

KAPLAN KIRSCH
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EVOLUTION OF PRIVATE PUBLIC PARTNERSHIPS (P3s) AT AIRPORTS

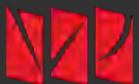
Peter J. Kirsch

ACI-NA / AAAE Airport Board & Commissioners Conference

May 7, 2018

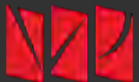
What is a P3?

- Arrangement between the public and private sectors in which some traditionally public sector services are provided by the private sector –
 - typically medium-to-long term
 - clear agreement on shared objectives for delivery of public infrastructure and/ or public services.



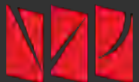
News coverage has piqued interest

- Expensive, high profile projects
 - LGA, JFK, STL, SJU
- Complicated (uncertain) bid processes
 - HPN, MCI
- Fierce competition
- Extended timeframes
- Highly uncertain
 - expectations
 - closing



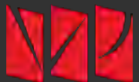
Recent policy shifts favor P3s

- Administration's \$1T infrastructure idea
- Declining role of AIP \$\$
- Increased marketplace comfort
- Deferred or backlogged projects
- Local government contracting, hiring impediments

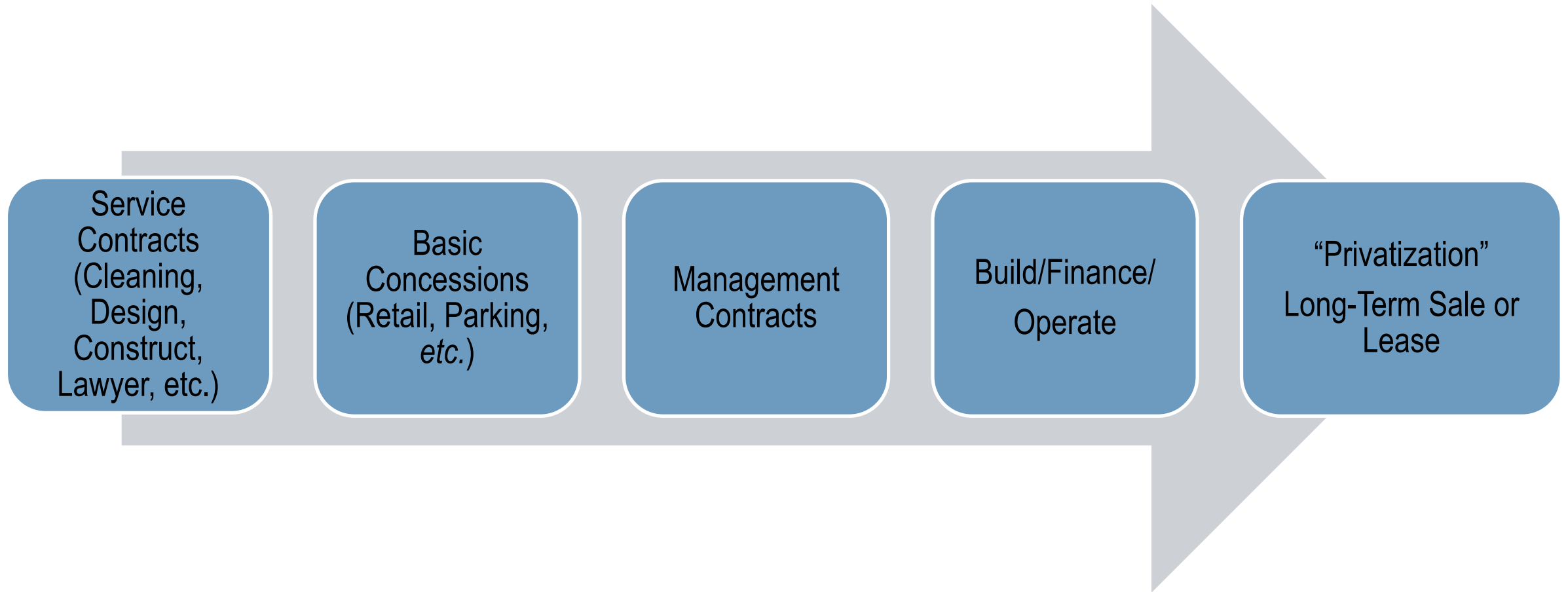


Thinking about P3?

