

Infrastructure Finance Summit
Applying Public-Private Strategies and Project Structuring Techniques
September 8 - 10, 2008 — Chicago, IL

Tuesday, September 9, 2008:

8:00-8:15 **Welcome from the Summit Chairmen**
David Narefsky, *Partner*, MAYER BROWN LLP
Joseph Seliga, *Partner*, MAYER BROWN LLP

Session 1: Deal Structures

8:15-8:55 **Infrastructure Finance—Trends in Public-Private Activities in the Market Today**
In theory, the infrastructure market appeals to both investors and public entities. As the area grows in popularity, questions arise regarding the number of viable deals available and the types of structures that might be utilized. This presentation will explore the current state of the market and where it is headed, highlighting the types of arrangements that are finding fruition.

Robert Poole, *Director of Transportation Studies*, REASON FOUNDATION

8:55-9:35 **Institutional Requirements to Structure Bankable PPP Projects**
This presentation will discuss infrastructure projects from the lenders' perspectives: what they are looking for, red flags to avoid, and how the decision-making process works for infrastructure finance.

Rob Collins, *Executive Director*, MORGAN STANLEY (Invited)
Tom Lanctot, *Principal*, WILLIAM BLAIR

9:35-10:05 Morning refreshment & networking break

10:05-10:45 **Tax Considerations in Structuring**
Tax attributes affect cash flow, and thus the return on investment for the concessionaire and potential investors. This presentation will examine common tax issues such as cost recovery, cost capitalization, availability payment transactions, state financial contributions to the project, state and local taxes, and investor level in the context of infrastructure assets and finance.

David Smith, *Tax Partner*, ERNST & YOUNG

10:45-11:25 **Public-Private Partnerships vs. Performance-Based Infrastructure**
Despite the tremendous potential that P3 projects hold to mobilize deep new pools of private capital to meet the public's critical infrastructure needs, the market in the U.S. has been relatively slow to develop. Innovative deal structures can more closely align public and private interests by tailoring risks and rewards for a project to the particular goals and economic realities on all sides of a transaction. This presentation will discuss the spectrum of public and private involvement in a project, and how these structures affect financeability, risk transfer, and accountability.

Allan Marks, *Partner, Global Project Finance Department,*
MILBANK, TWEED, HADLEY & MCCLOY LLP

11:25-12:10 **Panel Discussion: How to Address Unique State and Local Legal Issues Affecting Your Transaction**
Transportation infrastructure is developed and owned by cities, states and local authorities, representing the advantages and challenges of federalism in the U.S. Each infrastructure transaction is unique *and* must be considered under its own set of laws, ordinances and regulations. This panel will explore how to work within the constraints of relevant state and local laws to get your transaction approved.

Moderator:
David Narefsky, *Partner,* MAYER BROWN LLP

Panelists:
Eduardo Cotillas, *Partner,* COTILLAS AND ASSOCIATES
Brian Walsh, *Partner,* BALLARD SPAHR ANDREWS & INGERSOLL, LLP

12:10-1:40 **Group Luncheon**
Keynote Address

Jeff Schoenberg, *State Senator,* ILLINOIS

1:40-2:20 **Common PPP Conflicts and Solutions from Around the Globe**
As the benefits of privatization become obvious at the Federal, State and municipal level, U.S. governmental entities are now actively looking to privatize assets. Investment funds flush with capital for this new asset class are struggling to find deals to invest in. Why are more deals not occurring?

Michael S. Smith and James P. O'Brien will discuss common conflicts that are arising in U.S. PPPs and the solutions and international practices that other jurisdictions have adopted to avoid or resolve these conflicts. The

primary goal of this discussion will be (a) to help government officials identify and create "saleable assets" and (b) to help investors differentiate the most promising projects and thereby minimize their transaction search costs.

Michael S. Smith, *Partner* and **James P. O'Brien**, *Partner*, BAKER & MCKENZIE LLP

Session 2: Risk Allocation & Mitigation

2:20-3:00 **Risk Identification, Mitigation and Allocations for Infrastructure Projects**

The key issue in arranging any complex financing is the identification and mitigation of risks. This becomes particularly important when the parties involved include both public and private entities. This presentation will examine the best practices in allocating risk for infrastructure projects.

Dino Barajas, *Partner*, MORGAN, LEWIS & BOCKIUS LLP

Session 3: Case Studies

3:00-3:40 **Transportation Case Study**

The Virginia HOT Lanes project is rightly renowned as a trailblazing breakthrough in public-private partnerships. This presentation will cover Virginia's PPTA Program, the Capital Beltway HOT Lanes Project development and current status, lessons learned and recommendations.

