

Volusia/Flagler FGFOA CHAPTER

Public/Private Partnerships

March 9, 2018

Jeffrey T. Larson, President
Larson Consulting Services
(407) 496-1597

jl Larson@larsonconsults.com

LARSON
Consulting Services, LLC

Presentation Outline

Traditional Initial Project Review Considerations.....	2
Non Traditional Financing Options and PPP Examples.....	5
PPP Example – City of Tamarac, Tamarac Village.....	9
Summary Comments – Recommendations	17
Questions.....	23
Background Material.....	24
• Jeff Larson Bio	
• Larson Consulting Services material	
• F.S. 255.065 – PPP’s	

Traditional Financing Options: What is the Project?

Initial Questions

1. Amount and Scope: _____
2. Timing: _____
3. Priority – Source of Request?: _____
4. What assets would be financed? _____
5. Corresponding term of debt? _____
6. Other Considerations:
Private versus Public Benefit? _____
Private Sector Commitment? _____
Public Sector Commitment? _____
Citizen Commitment? _____
7. Public Sector's Objectives Post Completion? _____

Examples of Types of Issues in Florida Include:

- Project Financings
- Tax Increment Financings
- Special Assessment District Bonds
- Water and Wastewater Revenue Bonds
- Electric Utility Revenue Bonds
- Industrial Development Revenue Bonds (IDB's)
- Solid Waste Revenue Bonds
- Sales Tax Revenue Bonds
- Certificates of Participation (COP's) (RAB's)
- Covenant to Budget and Appropriate (Capital Improvement Revenue Bonds)
- "Parks" Impact Fee Bonds
- Tourist Development Revenue Bonds
- Fixed and Variable Rate Issues
- Private Placements
- Non-rated, High Yield Bonds
- Special Assessment bonds
- Port Revenue Bonds
- Charter Schools
- General Obligation Bonds
- Private Placements
- Bank Credit Facilities
- Housing / Student Housing
- Public Service Tax Revenue Bonds
- Community Development District Bonds
- Gas Tax Bonds
- Franchise Fee Revenue Bonds
- Infrastructure Sales Surtax Bonds
- Bond Anticipation Notes (BAN's)
- Tax Anticipation Notes (TAN's)
- Grant Anticipation Notes (GAN's)
- Lease Purchase Bonds
- Airport Revenue Bonds
- Excise Tax Revenue Bonds
- Housing Bonds (multiple types)
- MSTU's, MSBU's
- Refundings
- "Synthetic" Refundings
- Conduit Issues
- Revolving Line of Credit
- Junior Lien / Subordinate Bonds
- Stormwater Utility Bonds
- "Pension" Bonds
- 6320 Financings

Non-Rated Project Financings Include

- Community Development Districts
- Shopping Malls
- Multi-Family Housing
- University/Colleges
- Dormitory Financings
- BAN's
- Community Redevelopment Agencies – TIF
- Industrial Development Revenue – IDB
- Library
- Equipment Lease Purchase Agreement
- Certificates of Participation
- Special Assessment Districts
- Solid Waste
- Redevelopment Projects
- Charter Schools
- PACE Assessment Bonds
- Ski Gondolas
- Market Rate Housing
- Sports Facilities
- Fire Protection District
- Flood Control
- Hospital / Health Care
- Hotel
- Airport Terminal
- Taxable Training Certificates
- Environmental Revenue Bonds
- Taxable Loan Placements