It's not about the *whole* airport,
it's about airport *functions*!

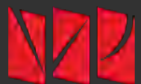
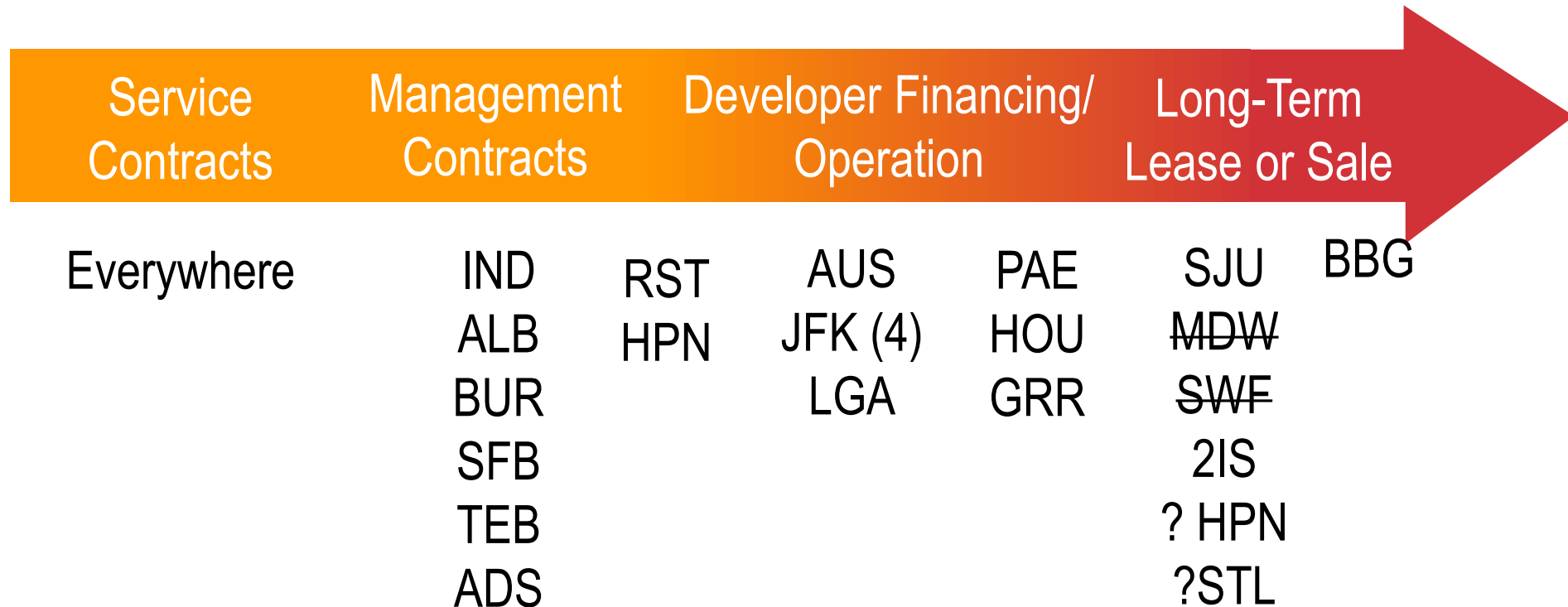


Spectrum of P3 types



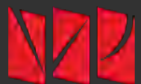
The P3 Continuum

Airport Projects and Operations



The P3 Continuum

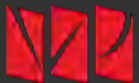
Non-aeronautical Projects



Historic approach: privatization



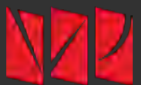
<http://cityofbransonwest.com/airport.html>
<https://www.facebook.com/pg/AeropuertoSJU/reviews/>



