



*Innovations in Water Infrastructure Financing and Delivery*  
2016 National Association of Counties Annual Conference

PRINCE GEORGE'S COUNTY | CORVIAS SOLUTIONS



# URBAN POLLUTION INCREASING

MUST ADDRESS POLLUTED RUNOFF



# NEIGHBORHOOD POLLUTION INCREASING

POLLUTED RUNOFF AND FLOODING



# LOCAL WATER QUALITY DECREASING: POLLUTED RUNOFF



# FEDERAL AND STATE CLEAN WATER ACT MANDATES

MAKE THE MANDATE WORK FOR US

## Mandate for Prince George's County

- Treat 15,000 impervious acres by 2025
  - ~ 46,000 stormwater filtration devices
  - Estimated cost approximately \$1.2 billion
- Pay for this with a dedicated funding source (Clean Water Act Fee)

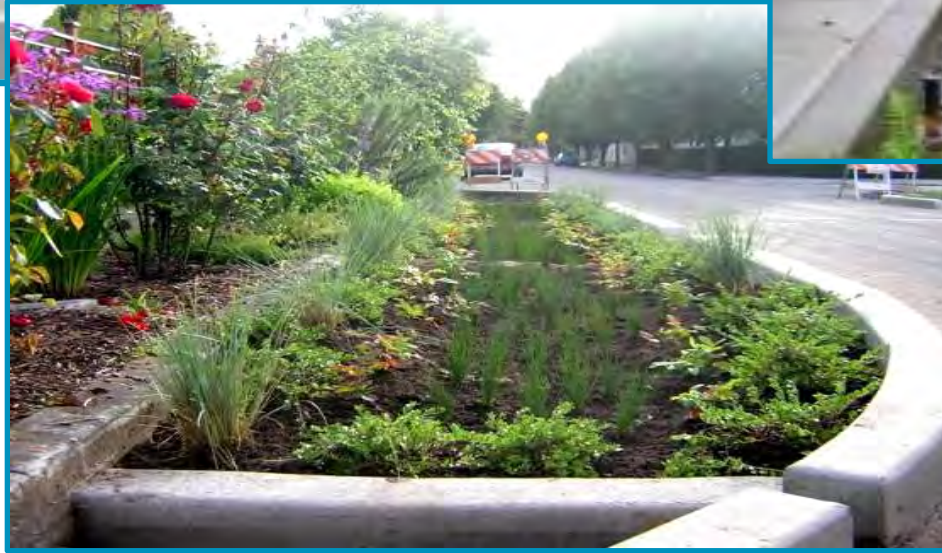
## The Prince George's Model:

- Revitalize older communities
- Lead with innovation
- Grow local economy
- Partner as much as possible



# CLEAN WATER THROUGH RETROFITS

## GREEN INFRASTRUCTURE & LID BEST MANAGEMENT PRACTICES



# INNOVATIVE FINANCING AND SERVICE DELIVERY

## NON POINT SOURCE “STORM” WATER INFRASTRUCTURE

- \$75.5M in Savings on first 2,000 acres of water infrastructure retrofits
  - \$60M savings against previously estimated delivery costs
  - \$15.5M savings in interest on costs of financing
- Project Aggregation with a Integrated Design, Build and Maintain approach for greater efficiencies, sustainability, and accelerated implementation.
- Strategic cluster anchor and community infrastructure builder
- Performance based strategies directly linked to the communities long term economic and water quality goals and objectives.

# INNOVATIVE SERVICE DELIVERY

## CREATING A SUSTAINABLE ECONOMIC ANCHOR

**Launch Public Private Partnership (P3) Model for Efficiency and Scalability to build our clean water infrastructure and green infrastructure economic cluster**

- **SCALABILITY**

- Force multiplier to innovate scope, schedule, and financial risk mitigate strategies to create greater value and impact to the community.

- **EFFICIENCIES**

- Project aggregation to create efficiencies in integrated procurement, permitting, planning, design, construction, maintenance, and operations.

- **RESULTS**

- Performance based strategy for the delivery of County goals and objectives to expand capacity of local businesses, attract new businesses, create a workforce, and comply with water quality mandates.



# CLEAN WATER PARTNERSHIP

LOCAL INVESTMENT, JOBS, BUSINESS, DEVELOPMENT, COMMUNITY WEALTH

- Integrated team between Prince George's County & Corvias
- 3 years to retrofit 2,000 acres for \$100M
- 30 years for Operations and Maintenance
- Performance based Delivery & Outcomes!
  - Guaranty on project schedules & costs
- Success equals both the “What” and “How”
  - Requires “Target Class” and resident participation, and workforce development and engagement.



