

# EVOLUTION OF PRIVATE PUBLIC PARTNERSHIPS (P3s) AT AIRPORTS

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# What is a P3

- Arrangement between the public and private sectors in which some traditionally public sector services are provided by the private sector –
  - typically medium-to-long term
  - clear agreement on shared objectives for delivery of public infrastructure and/ or public services.

[https://www.aci-na.org/sites/default/files/p3\\_white\\_paper.pdf](https://www.aci-na.org/sites/default/files/p3_white_paper.pdf)



# News coverage has piqued interest

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



# Recent policy shifts favor P3s

- Administration's \$1T infrastructure idea
- Declining role of AIP \$\$
- Increased marketplace comfort
- Deferred or backlogged projects
- Local government contracting, hiring impediments

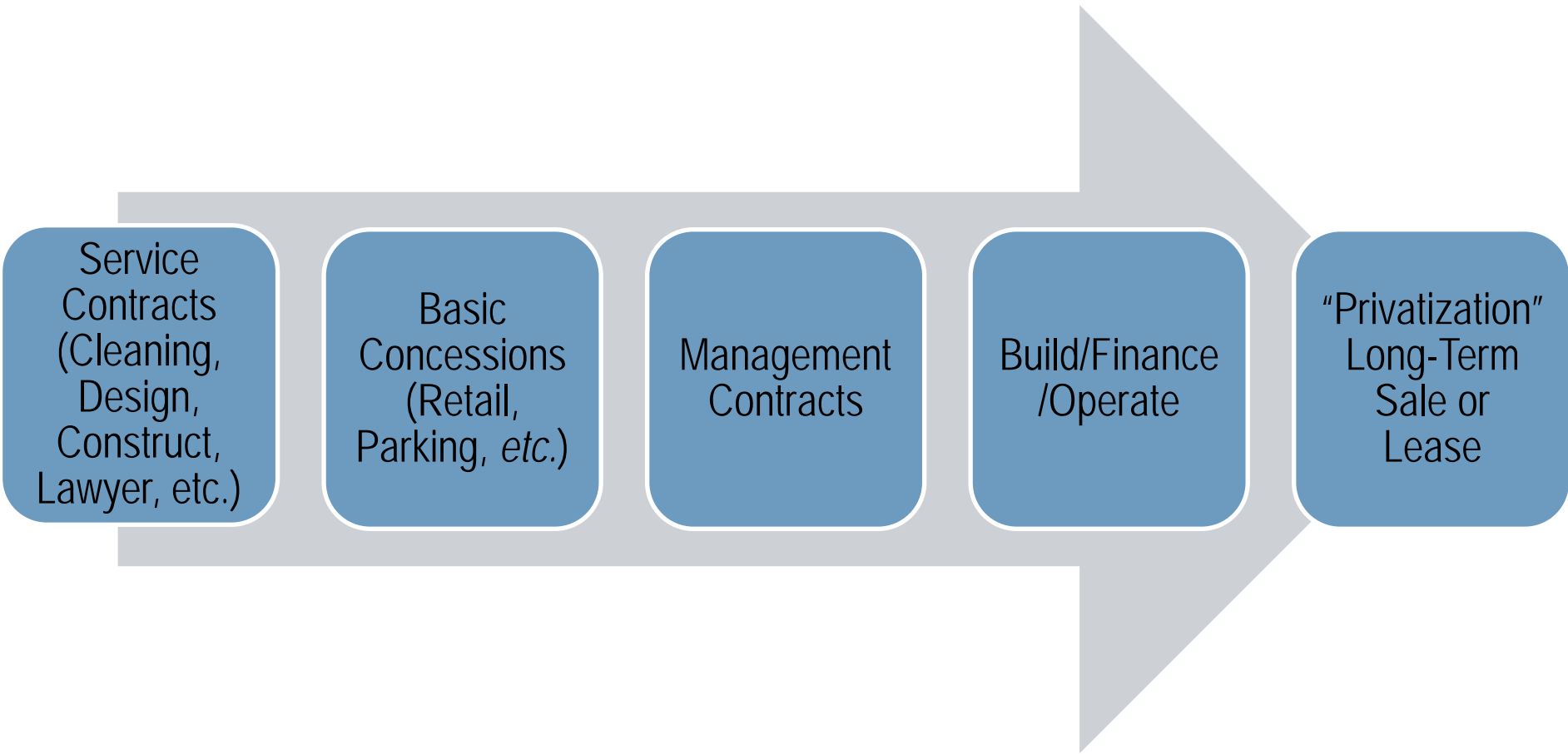
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# Thinking about P3