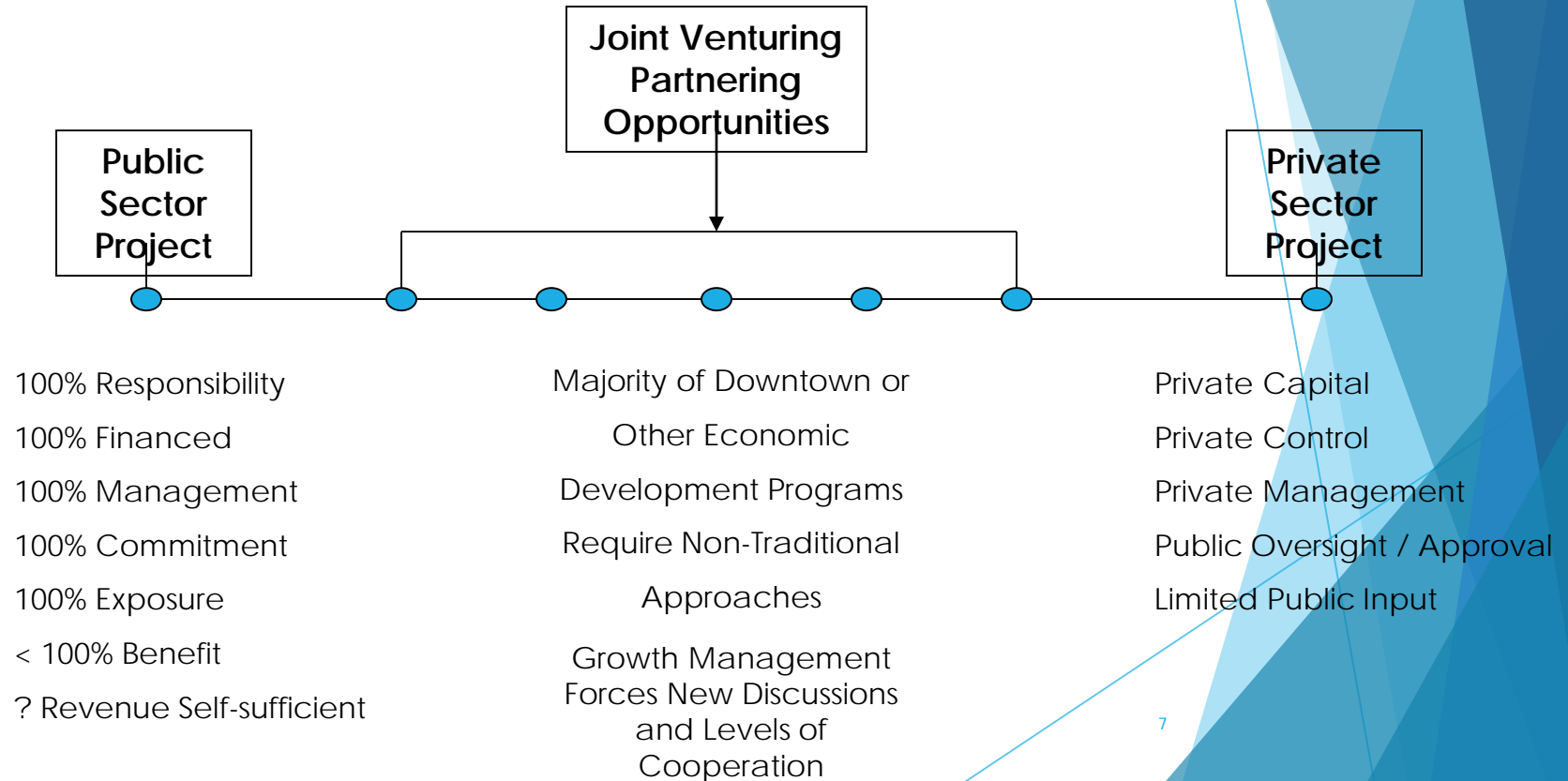
Non-Traditional Financing Options

What is the Project?

