







33rd Annual Basics of Airport Law Workshop and 2017 Legal Update

Session #12

PUBLIC-PRIVATE PARTNERSHIPS

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- Airports around the  use “P3s” to optimize how they spend , get stuff   built, and make passengers, airlines, and stakeholders .
- So what about  ?

WHAT YOU MAY HAVE HEARD

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



P3 TERMINOLOGY: A WORD OF CAUTION

- “There is no single, internationally accepted definition of *Public-Private Partnership*.”
 - PPP Knowledge Lab, The World Bank Group

Equivalent terminology does not necessarily equate to equivalent meaning.

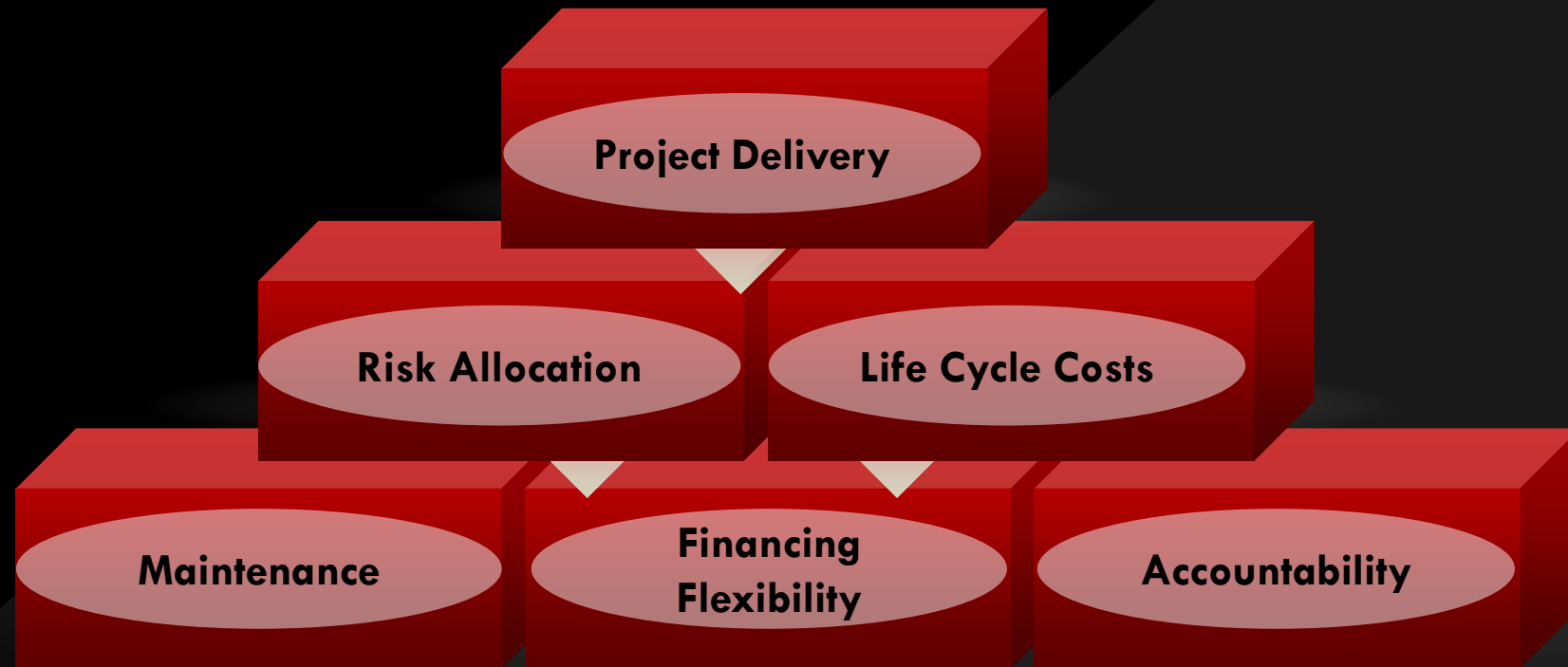
P3 in 🇪🇸 ≠ P3 in 🇺🇸.
🛣️ P3 ≠ ✈️ P3.

DEFINING P3 FOR THE AIRPORT CONTEXT

Public-private partnership (P3 or PPP) most often refers to one or both of:

- An arrangement by which, services or projects that traditionally have been provided or performed by a public sponsor are instead provided by a private sector entity.
- An arrangement through which, a private sector partner will exercise relatively greater control, have relatively greater responsibility and/or make a relatively greater financial investment than would customarily be the case with respect to a particular type of contract, service, or project.