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

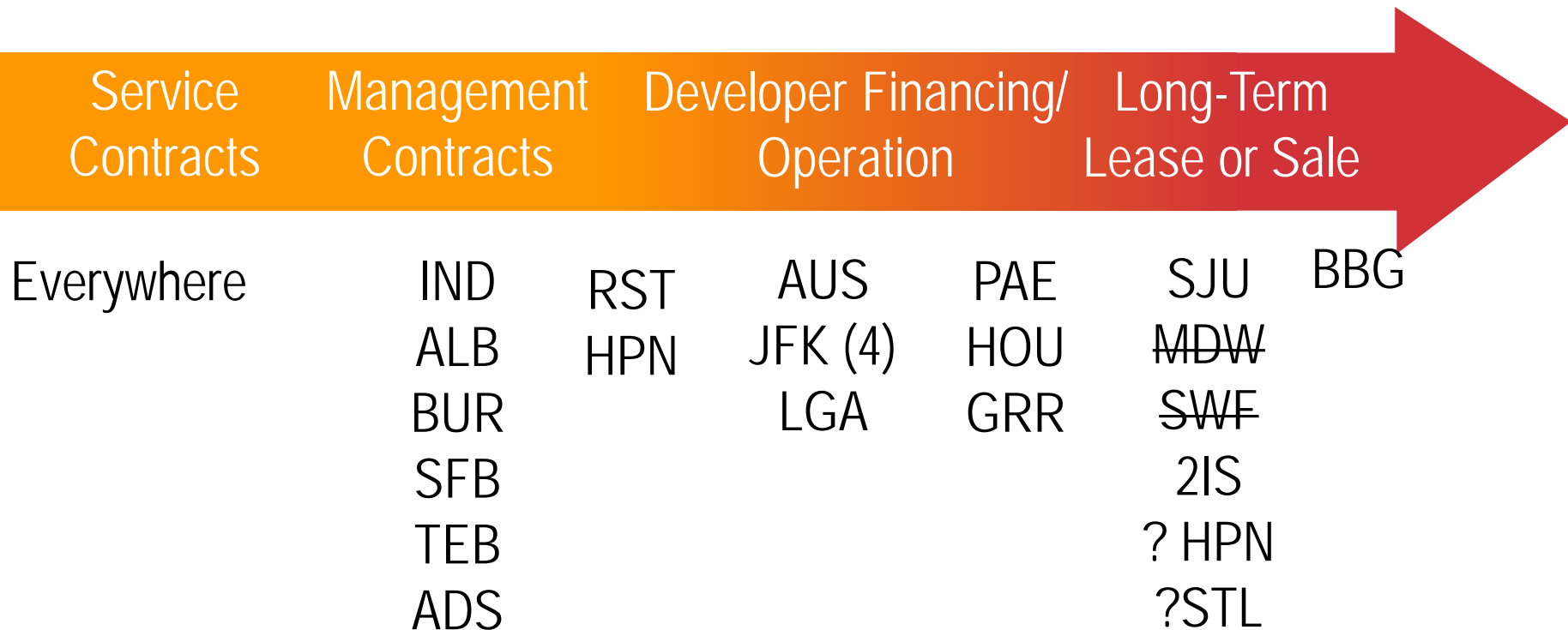


# Spectrum of P3 types



# The P3 continuum

## Airport projects and operations



# The P3 continuum

## Non-aeronautical projects

Airport Support  
Development

Master Developer

Comprehensive  
Plan

DEN  
LAX  
(Landside)  
?ORD

IXD  
PIT

AZA  
CID  
DEN





# Historic approach: privatization



<http://cityofbransonwest.com/airport.html>

<https://www.facebook.com/pg/AeropuertoSJU/reviews/>



# Recent focus: mammoth projects

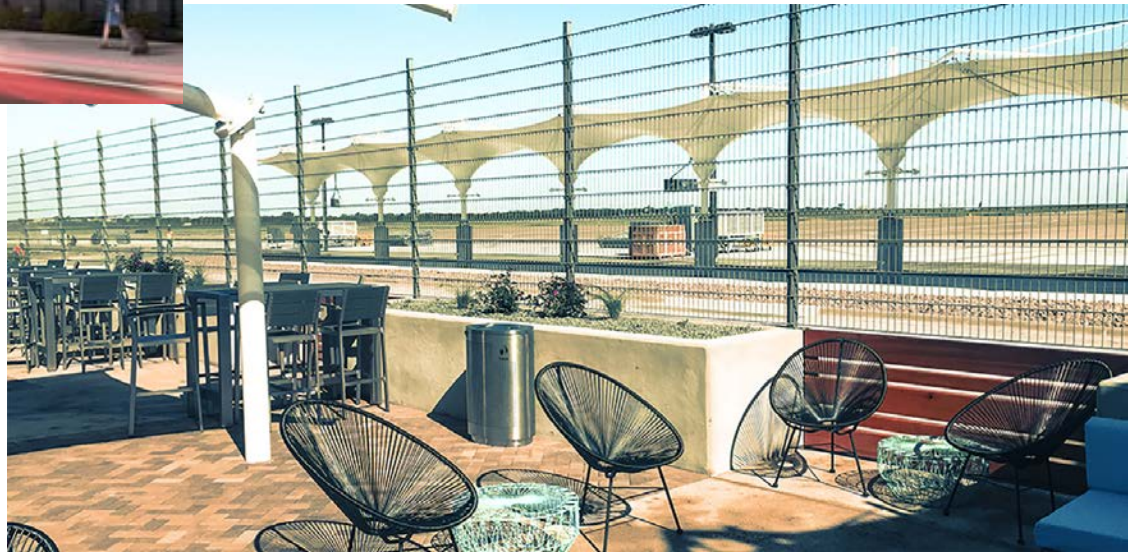


<https://www.laguardiacentral.com/>  
[https://en.wikipedia.org/wiki/File:Denver\\_International\\_Airport\\_Interior.jpg](https://en.wikipedia.org/wiki/File:Denver_International_Airport_Interior.jpg)