Suggestions – Additional Questions – Recommended Focus

1. Take a Fresh, Non-Governmental Perspective
2. Are There Other Public, Private Interested Parties and/or Potential Partners or Stakeholders? What Are Their Potential Benefits? How Do You Locate Them? How Are The Interactions And Commitments Negotiated? Performance benchmarks? Memorandum of Understanding? Interlocal Agreements? Invitations To Negotiate RFQ's vs. RFP's
3. Does the Project Site Provide Potential For a "Mixed-Use" Project? Is Other Land Available For Private Sector Use Elsewhere? What Can Your Government Do, Tangible and Intangible, To Assist and How Can you Monetize That?
4. Can Private Enterprise's Skill Sets, Capital, Profit Generation and Expense Control Abilities Be Harnessed to Produce Excess Net Cash Flow to Cover Public Sector Debt, While Still Achieving Public Sector's Objectives?

Financing Ranges



PPP Examples Include:

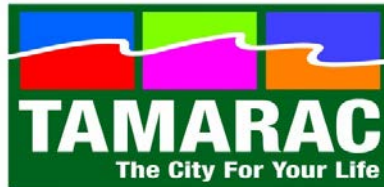
- Transportation Projects
- Student Housing
- City Center/Town Village Mixed Lease
- Parking Facilities
- Community Centers
- Parks & Recreations
- Sports Facilities
- Others

Private Sector Suggestions

- Listen
- Understand
- Collaborate
- Creativity

Public/Private Partnerships A Recent Local Government Example

Village Center City of Tamarac



Tamarac Village PPP

- Project began in 2002 with a vision of a downtown area for the City.
- Over the intervening years the City assembled 23 acres of land for mixed use project
- Entered into a Ground Lease Agreement with a Developer to construct a mixed use project on the site – 401 unit upscale apartment complex with approximately 35,000 square feet of commercial space and a park
- Project is in site planning now with construction expected to begin before year end.

Tamarac Village PPP



- 401 Rental Units
- 13 Residential Buildings
- 1 Clubhouse
- 35,000 SF Commercial Use
- 3 Commercial Buildings
- 4307 SF Outdoor Dining
- .77 acre City Park
- Public Art in Public Circle (NW 91 Avenue)

Tamarac Village PPP



- 401 Rental Units
- 13 Residential Buildings
- 1 Clubhouse

Tamarac Village: Looking Northeast From Commercial Boulevard to Residential

Tamarac Village PPP



- 401 Rental Units
- 13 Residential Buildings
- 1 Clubhouse

Tamarac Village: Looking East Along NW 57th Street

Tamarac Village PPP



Clubhouse

- 5930 SF
- Pool recreational area

Tamarac Village PPP



- 35,000 SF Commercial Use
- 3 Commercial Buildings
- 4307 SF Outdoor Dining
- Public Art in Public Circle (NW 91 Avenue)

Tamarac Village: Looking Northwest From Commercial Boulevard to Town Center

Tamarac Village PPP



Tamarac Village: Aerial View of Public Park Looking Southwest

- .77 acre City Park
- Public Art in Public Circle (NW 91 Avenue)

Tamarac Village PPP

- Challenges:
 - Land Assembly
 - Financing
 - Economics

Tamarac Village PPP

- Lessons Learned/Recommendations
 - Understand the Economics of your location
 - This is a driver of what you can do and can't do
 - Understand the rules of a Public Private Partnership – Section 255.065 F.S.
 - This is a long process – don't give up on the dream.
 - Timing is everything.

Summary Comments & Observations

- Financing Tools:

Whether it be a dependent or independent district, or newly created Special Purpose Entity, Federal Tax Laws and Florida Statutes provide us with the tools

- Budget Constraints:

Public Sector Does Not Have Unlimited Resources (Capital \$ or Human Resources), Impact Fees Are Not the Only Answer

Summary Comments & Observations (cont.)

- New World
Growth Management and Budget Constraints force City and County executives to think differently
- Safeguards
Sufficient controls and objectives can be established to “protect” the Public Sector while unleashing the energy, drive, skill sets, project and expense management skills of private sector

Summary Comments & Observations (cont.)

