

THE BOND BUYER

New P3s on tap in Denver and L.A. with federal infrastructure funds

By

[Caitlin Devitt](#)

Published

April 20, 2022, 11:04 a.m. EDT

Having completed its inaugural public private partnership financing late last year, the Army Corps of Engineers now has a trio of P3s on tap across the country.

The Infrastructure Investment and Jobs Act included money for the three projects, as well as final federal funding for the Corps' first venture, the [Fargo-Moorhead Flood Risk Management project](#) in North Dakota and Minnesota.

"We've had a really exciting spring," said Aaron Snyder, the director of the USACE's Civil Works Public Private Partnerships Pilot Program.

The infrastructure funding "was really good news for the program, and hopefully we can demonstrate the viability of public private partnerships across the Corps," he said. "We want to move aggressively with all of these projects."



The infrastructure funding for the USACE's P3 projects "was really good news for the program, and hopefully we can demonstrate the viability of public private partnerships across the Corps," said Aaron Snyder, the director of the USACE's Civil Works Public Private Partnerships Pilot Program.

Denver may be the first to benefit from the new federal funding, which will advance a long-planned ecosystem restoration of a section of the South Platte River, including a section that runs through downtown Denver. The IIJA provided \$350 million in federal funding for the Urban Waterways project, which has been in the planning stages for 10 years.

The city and county of Denver are the non-federal sponsors of the project. The USACE expects to complete a value-for-money analysis to ensure the project fits its P3 program within the next few weeks. Assuming it does, the city and county can begin procurement, Snyder said.

"Denver is situated pretty pretty well to move forward, so we're very excited about that," he said.

The IIJA provided \$28 million to jumpstart restoration of another urban ecosystem, this one in Los Angeles. The project carries a price tag of around \$2 billion and will be structured as a design-build-finance-operate-maintain. The city of LA, the nonfederal sponsor, plans to use state and local grants, as well as

usage fees, tax assessments and general funds for its piece of the funding, according to the USACE. It will restore 719 acres, some of it in downtown LA, for improved water quality and new recreational areas.

With the initial piece of federal funds in place, the USACE now needs to hammer out an agreement with the city so local officials can move forward with procurement, Snyder said.

A third deal on tap, the \$288 million Brazos Island Harbor Channel Improvement project, will likely not be structured as a DBFOM, but features the Port of Brownsville partnering with the industries that work at the port.

The IIJA included \$68 million for the Brazos project, which will complete the federal funding, Snyder said.

Meanwhile, the IIJA provided \$437 million to complete the federal funding of the Fargo-Moorhead diversion project, which will stem the chronic overflow of the Red River and its tributaries. The money finishes the federal piece of the \$3.2 billion project, Snyder said.

The goal of the USACE's P3 program is to show that alternative delivery methods can reduce project cost and duration. Using a P3 structure for the Fargo project saved \$330 million and 10 years, according to the agency.