Recent focus: mammoth projects



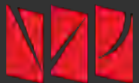
<https://www.laguadiacentral.com/>
https://en.wikipedia.org/wiki/File:Denver_International_Airport_Interior.jpg



Happening now: terminals



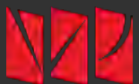
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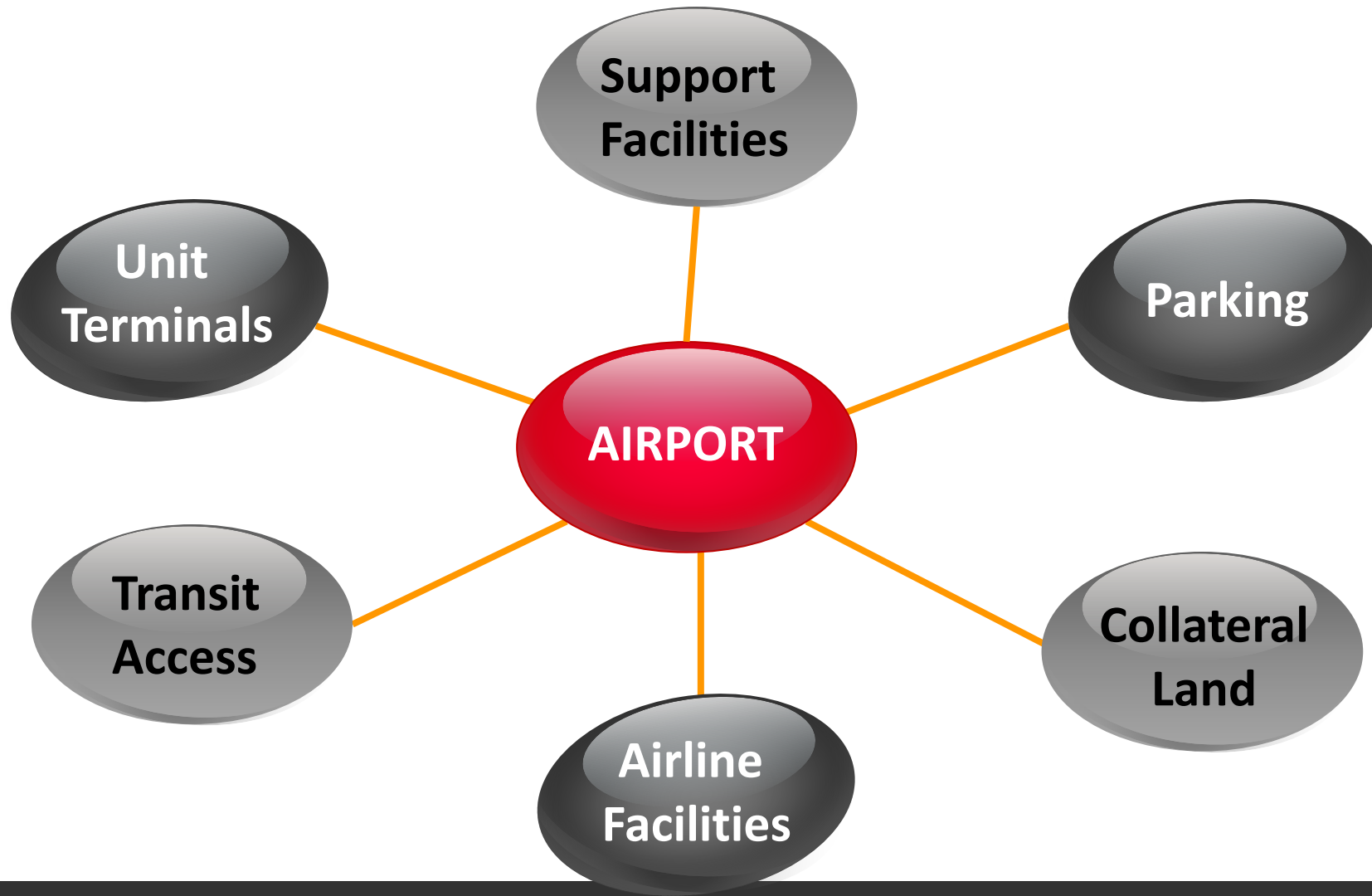
Coming soon: other projects