- Merging of Markets
PPP's require knowledge of banking, corporate finance and public finance products and service
- PPP Option
Have growth pay for itself, leverage common objectives, respective capital and areas of expertise and "get out of the way"

P3 Advantages

- Enables governmental entity to create high value infrastructure where funding is limited or absent
- Enables government to utilize land assets to leverage project development
- Injects private side entrepreneurial creativity and financial investment
- Shared Risk

P3 Advantages

- Generates additional developmental opportunities for commerce and industry
 - Highly important in with a renewed construction economy
- Enables private side to focus resources on development without high cost of land
- Private side investment and tax advantage

QUESTIONS?

Suggestions?



Background Material

- Presenters' Bio's:
 - Jeff Larson
- Larson Consulting Services Material
- F.S. 255.065

Jeffrey T. Larson

President, Larson Consulting Services
Tel: 407.496.1597 | jl Larson@larsonconsults.com

Based in Orlando, and as President of Larson Consulting Services ("LCS"), an independent SEC and MSRB registered financial advisory firm, Jeff has successfully closed a wide range of municipal project finance and corporate financings totaling over \$6 billion. Florida projects have ranged from negotiating and structuring transportation/road improvement programs, higher education project financings, multiple utility acquisitions, extensive water and wastewater capital expansions, investments support services, economic development and redevelopment initiatives, utility enterprise restructurings, refinancing and restructuring, downtown redevelopment, CRA TIF financings, debt and lease purchase private placements, multiple public/private partnership project finance issues, multiple phased Charter School financing, and a \$240 Million University / Developer PPP Project financing. In May of 2011, Jeff and FMAS was asked by the AAAM rated FL SAFE Local Government Investment Pool ("LGIP"), to serve as its Administrator and Executive Director. He has served many Florida governments since 1992 as an Investment Banker, Financial Consultant, Administrator, or Financial Advisor.

Prior to establishing LCS and FMAS, Jeff managed D.A. Davidson's Southeast Regional Investment Banking Office. Prior to joining D.A. Davidson, Mr. Larson was the S.E. Regional Director Investment Banking and Consulting Services with Kirkpatrick Pettis, the investment banking arm of Mutual of Omaha, the Managing Director for Stifel Nicolaus/Hanifen Imhoff, and a Vice President, Investment Banking for SunTrust Capital Markets in Orlando, Florida. Recruited by these firms, he specialized since 1992 in Florida with the structuring and marketing of a variety of public finance and capital markets products. Prior to that, he spent ten years with C & S/Sovran in Atlanta and Barclays Bank PLC in Atlanta and San Francisco as a corporate finance, large corporate/Fortune 500, and Middle Market Banker.

Mr. Larson received his MBA degree on an academic scholarship from Emory University, Atlanta, Georgia, in 1982. As part of his MBA graduate work, Mr. Larson worked, studied and taught in Germany and Austria and was a Fulbright Scholar at the Johannes Kepler University in Linz, Austria. He received an A.B. in Business Administration with honors in 1980 from Franklin & Marshall College, Lancaster, PA. Mr. Larson has held professional licenses with the State of Florida, FINRA (previously the National Association of Securities Dealers (NASD)), and MSRB that have included a Series 7 General Securities, Series 63, Series 53 Municipal Principal, and Series 24 FINRA General Securities Principal licenses. Mr. Larson currently holds a Series 50 Municipal Advisor license.

Jeff is a frequent speaker at industry conferences including the annual FGFOA, FCCMA, Florida Bond Buyer, FICPA, Florida Redevelopment Association (FRA), Florida Bar Association, Florida League of Cities, FGFOA Webinars, FINRA, Regional FGFOA Chapter meetings, and Annual FGFOA Institute (School of Governmental Finance) on topics ranging from "the Bond Issuance Process", "Best Practices in Debt Management", "Best Practices in Investment Management", "Planning and Capital Financing", to "Public- Private Partnership Financings." Jeff has also served as a member of the FGFOA Annual Conference Program Committee for over 20 years.