[WWW.THECLEANWATERPARTNERSHIP.COM](http://WWW.THECLEANWATERPARTNERSHIP.COM)



# PUBLIC & PRIVATE PARTNERS

## PARTNERSHIP LEADERSHIP



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# PROGRAM MANAGEMENT 2016

ENVIRONMENTAL, ECONOMIC, POLITICAL, AND REGULATORY MATRIX



Junior  
Achievement  
Building

Public properties across (26)  
Municipalities

Prince George's County Schools  
District

Federal and State properties

Private (tax exempt) properties

- Faith Based Community
- Non Profits

Private commercial properties

# PROGRAM EXECUTION 2016

- First full construction season commenced in spring 2016 with 946 acres to be completed by this December and over 2,000 acres to be completed by next December.
- Exceeding all delivery and economic development performance goals and metrics.



# PROJECT PIPELINE: ACTIVE PROJECTS

## PLANNED PROJECTS

**2832.67**  
TOTAL TREATED ACRES IN DEVELOPMENT



CHURCHES

**64.07**  
ACRES



OUTFALLS

**85**  
ACRES



PONDS

**1845.86**  
ACRES



PRODUCTION

**800.88**  
ACRES

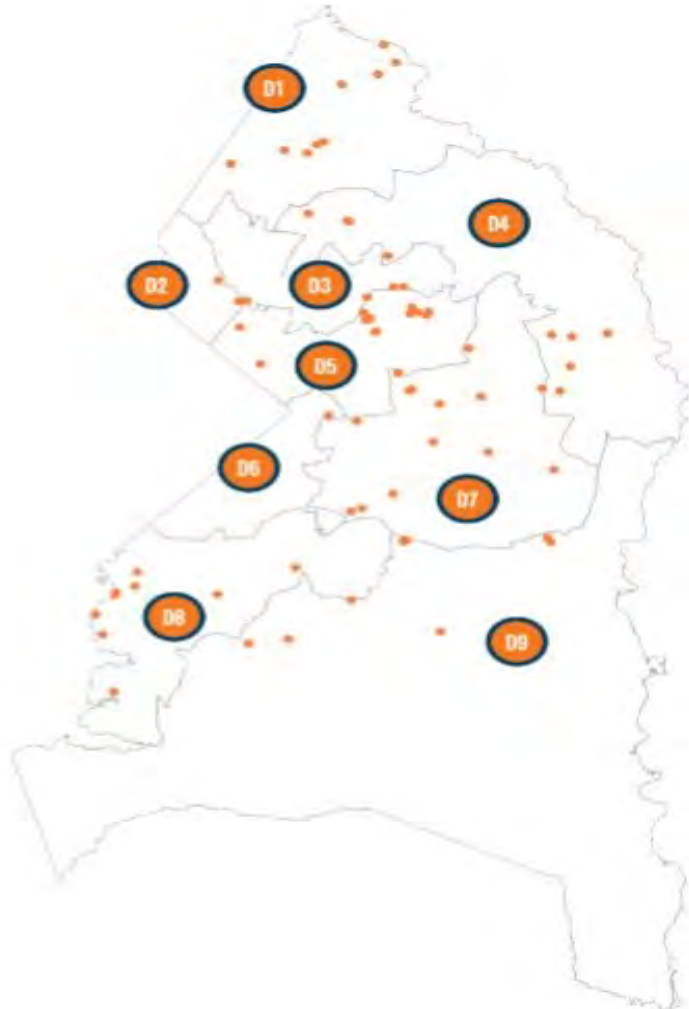


SCHOOLS

**36.86**  
ACRES

DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7	DISTRICT 8	DISTRICT 9
<b>382.53</b> ACRES	<b>21.65</b> ACRES	<b>32.92</b> ACRES	<b>470.88</b> ACRES	<b>206.69</b> ACRES	<b>247.39</b> ACRES	<b>79.12</b> ACRES	<b>432.23</b> ACRES	<b>591.17</b> ACRES

# LOCAL & SMALL BUSINESS ENGAGEMENT:



## DISTRICT 1 (10 BUSINESSES)

Assedo Consulting, LLC ■  
 Audio Video Solutions, Inc.  
 CelSue Construction Services, Inc. ▲ ■ ■  
 CSI Engineering, PC ■  
 Eden Team, LLC ■  
 GeoTech Engineers, Inc.  
 L.E. Blue & Associates, Inc.  
 NZI Construction Corporation  
 Olney Masonry Corporation  
 Sandy Audio Visual, LLC

## DISTRICT 2 (2 BUSINESSES)

Advanced Engineering Design, Inc. ■  
 DMV Solutions, LLC

## DISTRICT 3 (2 BUSINESSES)

AB Consultants, Inc.  
 BizyBee Professional Staffing & Biz' Ness Solutions, LLC

## DISTRICT 4 (10 BUSINESSES)

Angarai International, Inc. ■  
 BCV Solutions, Inc.  
 Bourn Environmental, LLC ■  
 Hopper Grass Lawn Care, LLC  
 Kambiance, LLC  
 LK Enterprise General Construction, Inc.  
 Nudawn Marketing Group, Inc. ■  
 Pivotal Practices Consulting, LLC  
 Sage Services Group, LLC  
 SherAI Consulting Services, LLC ■