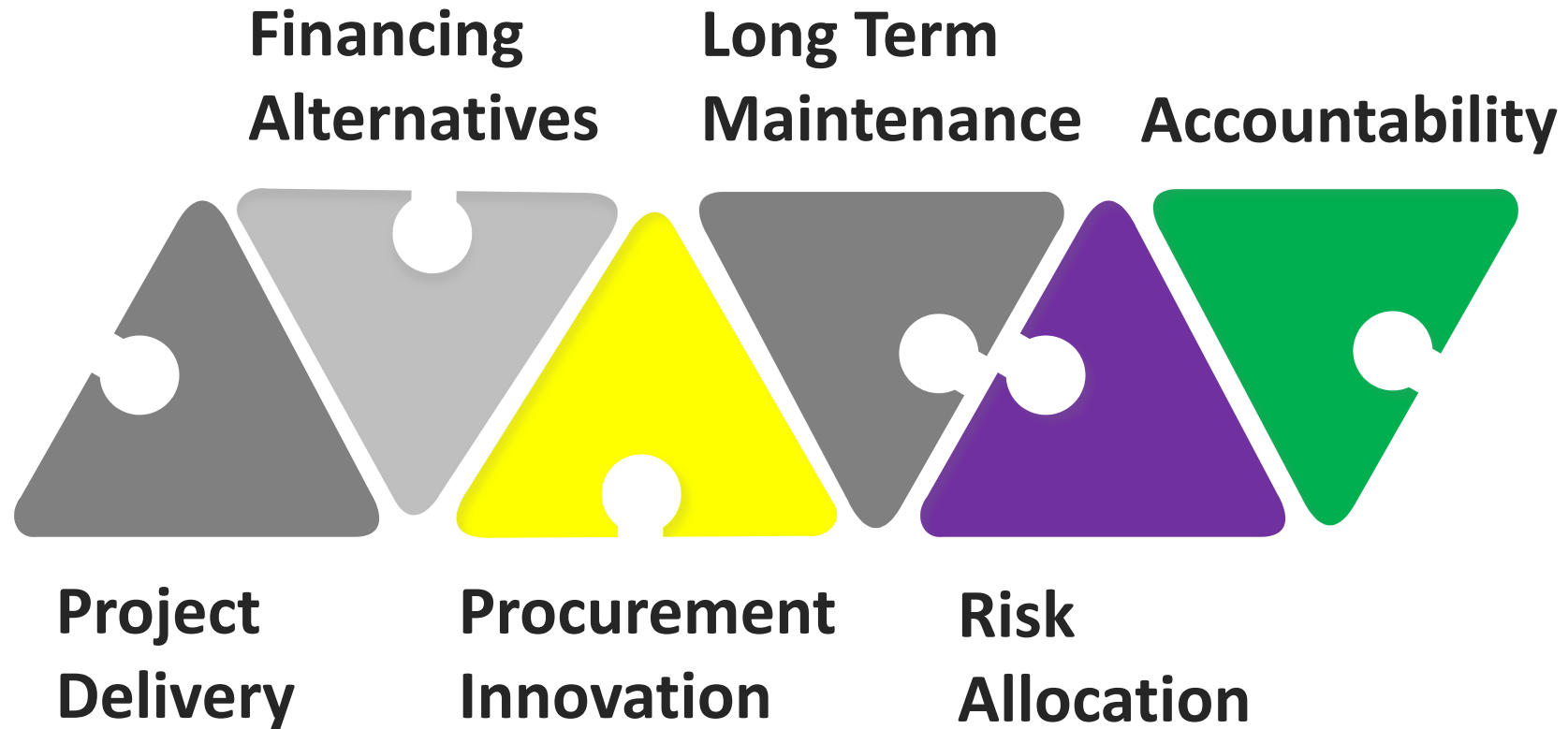
<http://www.clarkpacific.com/project/san-jose-international-airport-conrac-parking/>
<https://mxdddevelopment.com/portfolio/denver-airport-city/>
<http://indectusa.com/galleries/>