Larson Consulting's Team of Professionals provide financing solutions for many types of clients in Florida, the Southeast, and across the country. We specialize in a number of practices in which we have significant expertise. Our primary areas of focus include the following:

- Infrastructure Financings
- Special Districts and Land Development
- Higher Education
- Resort Communities
- Housing Agencies
- CRA & TIF Improvement Districts
- Tribal Finance
- Healthcare Finance
- Charter Schools
- Growth Management and Capital Planning
- Developer Project Negotiations
- Arbitrage Support
- Workforce Housing
- Project Financings
- Utility Financings
- Public Private Partnerships
- School Districts
- Project Consulting Services
- Lease-Purchase Financings
- Internet-Based Public Sales
- Alternative Energy
- Rural Water
- State Governments
- Utility Acquisition Analysis
- Refundings and Restructurings

255.065 Public-private partnerships; public records and public meetings exemptions.

(1) DEFINITIONS.—As used in this section, the term:

- (a) “Affected local jurisdiction” means a county, municipality, or special district in which all or a portion of a qualifying project is located.
- (b) “Develop” means to plan, design, finance, lease, acquire, install, construct, or expand.
- (c) “Fees” means charges imposed by the private entity of a qualifying project for use of all or a portion of such qualifying project pursuant to a comprehensive agreement.
- (d) “Lease payment” means any form of payment, including a land lease, by a public entity to the private entity of a qualifying project for the use of the project.
- (e) “Material default” means a nonperformance of its duties by the private entity of a qualifying project which jeopardizes adequate service to the public from the project.
- (f) “Operate” means to finance, maintain, improve, equip, modify, or repair.
- (g) “Private entity” means any natural person, corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, nonprofit entity, or other private business entity.
- (h) “Proposal” means a plan for a qualifying project with detail beyond a conceptual level for which terms such as fixing costs, payment schedules, financing, deliverables, and project schedule are defined.
- (i) “Qualifying project” means:
 - 1. A facility or project that serves a public purpose, including, but not limited to, any ferry or mass transit facility, vehicle parking facility, airport or seaport facility, rail facility or project, fuel supply facility, oil or gas pipeline, medical or nursing care facility, recreational facility, sporting or cultural facility, or educational facility or other building or facility that is used or will be used by a public educational institution, or any other public facility or infrastructure that is used or will be used by the public at large or in support of an accepted public purpose or activity;
 - 2. An improvement, including equipment, of a building that will be principally used by a public entity or the public at large or that supports a service delivery system in the public sector;
 - 3. A water, wastewater, or surface water management facility or other related infrastructure; or
 - 4. Notwithstanding any provision of this section, for projects that involve a facility owned or operated by the governing board of a county, district, or municipal hospital or health care system, or projects that involve a facility owned or operated by a municipal electric utility, only those projects that the governing board designates as qualifying projects pursuant to this section.
- (j) “Responsible public entity” means a county, municipality, school district, special district, or any other political subdivision of the state; a public body corporate and politic; or a regional entity that serves a public purpose and is authorized to develop or operate a qualifying project.
- (k) “Revenues” means the income, earnings, user fees, lease payments, or other service payments relating to the development or operation of a qualifying project, including, but not limited to, money received as grants or otherwise from the Federal Government, a public entity, or an agency or instrumentality thereof in aid of the qualifying project.

