF

Proposed Elevated Water Storage Tank

Initial North Village to Decentralized WRF
100k-200k GPD
3rd party WRF funding/operation
Town manages retail

Area F to Town WRF
100k-200k GPD – Acceptance
3rd party WRF funding/operation
Town manages retail

Balance of North Village to Regional WRF
500k GPD–3.0 MGD (<= 2 MGD discharge)
3rd party WRF funding/operation
Town manages retail

Presentation

- Examples of criteria to consider when making decision
- Options
- Questions

Traditional Model

“developer funded infrastructure, dedicated to the municipal owner/operator, and with reimbursement strategies utilizing forgiveness or credits of impact and connection fees for new users/construction within the development.”

***Chatham Park Initial Infrastructure Implementation Water / Sanitary Sewer / Reclaimed Water,
Technical Memo prepared by McKim and Creed February 16, 2015***

Partnering potential

Components

- WW treatment/Water production
- WW system
“interceptors”/Community Distribution System
- Local lines in newly created development
- Billing services/customer service

Activities

- Finance design
- Finance construction
- Own asset
- Operate asset
- Finance expansion
- Absorbing risk



Criteria

- Environmental impact
- Cost to local government unit
 - Up front cost
 - Recurring fixed costs
 - Recurring volumetric based costs
- Cost to customers
- Cost to non-customer city residents
- Ability of local government to control
 - Rates
 - Allocation of capacity
 - Expansion
 - Service/use control
 - Service area
- Time to construct
- Cost to developer
- Risk related to all of the above

Models with increased private (and/or public) partnerships

1. Regulated utility owned and operated with sales directly to customer
2. Private utility wholly owned treatment facility with wholesale contract
3. Joint ownership of facility and private operation
4. Joint ownership of facility and public operation
5. Government ownership and private operation

NORMA HOUSTON SLIDES

Criteria

- Environmental impact
- Cost to local government unit
 - Up front cost
 - Recurring fixed costs
 - Recurring volumetric based costs
- Cost to customers
- Cost to non-customer city residents
- Ability of local government to control
 - Rates
 - Allocation of capacity
 - Expansion
 - Service/use control
 - Service area
- Time to construct
- Cost to developer
- Risk related to all of the above

Other Models

- Fully owned local government treatment facility (alternative procurement options exist)
- Creation of a Wholesale Local Government Authority
- Franchise



Franchises

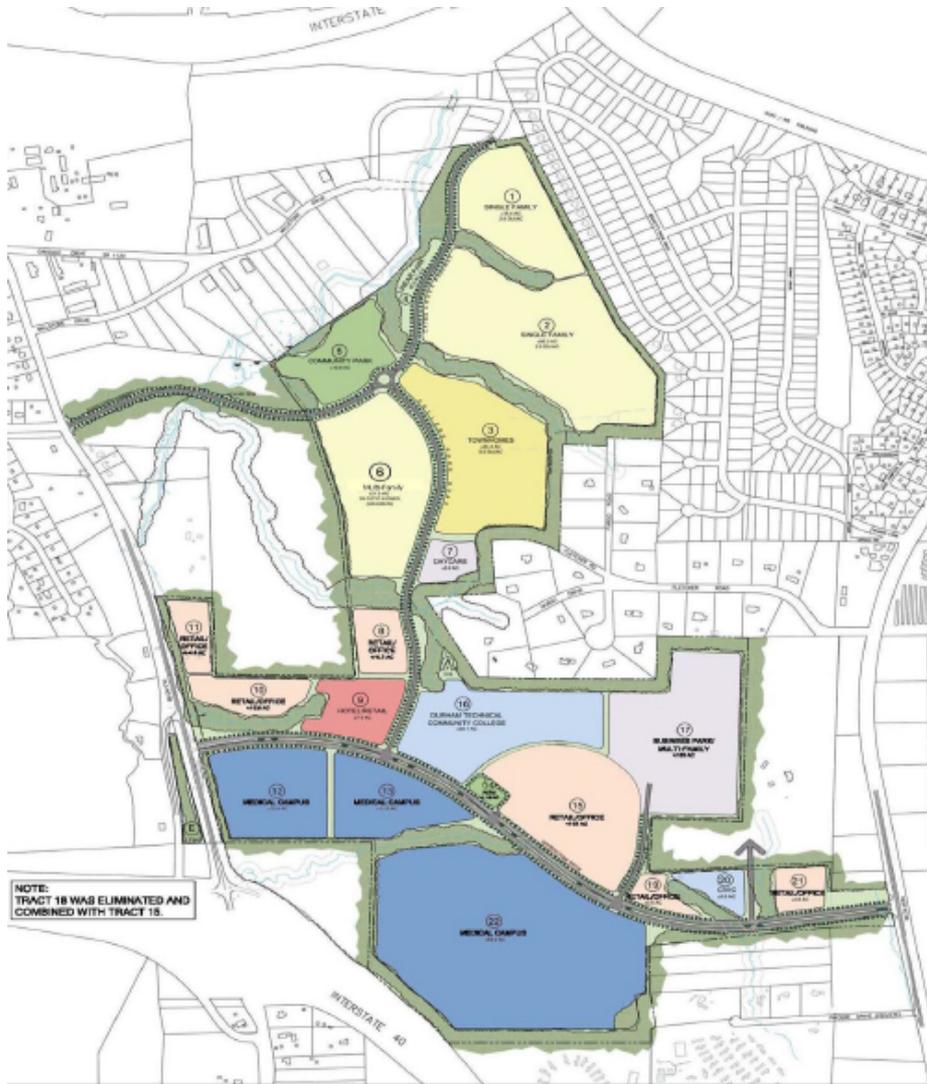
- Uncommon in water and wastewater sector in North Carolina but permissible
- More commonly used in solid waste area.