## DISTRICT 5 (15 BUSINESSES)

Braxton Educational Services and Training, LLC ■  
 Brewington Management Co., LLC  
 City Ornamental Iron Inc  
 Corenic Construction Group, LLC  
 CSA Central, Inc. ■  
 Engineering Design Technologies, Inc.  
 Estime Enterprises, Inc. ■  
 Exceed Corporation ■  
 Garcete Construction Co., Inc.  
 HCD International, Inc. ■  
 Helix Enterprises, Inc. ■  
 MK Catering, Inc. ▲  
 SanDow Construction, Inc.  
 The Sutter Group ■  
 Systems Integration, Inc.

## DISTRICT 6 (16 BUSINESSES)

Business Strategy Consultants, LLC  
 Clean Sweep Trucking, LLC ■ ■ ■  
 Denang's Trucking LLC  
 Dirt Plus, Inc. ■  
 D & F Construction, Inc.  
 The ELOCEN Group, LLC  
 Erimax, Inc.  
 Monumental Building, LLC  
 Printing Express & Designs, LLC ■ ▲ ▲  
 Strativia, LLC  
 M & G Services, Inc.  
 McElroy Enterprises, LLC  
 McJordan Consulting Services & Facilities Solutions Group, LLC  
 Neil General Contractor, Inc.  
 Shipley & Horne, P.A.  
 Tri-Logistic, LLC

## DISTRICT 7 (1 BUSINESSES)

Jordon Lawn & Maintenance

## DISTRICT 8 (9 BUSINESSES)

Arel Architects, Inc. ■  
 BluPrint, LLC  
 Construction Management & Technology, Inc.  
 Faulkner Lawn Care & Landscaping ■ ▲ ■ ■ ▲  
 Global Executive Staffing, LLC  
 Leuterio Thomas, LLC  
 Lord & Mitchell, Inc.  
 TreKnot Organization LLC  
 Ubiquity Marketing & Management Consulting Inc.

## DISTRICT 9 (9 BUSINESSES)

Capitol City Associates, Inc. ■  
 Century Fence Construction, LLC  
 Conscious Planet, L3C  
 Essex Construction, LLC ■ ▲  
 Grace Management & Construction, LLC ■ ■ ■ ■  
 Manuel Luis Construction Co., Inc.  
 Philip Aaron Lacy Architects  
 Proctor Landscaping & Masonry  
 Warren Brothers Construction, LLC ■

## OUTSIDE COUNTY (62 BUSINESSES)

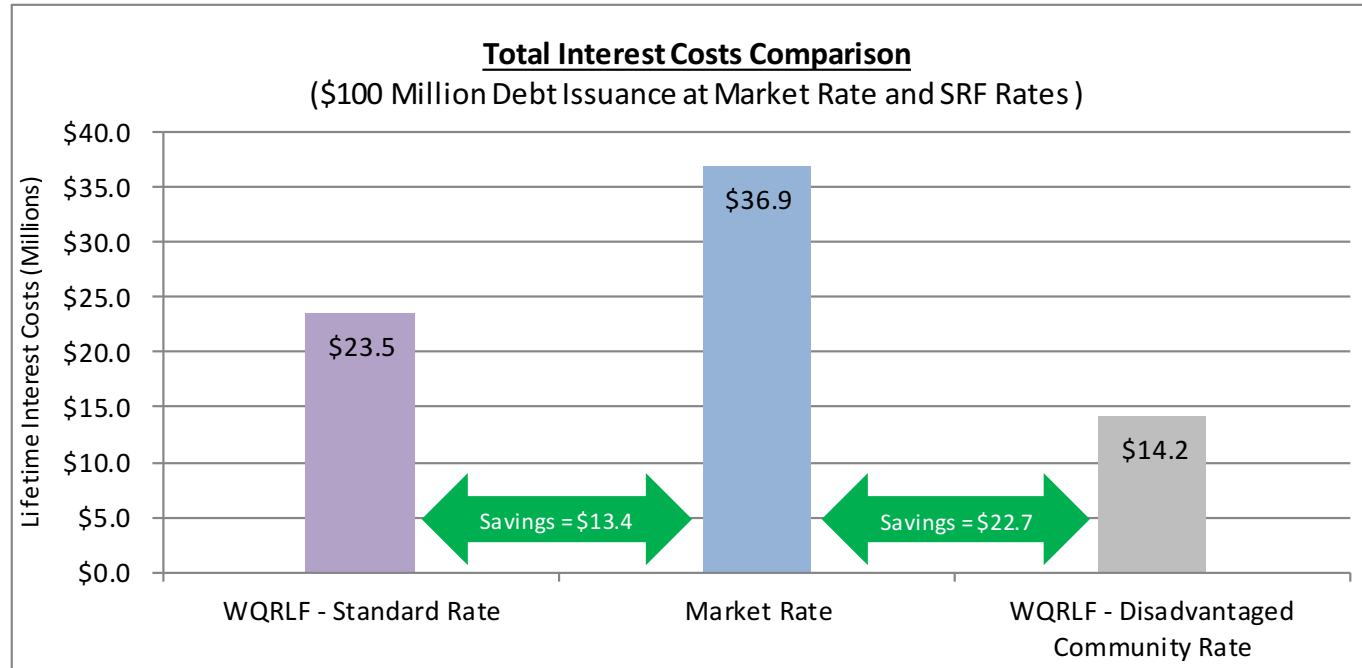
■	Bid
▲	Award
■ ■ ■	Mentor Protégé
▲	Assisted