REASONS FOR CONSIDERING A P3



UNDERSTANDING THE PLAYERS



Political Stakeholders

- Who's calling the shots
- Public policy objectives
- Economic development
- Operational risk transfer
- Unlocking the value of the asset



Airport Stakeholders

- Airlines
- General aviation and corporate
- Airport management
- Passengers



Community Stakeholders

- Airport neighbors
- Non airport users
- Businesses
- Workforce

CATEGORIES OF U.S. AIRPORT P3s



Service delivery



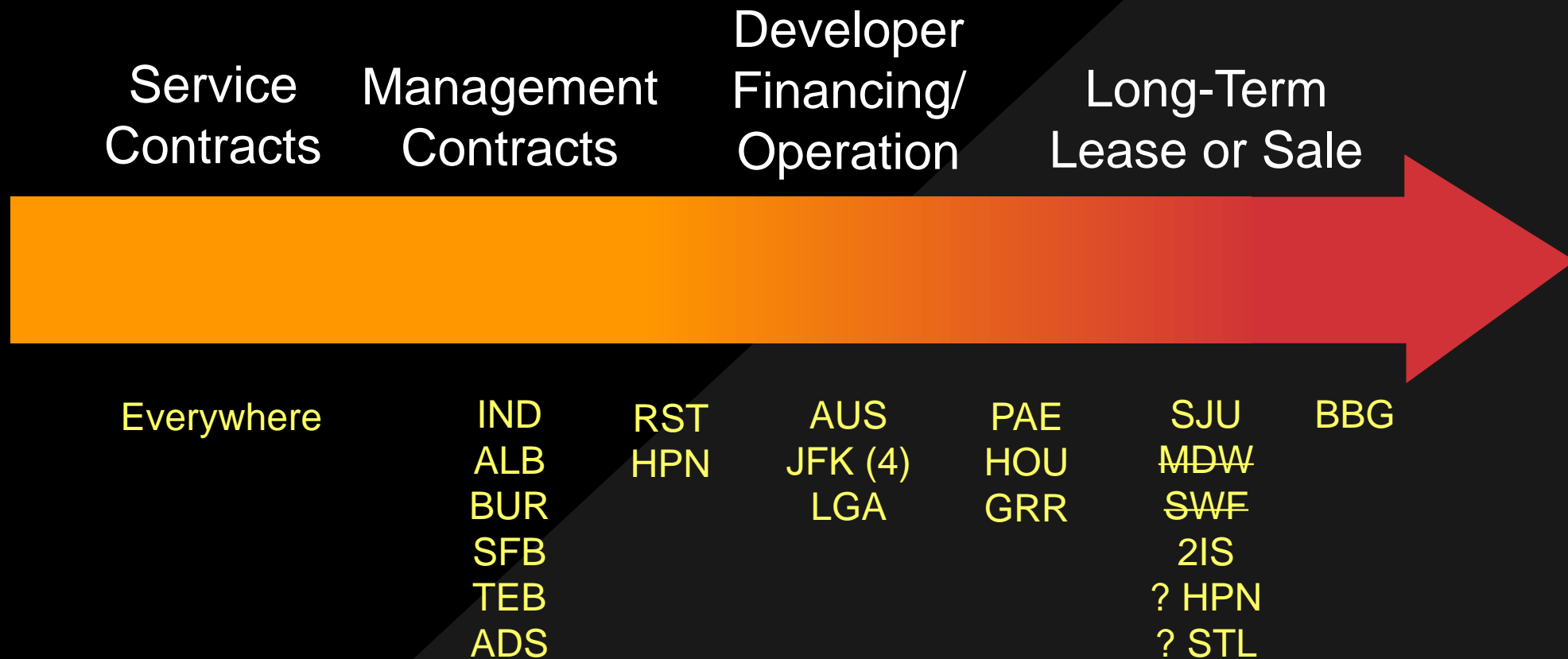
Capital projects



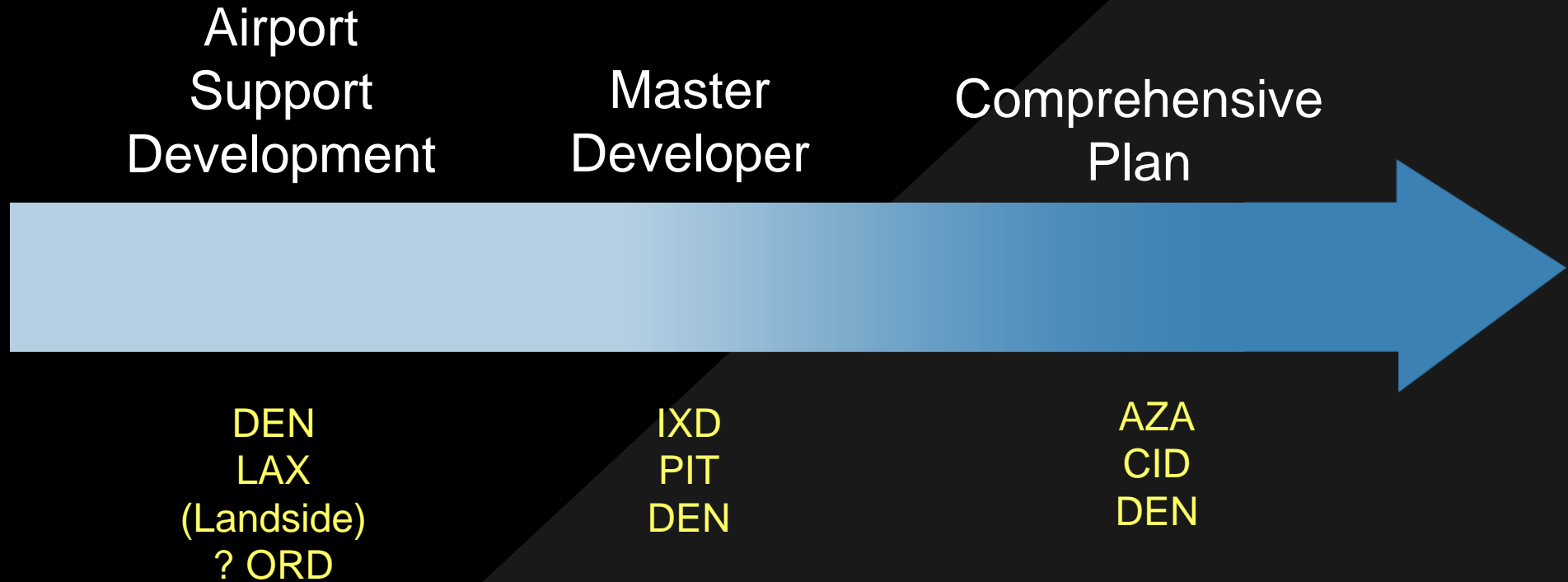
Privatization

THE AIRPORT P3 CONTINUUM — PART 1