# Happening now: terminals



<https://www.flypainefield.com/>  
<http://austinsouthterminal.com/>



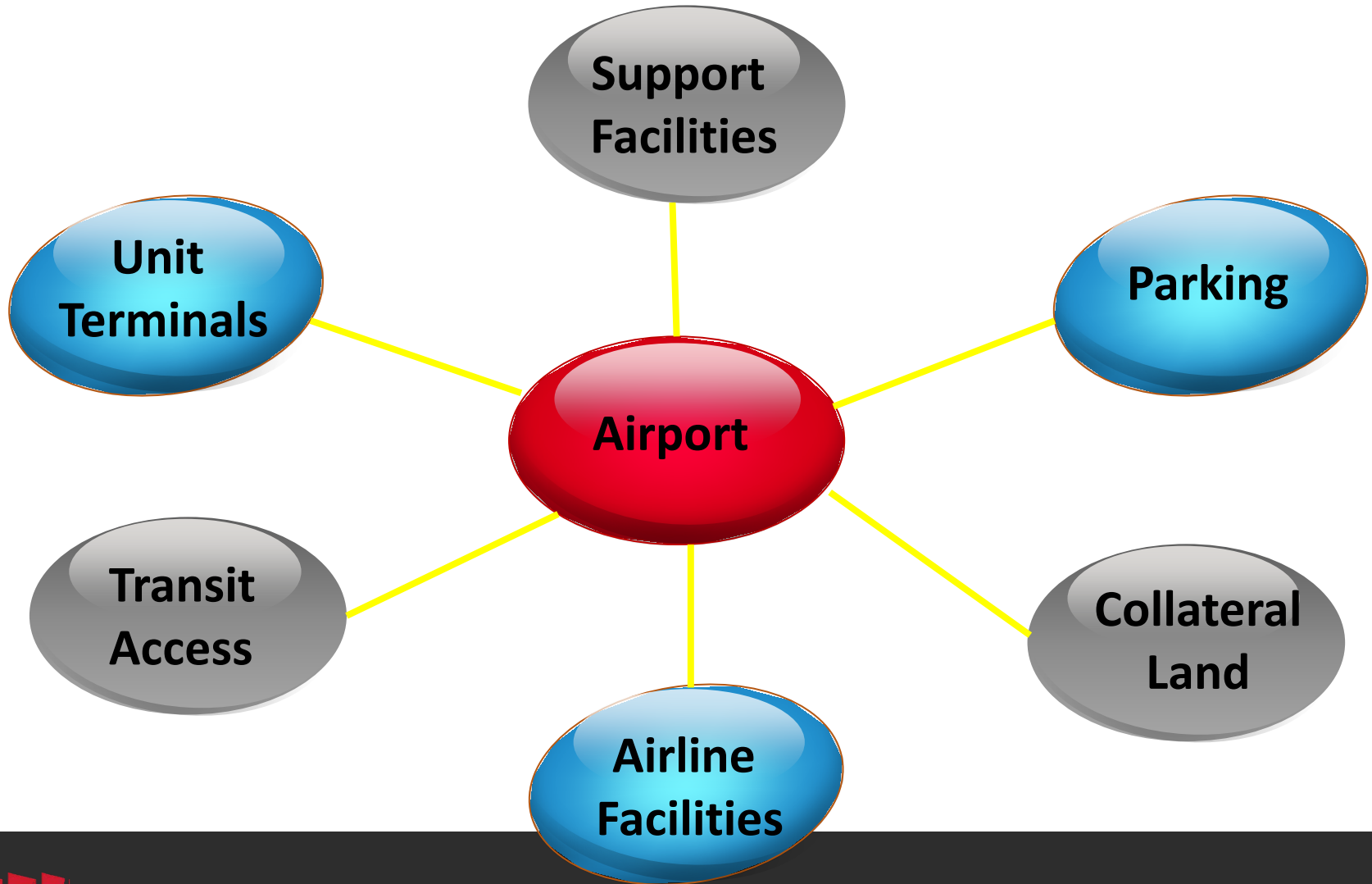
# Coming soon: other projects



<http://www.clarkpacific.com/project/san-jose-international-airport-conrac-parking/>  
<https://mxdddevelopment.com/portfolio/denver-airport-city/>  
<http://indectusa.com/galleries/>



# Market opportunities





# Reasons airports select P3s

**Financing  
Alternatives**

**Long Term  
Maintenance**

**Accountability**



**Project  
Delivery**

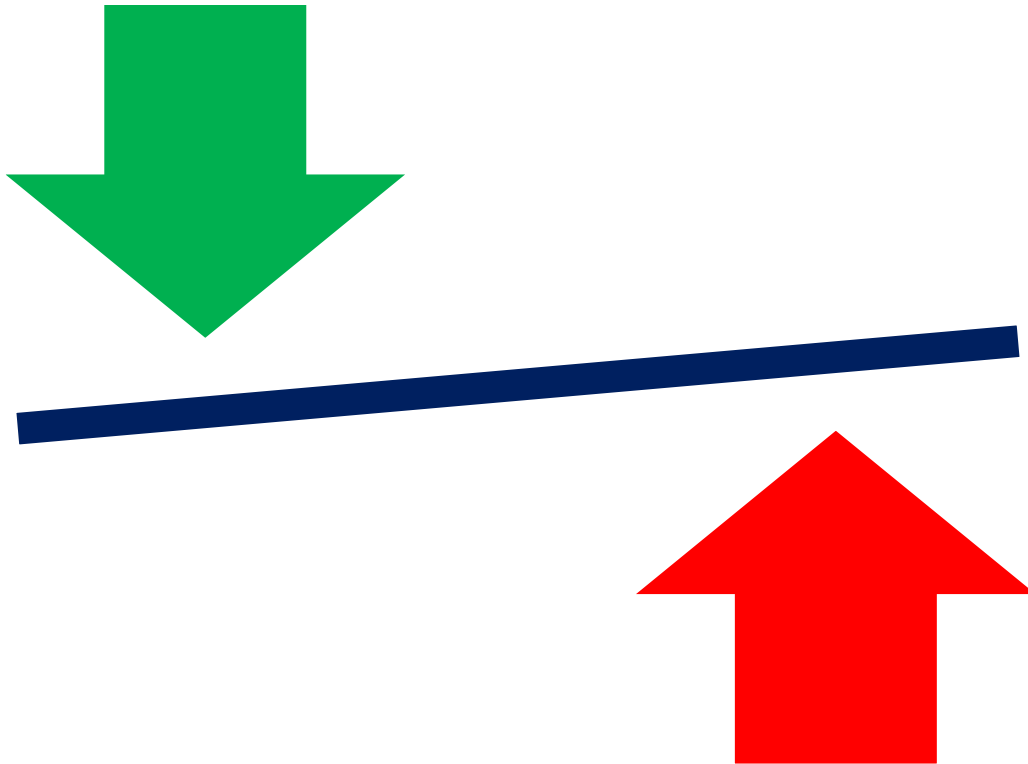
**Procurement  
Innovation**

**Risk  
Allocation**

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# Questions for airport management

# Considering P3 options



## Factors

- Project control
- Operational control
- \$\$ availability
- Long term operation and maintenance
- Schedule
- Political realities



# Selecting the best P3 approach

- Are we implementing elements of a master plan?
- Is the project a revenue generating opportunity?
- Is there an unsolicited proposal for a new facility or project?

# Should we consider a P3

- Do we need private sector capital?
- Do we need outside expertise – construction, design, operation, financing, maintenance?
- Can we share control?
- Can management tolerate creativity and risk?



# DISCUSSION

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