Tom Pelnik, *Head of Innovative Project Delivery Division*, VIRGINIA DEPARTMENT OF TRANSPORTATION

3:40-4:10 **Networking break**

4:10-4:50 **Transit Case Study**

The term "public-private partnership" has been applied to a broad array of arrangements, and there are many ways to involve the private sector, including in-project design and construction, financial planning, operations, toll collection, and maintenance. The Bay Area Toll Authority has been operating as a joint venture with the California Department of Transportation to deliver over \$11 billion in capital improvements and maintain operations on the Bay Area's six state-owned toll bridges. This presentation will discuss their experiences with this arrangement.

Andrew B. Fremier, *Deputy Executive Director*, BAY AREA TOLL AUTHORITY AND METROPOLITAN TRANSPORTATION COMMISSION

4:50-5:30

Port PPP Case Study

To meet the growing demand for cruise ship capacity and rapidly capitalize on the economic benefits to local and state economy and tax base—calculated at \$10 million in direct economic impact on the Galveston community and \$15 million in indirect impact per year-round operation of one cruise ship—the Port of Galveston formed a PPP with Royal Caribbean, Carnival and CH2M HILL to expand cruise ship service and facilities. This was the first time a PPP was used for a port project in Texas and one of the first times in the U.S. This presentation will examine the implementation, economics and longevity of the deal.

Steve Cernak, *Port Director*, PORT OF GALVESTON

Wednesday, September 10, 2008:

800-8:45

Keynote Address

Jack Hartman, *President*, RISE GROUP

8:45-9:30

Letting the Project Drive the Deal: Identifying the Right Strategy for Your Project

Public agencies contemplating an infrastructure project frequently receive expressions of interest from firms advocating for specific types of deals. Defining the project delivery approach, the competitive process and the concession structure is primarily the responsibility of the public sector and its advisors. This presentation offers a bottoms-up discussion of the analysis used to make these determinations—considering the characteristics of the infrastructure project, the goals of the public agency procuring it and, of course, the appetite of the market.

Michael Parker, *Managing Director*, JEFFREY PARKER & ASSOCIATES

9:30-10:30

Panel Discussion: Transportation & Infrastructure Funding: The Federal Policy Debate & Its Implications

Two congressionally chartered commissions have provided timely and controversial reports on the potential solutions to repairing our transportation infrastructure. What will the impacts be on funding at the state and federal levels? What can be expected under a new administration? How will PPP activities be affected? This panel will discuss these and other policy issues.

Moderator:

Karen Hedlund, Partner, NOSSAMAN GUTHNER KNOX & ELLIOTT LLP

Panelists:

Tim Martin, Senior Vice President, AECOM (*Former Secretary of Transportation*, ILLINOIS DEPARTMENT OF TRANSPORTATION)

Steve Schlickman, Executive Director, REGIONAL TRANSPORTATION AUTHORITY

Geoffrey Segal, Vice President, Government Relations, MACQUARIE CAPITAL ADVISORS

10:30-11:00 Morning refreshment & networking break

Session 4: Management and Control Issues in PPP Projects
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11:00-11:45 **PPP Contract Monitoring and Oversight**

Infrastructure projects depend upon a successful, long-term relationship between public and private partners. Transactions must be structured to balance their interests and to provide an appropriate level of oversight for the public. This presentation will examine how contract monitoring and oversight can be established that will protect the interests of the public without adversely affecting the profitability for the private sector.

Tom Kness, Assistant Director of Public Private Partnerships Office of the CFO, CITY OF CHICAGO

Eric Reese, Chief of Process Management, CHICAGO TRANSIT AUTHORITY

11:45-12:45 **Panel Discussion: Remedies and Enforcement Affecting the Interests of the Contract Parties**

This panel will discuss the spectrum of potential remedies and enforcement provisions and explore how they affect the financing of infrastructure projects. They will also discuss the dispute resolution process and how these provisions might be best arranged contractually.

Moderator:

Joseph Seliga, Partner, MAYER BROWN LLP

Panelists:

Tamara K. Gilida, Shareholder, ICENOGLE NORTON SMITH BLIESZNER GILIDA & POGUE, P.C.

T. Edward Icenogle, Shareholder, ICENOGLE NORTON SMITH BLIESZNER GILIDA & POGUE, P.C.

12:45 Summit adjourns