# INNOVATIVE FINANCING

- \$48M Debt Issuance from the Maryland Water Quality State Revolving Loan Fund.
- \$1.5M in loan forgiveness
- Significantly below market interest rates
- Leverages the partnership's delivery capabilities and water quality fund.
  - ~1,000 acres of aggregated stormwater scope (~500 distinct projects)
- Joint application between Prince George's and Corvias, with Corvias being the private borrower.
- Improved balance sheet treatment to free credit capacity for other municipal priorities

# TRANSACTION SAVINGS USING WQRLF

## VERSUS PUBLIC REVENUE/GENERAL OBLIGATION BONDS



*Prince George's County  
meets WQFA's  
Disadvantaged  
Community criteria*

**Assumptions:**

Market Rate = 3.20% (Bond Buyer-11 Index at 10/2/15)

WQRLF - Standard Rate = 2.10% (50% of Market Rate + 50bps for Administrative Fee)

WQRLF - Disadvantaged Community Rate = 1.30% (25% of Market Rate + 50bps for Administrative Fee)

Amortization: Level Payment

Tenor: 20 years



# MARYLAND'S WATER QUALITY CAPITAL FINANCING PROGRAM

- Administered under the Maryland Department of the Environment (MDE), the Maryland Water Quality Financing Administration (WQFA) provides low interest loans through the Water Quality Revolving Loan Fund (WQRLF) and grants under the Bay Restoration Fund
  - Loan Amounts: Up to 100% of project cost
  - Interest Rate: \*1.60% fixed (\*0.70% for disadvantaged communities)
  - Administrative/Loan Fee: Collected annually, adds ~\*0.35% interest
  - Tenor: Up to 30 years
  - Annual Application process
  - Projects are selected based on a priority rating system

# ELIGIBLE WATER QUALITY PROJECTS

## Implementation of nonpoint source pollution under Section 319 and estuary conservation and management plan under Section 320 of the Federal Clean Water Act

- Capping of Existing Landfills
- ***Stormwater Control Best Management Practices***
- ***Stream Restoration/ Stream Bank Stabilization***
- ***Wetlands Creation/ Restoration***
- Agricultural Best Management Practices
- Septic System Repair/ Restoration
- Replacement of Leaking Underground Storage Tanks

- *Note: Projects do not have to be publicly owned and are also eligible as part of a P3 and on private land, at no extra cost for the loan recipient*

# SELECTION

- Each eligible water quality project is evaluated using a “project score sheet” and its readiness and feasibility to execute delivery.
- Project Rating Criteria (Maximum 100 points)
  - Project Environmental Water Quality Benefit Score (Max 65 points)
  - Project Cost Efficiency (Max 10 points)
  - Sustainability Benefit Score (Max 25 points)
- But you have to have a plan and submit a application!

# KEY TAKEAWAYS

- **There is Low Cost Capital available!**
  - Loans at below market (municipal) interest rates
- **Flexible Loan Terms and structuring**
  - Interest only during construction
  - First principal payment due one year after the completion of first project
  - Public and/or Private Borrowers (\*Maryland)
- **Ability to be Leveraged**
  - Can be utilized along with other public/private sources of financing
  - Credit enhancements that lower cost of alternative private capital sources.
- **Its not just about the Revenue!**
  - Ability to scale and surety of execution creates greater access to capital!

# COUNTY & PARTNERSHIP RECOGNITION

- NACo 2016 Achievement Award in the category of Community/Economic Development.
- NCPPP Public Individual AWARD – Adam Ortiz
- Recognition from the White House, Environmental Protection Agency, and Chesapeake Bay Foundation.
- Featured by Clinton Global Initiative at CGI America 2016



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GLOBAL  
INITIATIVE



THE NATIONAL COUNCIL FOR  
PUBLIC-PRIVATE  
PARTNERSHIPS





QUESTIONS?