- (1) "Service contract" means a contract between a responsible public entity and the private entity which defines the terms of the services to be provided with respect to a qualifying project.
- (2) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds that there is a public need for the construction or upgrade of facilities that are used predominantly for public purposes and that it is in the public's interest to provide for the construction or upgrade of such facilities.
- (a) The Legislature also finds that:
1. There is a public need for timely and cost-effective acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, operation, implementation, or installation of projects serving a public purpose, including educational facilities, transportation facilities, water or wastewater management facilities and infrastructure, technology infrastructure, roads, highways, bridges, and other public infrastructure and government facilities within the state which serve a public need and purpose, and that such public need may not be wholly satisfied by existing procurement methods.
 2. There are inadequate resources to develop new educational facilities, transportation facilities, water or wastewater management facilities and infrastructure, technology infrastructure, roads, highways, bridges, and other public infrastructure and government facilities for the benefit of residents of this state, and that a public-private partnership has demonstrated that it can meet the needs by improving the schedule for delivery, lowering the cost, and providing other benefits to the public.
 3. There may be state and federal tax incentives that promote partnerships between public and private entities to develop and operate qualifying projects.
 4. A procurement under this section serves the public purpose of this section if such procurement facilitates the timely development or operation of a qualifying project.
- (b) It is the intent of the Legislature to encourage investment in the state by private entities; to facilitate various bond financing mechanisms, private capital, and other funding sources for the development and operation of qualifying projects, including expansion and acceleration of such financing to meet the public need; and to provide the greatest possible flexibility to public and private entities contracting for the provision of public services.
- (3) PROCUREMENT PROCEDURES.—A responsible public entity may receive unsolicited proposals or may solicit proposals for a qualifying project and may thereafter enter into a comprehensive agreement with a private entity, or a consortium of private entities, for the building, upgrading, operating, ownership, or financing of facilities.
- (a)1. The responsible public entity may establish a reasonable application fee for the submission of an unsolicited proposal under this section.
2. A private entity that submits an unsolicited proposal to a responsible public entity must concurrently pay an initial application fee, as determined by the responsible public entity. Payment must be made by cash, cashier's check, or other noncancelable instrument. Personal checks may not be accepted.
 3. If the initial application fee does not cover the responsible public entity's costs to evaluate the unsolicited proposal, the responsible public entity must request in writing the additional amounts required. The private entity must pay the requested additional amounts within 30 days after receipt of the notice. The responsible public entity may stop its review of the unsolicited proposal if the private entity fails to pay the additional amounts.
 4. If the responsible public entity does not evaluate the unsolicited proposal, the responsible public entity must return the application fee.

5. If the responsible public entity chooses to evaluate an unsolicited proposal involving architecture, engineering, or landscape architecture, it must ensure a professional review and evaluation of the design and construction proposed by the initial or subsequent proposers to assure material quality standards, interior space utilization, budget estimates, design and construction schedules, and sustainable design and construction standards consistent with public projects. Such review shall be performed by an architect, a landscape architect, or an engineer licensed in this state qualified to perform the review, and such professional shall advise the responsible public entity through completion of the design and construction of the project.

(b) The responsible public entity may request a proposal from private entities for a qualifying project or, if the responsible public entity receives an unsolicited proposal for a qualifying project and the responsible public entity intends to enter into a comprehensive agreement for the project described in the unsolicited proposal, the responsible public entity shall publish notice in the Florida Administrative Register and a newspaper of general circulation at least once a week for 2 weeks stating that the responsible public entity has received a proposal and will accept other proposals for the same project. The timeframe within which the responsible public entity may accept other proposals shall be determined by the responsible public entity on a project-by-project basis based upon the complexity of the qualifying project and the public benefit to be gained by allowing a longer or shorter period of time within which other proposals may be received; however, the timeframe for allowing other proposals must be at least 21 days, but no more than 120 days, after the initial date of publication. If approved by a majority vote of the responsible public entity's governing body, the responsible public entity may alter the timeframe for accepting proposals to more adequately suit the needs of the qualifying project. A copy of the notice must be mailed to each local government in the affected area.

(c) If the solicited qualifying project provided in paragraph (b) includes design work, the solicitation must include a design criteria package prepared by an architect, a landscape architect, or an engineer licensed in this state which is sufficient to allow private entities to prepare a bid or a response. The design criteria package must specify reasonably specific criteria for the qualifying project such as the legal description of the site, with survey information; interior space requirements; material quality standards; schematic layouts and conceptual design criteria for the qualifying project; cost or budget estimates; design and construction schedules; and site development and utility requirements. The licensed design professional who prepares the design criteria package shall be retained to serve the responsible public entity through completion of the design and construction of the project.