Special Assessments

- Water or wastewater service
- Stormwater/watershed improvement projects
- No petition required (public hearings required)
- 10 years, 8%
- For more information:
 - <http://canons.sog.unc.edu/?p=7917>

Newer Special Assessments (Expire June 30, 2015)

- Expanded purposes
- Can be used to back debt
- Requires petition
- 30 years
- For more information:
 - <http://sogpubs.unc.edu/electronicversions/pdfs/lfb40.pdf>
 - <http://canons.sog.unc.edu/?p=7288>
 - <http://canons.sog.unc.edu/?p=7392>
- For an example (the only use as of December 2014)
 - <http://ced.sog.unc.edu/town-of-hillsborough-special-assessments-part-iii/>



Waterstone
Mixed-Use Development

MASTER PLAN
Proposed Revisions – Parcels 6-15-18-22
September 2005



Town of Hillsborough

- \$4.63 million at 7.75% for 10 year term
- Funds will be used to establish parks and open space, construct and improve water, wastewater and drainage facilities, construct and improve streets, roads, and rights-of-way in the assessment district
- Assessments totaled \$6.2 million on properties within 210 acre area, with payments over 10.5 years

Leasing

Catawba County Landfill Gas System

EXCLUSIVE REPORTS

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Friday, July 21, 2006

EcoComplex taking shape at 1,000-acre Catawba site

Tenant companies rely on one another for fuel

Charlotte Business Journal - by [Ken Elkins](#) Staff Writer

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Related News

[Lumber plant invests \\$20M in Catawba County](#)
[Charlotte]

Catawba County is developing an ecologically minded industrial park where companies will use each other's production wastes and byproducts to fuel their operations.

Planners believe the **Catawba County EcoComplex** has the potential to attract \$105 million in investment and create as many as 350 jobs over the next five years.



photo KEN ELKINS
Gregory Wood Products Inc. was the

Blackburn Landfill - Methane Recovery

Organization: 525-350400

	2005/06 Actual	2006/07 Current	2007/08 Requested	2007/08 Approved	Percent Change
Revenue					
Green Tag and Credit	\$21,110	\$16,000	\$16,000	\$16,000	0%
Sale of Oil	0	0	3,500	3,500	0%
Methane / Duke Power	551,550	590,000	590,000	590,000	0%
Methane / Repl	0	16,000	16,000	16,000	0%
Blackburn Gas Rights	1,000	1,000	1,000	1,000	0%
Newton Gas Rights	750	1,000	1,000	1,000	0%
Meter Use - Enerdyne	12,945	65,000	10,000	10,000	-85%
Meter Use - Newton	0	600	600	600	0%
Solid Waste Fund	41,997	(35,746)	28,895	28,895	2%
Total	\$629,352	\$653,854	\$666,995	\$666,995	2%
Expenses					
Personal Services	\$105,918	\$111,424	\$122,580	\$122,580	10%
Supplies & Operations	523,434	542,430	544,415	544,415	0%
Capital	0	0	0	0	0%
Total	\$629,352	\$653,854	\$666,995	\$666,995	2%

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