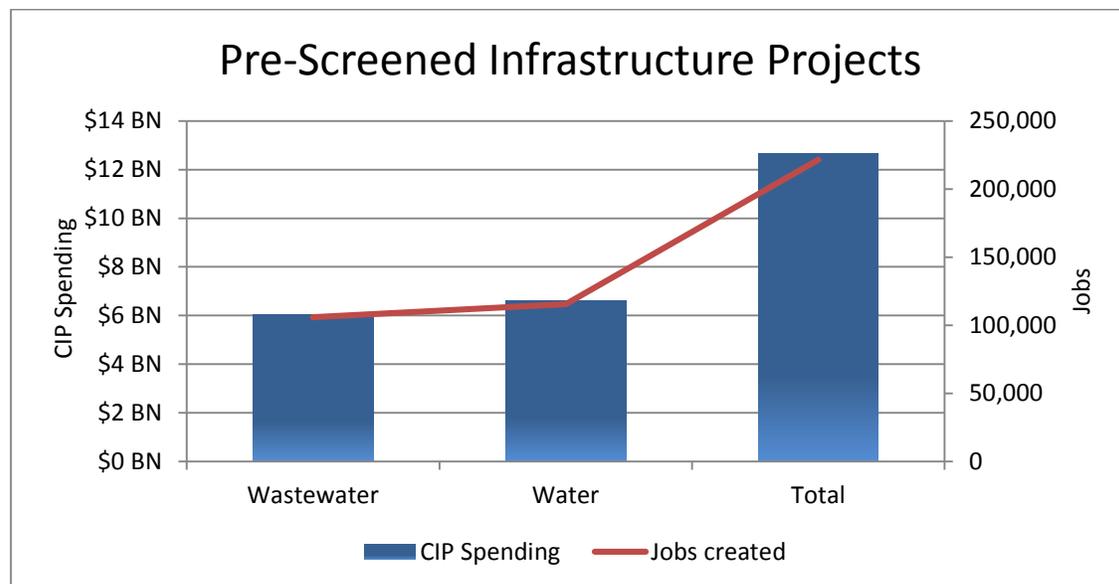


AMERICAN PUBLIC-PRIVATE PARTNERSHIP INFRASTRUCTURE EQUITY PLEDGE
Table Rock Capital Provides Private Equity Capital Pledge to Leverage & Fund \$12B in
American Infrastructure Projects

Proposes 120-Day American P3 Action Plan to Jumpstart Deployment

The U.S. water and wastewater sector faces a severe investment deficit as well as challenges from increasing water stress, extreme weather events, and compliance issues. Table Rock has aligned equity investors with capital sufficient to leverage and finance \$12 billion worth of infrastructure projects that will address critical water and wastewater needs. These are projects Table Rock has identified across 70 screened and qualified cities over the course of a 100-City P3 Tour in 2013-2014. The equity investors include domestic and multinational participants with expertise in the water and wastewater sector.



As evidenced by Table Rock's equity pledge and identified list of ready investment opportunities, the critical barrier to increased investment in American infrastructure is not a shortage of capital or eligible projects. There is abundant private capital in search of the fixed and predictable yield associated with long-lived infrastructure investments, including pension funds in need of stable, healthy returns. These investors, however, have threshold requirements from their public partners that would have to be met for the capital to deploy. The threshold requirements – which Table Rock proposes to address through the following 120-day American P3 Action Plan – are as follows:

- 1.) Creditworthy, investable deal structures must be developed around the identified projects.
- 2.) Qualified cities need to be equipped with global best practices in evaluation and procurement.
- 3.) Qualified cities must exhibit political and contractual commitment to execution on a reasonable timeline, albeit with fair and agreed upon off-ramps.

To the first requirement, P3 leaders in the U.S. market (including Table Rock and its team of partners) are amply resourced with the necessary financial, technical, and contractual models to put investable deal structures around the \$12 billion in need, across a typical development period of 180-270 days. To the significantly more daunting second and third requirements, Table Rock details below a proposed 120-day joint public-private action plan to produce an independent P3 screening and implementation

resource and engagement strategy for municipal infrastructure projects. Historically the U.S. has been successful with large scale capital deployment programs such as the Clean Water Act. However, in light of fiscal constraints and global innovations in procurement that have the potential to improve timing, reduce costs, and transfer risk to the private sector, there is an urgent need to more closely consider alternative public-private procurement methods that promise to unlock sources of capital on a scale experienced in past periods of large scale deployment and economic growth.

Table Rock believes that a significant backlog of projects can be financed in the near term with a P3 action plan that allows interested cities to meet the investment threshold requirements outlined above. A uniquely American P3 model that is community-driven and brings private investment, expertise, and accountability into true partnership with municipalities – without privatizing public assets or public control – presents a watershed opportunity to address the country’s critical infrastructure needs, retain and create good quality jobs, manage costs, and provide fixed, predictable returns for investors.

PROPOSED 120-DAY JOINT ACTION PLAN TO JUMPSTART \$12B IN INFRASTRUCTURE FUNDING

The action plan includes a series of workshops co-hosted by federal agency leads together with bodies of municipal decision-makers (e.g. U.S. Council of Mayors, Associations of City Managers) with pro bono private sector advisory. Proposed elements of the action plan include:

- 1) A federal agency workshop to identify and engage relevant municipal leadership, including:
 - a) Convening of agencies with P3 mandate to identify resources and networks that enable projects;
 - b) Engagement plan using available agency resources and networks to engage local leaders;
 - c) Development of concept for limited revolving fund to enhance pipeline development, support initial project development, and incentivize participation of early P3 procurement adopters.

- 2) A workshop for local decision makers on the fundamentals of P3, including:
 - a) Risk identification, risk valuation, and risk transfer;
 - b) Basic principles of project finance, including the performance function of equity;
 - c) Development of public-private comparators;
 - d) Case studies in the best and worst of P3 in the U.S. to date for lessons learned;
 - e) Relevant state and federal P3 and procurement statutes;
 - f) Catalog of P3-friendly credit programs across federal agencies and state government.

- 3) Dissemination of leading templates in P3 evaluation and procurement from decades of international implementation and model innovations in U.S. evaluation and procurement, including:
 - a) Model RFI/RFQ/RFP formats to invite market response to P3 inquiries and evaluation;
 - b) Screening matrix evaluating any project’s initial appropriateness for P3 analysis;
 - c) Public-private comparator process creating a project-specific, comprehensive, side-by-side life cycle cost analysis of traditional public vs. public-private approach, factoring in design, construction, and operating efficiencies of the P3 model as appropriate on a case-by-case basis.

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