AIRPORT PROJECTS AND OPERATIONS



THE AIRPORT P3 CONTINUUM — PART 2 NON-AERONAUTICAL PROJECTS

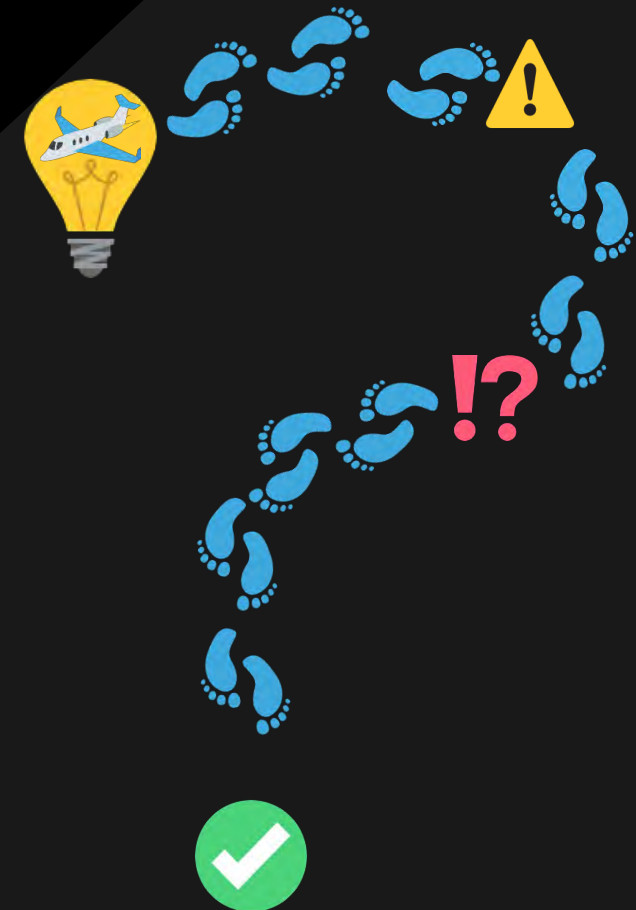


LONG & WINDING ROAD TO AIRPORT PRIVATIZATION

- No totally privatized in USA (but see SJU)
- Airport Privatization Pilot Program
 - Multi-factor process
 - One or two successes to date
 - Possibly increasing interest (?)
 - Now pending

STL *MCI*

HPN *2IS*



THE CONTEXT MATTERS

- **Airport P3s can be further differentiated by the context**
 - Airside operations
 - Landside operations
 - Entire airport (i.e. privatization)
 - Regional transportation connectors (e.g. road & transit)



