

Public-Private Partnerships: A View From the Local Level

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Local Stormwater Management

Effective stormwater programs require:

- Consistent, equitable, and firm laws, regulations, and policies guiding restoration and protection
- Clear understanding of community benefit
- Dedicated, consistent, and sustainable investment

Public-private partnerships will work once these three needs have been met



Stormwater Management Challenge

There are acute local financing needs:

- Reduced costs through greater efficiencies
- Reduced and/or mitigated risks
- Innovative solutions to entrenched problems

These are the three areas where public-private partnerships offer the greatest opportunity



Stormwater Management Challenge

Private sector needs:

- Return on investment and/or profit
- Investments in ecosystem restoration must compete with other market-based investment opportunities



Keys to Maximizing Return on Investment

- Minimize costs and improve efficiencies
- Mitigate risks to the point that the risk/profit relationship is in balance
- Aggressively innovate

Successful firms do each of these three things very well



Convergence of Public Need with Private Capacity

Public need

- Reduce costs
- Reduce risks
- Identify innovative new restoration practices, approaches

Private capacity

- Myopic focus on costs
- Aversion to unnecessary risk
- Innovate or die



Convergence of Public Need with Private Capacity

Public need

- **Reduce costs:**
 - Administration and management
 - Construction and implementation

Private capacity

- Privatization of services
- Outsourcing: construction, O&M
- Management and administrative consulting



Convergence of Public Need with Private Capacity

Public need

- **Reduce risks:**
 - Environmental performance
 - Financial performance

Private capacity

- Pay-for-performance
- Focus on delivered results



Convergence of Public Need with Private Capacity

Public need

- **Innovation:**
 - Environmental performance
 - Financial performance

Private capacity

- Pay-for-performance
- Focus on delivered results
- *Flexibility*



Future of Stormwater Financing

Public responsibility

- Oversight and enforcement
- Revenue generation
- Revenue allocation and investment

Private participation

- Delivery of on-the-ground projects
- Delivery of services: administration (to some extent), operations and maintenance
- Revenue allocation and investment





Thank You!

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