



Frameworks for Infrastructure Decision-Making

Livin' Life in a Fishbowl

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Best Practices for Designing a Stakeholder Process



Identifying
the key
stakeholders



Building the
right team

- Departments
- Attorneys
- Financial advisor



Community
needs &
expectations



Who is
missing?

- Other impacted parties?



Basic Infrastructure Projects

- ◆ Public works
- ◆ Libraries
- ◆ Parks
- ◆ Schools





Case Study: Water Pollution Control Plant in Arlington County, Virginia

- ◆ Single largest capital project for the County at a cost of \$568 million
- ◆ Upgrades & expansion of the plant to meet DEQ requirements for nitrogen output
- ◆ Necessary for a growing, but land locked, community
- ◆ Proximity to neighborhoods warranted on-going & regular stakeholder interactions





Parkington Becomes Ballston

“Public private partnerships should not be about public subsidy. It should be about strategic public investment to realize a greater public good.” – Arlington Economic Development



- ◆ County funded public garage has been cornerstone of the project's 30+ year history
- ◆ 1986: Transformed site from Parkington strip shopping center to urban, regional mall
- ◆ 1999 to 2004: Retail & office space expanded
- ◆ 2006: Washington Capitals practice facility & public ice skating rink topped the garage





2015 to Present: Ballston Mall becomes Ballston Quarter

- ◆ Continuation of 30+ years of focus & investment in Ballston
- ◆ Adaptation to competitive forces in commercial market
- ◆ On-going maintenance & upgrades to modernize the garage





Best Practices for Evaluating Financing Alternatives



Identify
Range of
Alternatives



Assess
Risk
Tolerance



Establish
Financial
Measures &
Framework



What is
practical?



Ballston & 30+ years of Financing Firsts

Original Garage
1984

- \$22 million variable rate bonds with County moral obligation
- 33-year repayment

Skating Rink
2005

- \$36 million variable, taxable rate bonds with County moral obligation
- Conversion to fixed rate in 2010
- Offsetting fixed lease payment from Capitals

Ballston Quarter
Revitalization
2016

- \$44 million Tax Increment Financing (TIF) Bonds
- \$15 million Taxable TIF/Special Assessment Bonds using CDA
- No County credit support



When Things Go Awry



- ◆ Community stakeholders can change their minds
- ◆ Changing course is necessary, too
- ◆ Flexibility & adaption are best practices - although painful



Success Takes Many Forms



- ◆ Basic infrastructure projects with “tried & true” financing approaches
- ◆ Complex P3s that require new techniques & additional risk
- ◆ An unexpected change of course.....

Thank You!



pfm