

MARKET-BASED ALTERNATIVE DELIVERY & FINANCE OPTIONS TO IMPLEMENT GREEN INFRASTRUCTURE

Recommended for the Milwaukee Metropolitan Sewerage District (MMSD)*

A Community-based Public-private Partnership (CBP3) is a collaborative effort between public and private sectors to implement a strategy to develop, build, fund, operate, and maintain infrastructure, utilizing a contract between public and private entities with defined outcomes, rights and responsibilities.

An Environmental Impact Bond (EIB) is a short-to-medium-term financing tool designed to assist borrowers in making better long-term financial and capital planning decisions.



BENEFITS OF CBP3s TO MMSD

- MMSD and communities retain ownership, governance and decision authority.
- MMSD and communities retain program savings.
- Accelerated delivery of a large number of projects.
- Private partner compensated on performance and achievement of aligned goals and objectives.
- Private partner retains risk for project delivery, maintenance, etc.
- Partner is responsible for the achievement of goals through the management of design, build, operation and maintenance processes.
- Workforce development, economic development, and other socially driven goals can be a CBP3 contract requirement.



BENEFITS OF EIBs TO MMSD

- Ease of execution and access to new sources of impact capital, which can accelerate funding for innovative uses.
- Lack of a long-term encumbrance of an asset.
- High degree of flexibility to scale innovations and transfer risks from pilot projects,
- Meet the borrowers' environmental and social objectives.
- Possibility of engaging multiple payors who benefit from green infrastructure projects (e.g., housing authority, economic development, public health, etc).
- Ability to use a variety of preferred delivery methods with the public borrower(s) retaining or transferring construction and maintenance risks to the private partner.

MMSD'S 2035 GREEN INFRASTRUCTURE VISION KEY BENEFITS (MMSD 2013)

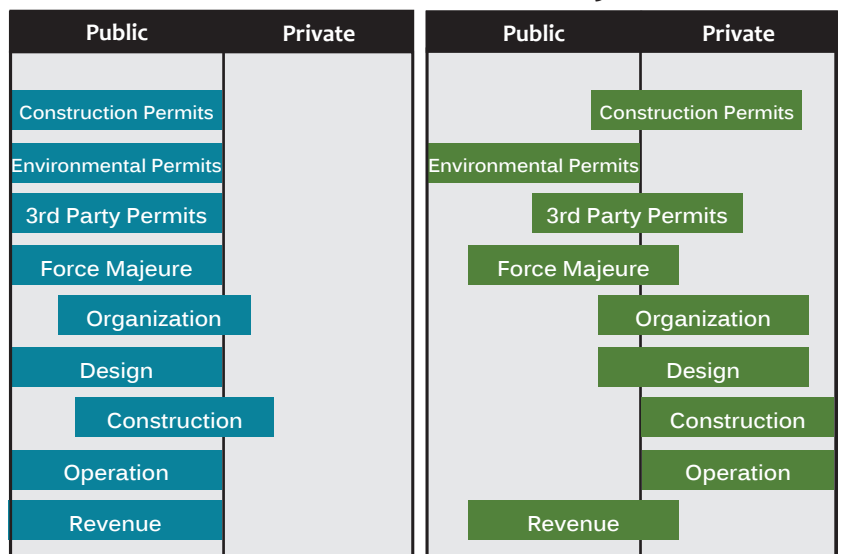
TO WATER QUALITY/QUANTITY:

- Increase storage volume of 740 million gallons per storm event.
- Capture 15 million pounds of total suspended solids (TSS) and 54,000 pounds of total phosphorus, yearly.
- Increase groundwater recharge by an additional four billion gallons per year through infiltration.
- Reduce carbon dioxide and urban heat island effect.

TO THE ECONOMY:

- Savings of \$44 million by using GI.
- Creation of 500 green jobs at full implementation.
- Increase in property values in MMSD's service area by an estimated \$667 million due to greening of the region.

OPTIMIZATION OF RISK ALLOCATION VIA ONE TYPE OF CBP3



Project partners:



Funding provided by:



Project website: www.p3greatlakes.org

*MMSD has no authorship of the P3GreatLakes report and considers its recommendations as third-party input.