Smart Community Moneyball

Moneyball is the art of finding value where others do not see it. In other words, when it comes to funding and financing smart community and community broadband projects, it pays to think creatively and look at all viable options. Black & Veatch's 2018 Strategic Directions Smart Cities and Utilities Report showed that cities think **Public-Private Partnerships (P3)** are an effective way to pay for enhanced infrastructure projects. And since P3s can be customized in numerous ways, these contracts open the door to creative arrangement that is valuable to both the public and private entities.

Partnership Stats in the **United States**

60.5% Percentage of U.S. cities surveyed that say **P3** is their top financing model

35 Number of U.S. states with legislation enabling **P3**

18 Number of states with finalized **P3** deals in U.S.

20% The amount of cost savings from using a P3 over traditional procurement model

5 **Ways to Save** with P3

Costs: lower construction/operating costs

Speed: faster project delivery

Risk-Sharing: private entity assumes some or all risk

Maintenance: contract can include maintenance requirements

Innovation: access to cutting-edge technologies and expertise for optimized features

3 Other **Smart Ways to Pay**

Traditional Procurement: models based on ROI calculations for the smart project savings.

State/Federal Grants: they contribute capital to the project.

Asset Leasing: lease city assets to generate funding. For example, lay fiber optic conduits when streets are trenched and lease the conduits to generate revenue.

5 Ways **Cities Can Plan** for P3 Success

- Clarity of Desired Outcome
- Market Suitable Business Model
- Equitable Value Contribution
- Ownership Model
- Organizational Structure

Black & Veatch. 2020. 2018 Strategic Directions: Smart Cities & Utilities Report. T&D World. 2018. Smart Utilities Enable Smart Cities.
PwC. 2016 Public-Private Partnerships in the U.S.: The State of the Market and the Road Ahead.