AIRSIDE P3s

- **Service delivery projects / contracts**
 - Consolidated concessions
- **Capital projects**
 - LGA, Paine Field (and beyond)



LANDSIDE P3s

- **Service delivery contracts**

- Hotels
- Transportation

- **Capital projects**

- LAX, the DEN Great Hall (and beyond)



CONNECTORS

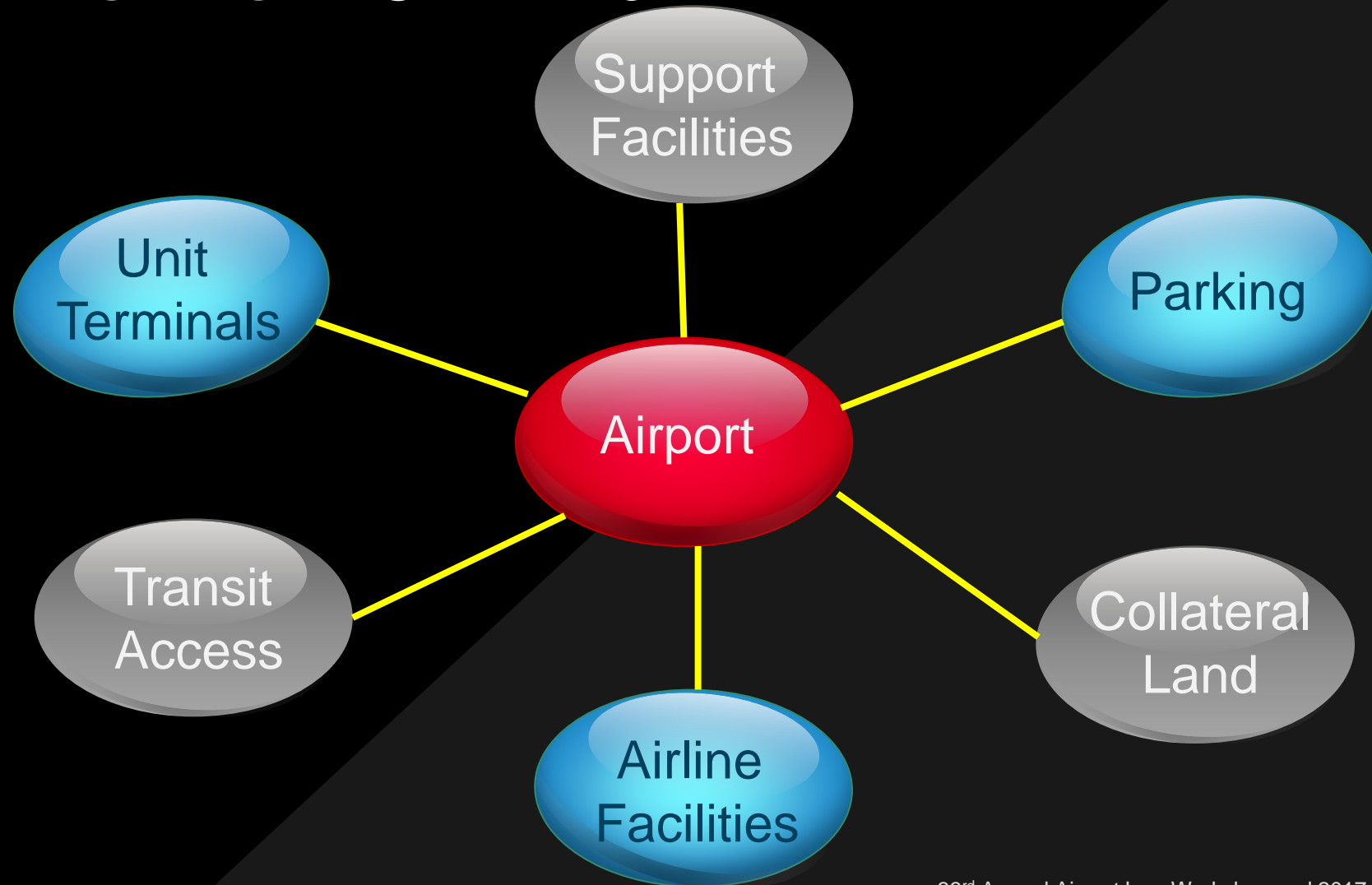
- **Rail and other transportation links**
 - PFCs and ground access projects
 - Trends in surface transportation P3s - and airport connectors



THINKING ABOUT P3

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

MARKET OPPORTUNITIES



LAWYERS' ROLE

- Understand players' roles
- Help define objectives – *early*
- Analyze state and local legal hurdles
- Coordination with FAA
- Documentation



QUESTIONS

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