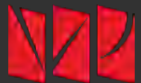
Market opportunities



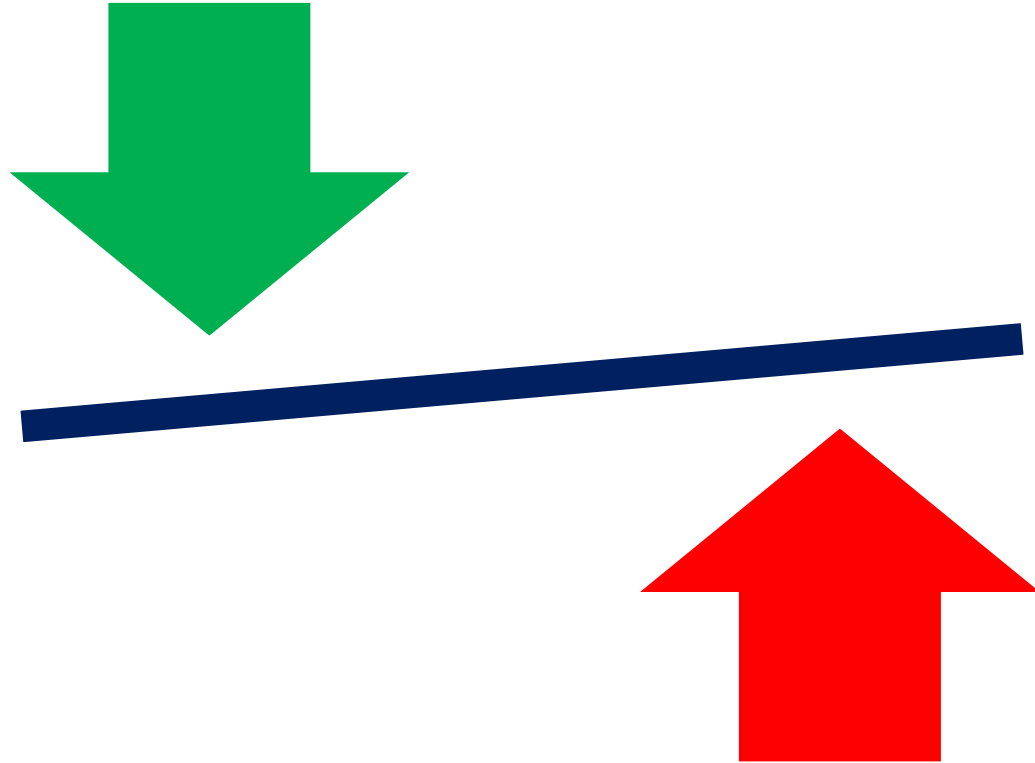
Reasons airports select P3s



Questions for airport management



Considering P3 options



Factors

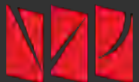
- Project control
- Operational control
- \$\$ availability
- Long term operation and maintenance
- Schedule
- Political realities

Selecting the best P3 approach

- Are we implementing elements of a master plan?
- Is the project a revenue generating opportunity?
- Is there an unsolicited proposal for a new facility or project?

Should we consider a P3?

- Do we need private sector capital?
- Do we need outside expertise – construction, design, operation, financing, maintenance?
- Can we share control?
- Can management tolerate creativity and risk?



Discussion

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