(d) Before approving a comprehensive agreement, the responsible public entity must determine that the proposed project:

1. Is in the public's best interest.
2. Is for a facility that is owned by the responsible public entity or for a facility for which ownership will be conveyed to the responsible public entity.
3. Has adequate safeguards in place to ensure that additional costs or service disruptions are not imposed on the public in the event of material default or cancellation of the comprehensive agreement by the responsible public entity.
4. Has adequate safeguards in place to ensure that the responsible public entity or private entity has the opportunity to add capacity to the proposed project or other facilities serving similar predominantly public purposes.
5. Will be owned by the responsible public entity upon completion, expiration, or termination of the comprehensive agreement and upon payment of the amounts financed.

(e) Before signing a comprehensive agreement, the responsible public entity must consider a reasonable finance plan that is consistent with subsection (9); the qualifying project cost; revenues by source; available financing; major assumptions; internal rate of return on private investments, if governmental funds are assumed in order to deliver a cost-feasible project; and a total cash-flow analysis beginning with the implementation of the project and extending for the term of the comprehensive agreement.

(f) In considering an unsolicited proposal, the responsible public entity may require from the private entity a technical study prepared by a nationally recognized expert with experience in preparing analysis for bond rating agencies. In evaluating the technical study, the responsible public entity may rely upon internal staff reports prepared by personnel familiar with the operation of similar facilities or the advice of external advisors or consultants who have relevant experience.

(4) PROJECT APPROVAL REQUIREMENTS.—An unsolicited proposal from a private entity for approval of a qualifying project must be accompanied by the following material and information, unless waived by the responsible public entity:

(a) A description of the qualifying project, including the conceptual design of the facilities or a conceptual plan for the provision of services, and a schedule for the initiation and completion of the qualifying project.

(b) A description of the method by which the private entity proposes to secure the necessary property interests that are required for the qualifying project.

(c) A description of the private entity's general plans for financing the qualifying project, including the sources of the private entity's funds and the identity of any dedicated revenue source or proposed debt or equity investment on behalf of the private entity.

(d) The name and address of a person who may be contacted for additional information concerning the proposal.

(e) The proposed user fees, lease payments, or other service payments over the term of a comprehensive agreement, and the methodology for and circumstances that would allow changes to the user fees, lease payments, and other service payments over time.

(f) Additional material or information that the responsible public entity reasonably requests.

Any pricing or financial terms included in an unsolicited proposal must be specific as to when the pricing or terms expire.

(5) PROJECT QUALIFICATION AND PROCESS.—

(a) The private entity, or the applicable party or parties of the private entity's team, must meet the minimum standards contained in the responsible public entity's guidelines for qualifying professional services and contracts for traditional procurement projects.

(b) The responsible public entity must:

1. Ensure that provision is made for the private entity's performance and payment of subcontractors, including, but not limited to, surety bonds, letters of credit, parent company guarantees, and lender and equity partner guarantees. For the components of the qualifying project which involve construction performance and payment, bonds are required and are subject to the recordation, notice, suit limitation, and other requirements of s. [255.05](#).

2. Ensure the most efficient pricing of the security package that provides for the performance and payment of subcontractors.

3. Ensure that the comprehensive agreement addresses termination upon a material default of the comprehensive agreement.

(c) After the public notification period has expired in the case of an unsolicited proposal, the responsible public entity shall rank the proposals received in order of preference. In ranking the proposals, the responsible public entity may consider factors that include, but are not limited to, professional qualifications, general business terms, innovative design techniques or cost-reduction terms, and finance plans. The responsible public entity may then begin negotiations for a comprehensive agreement with the highest-ranked firm. If the responsible public entity is not satisfied with the results of the negotiations, the responsible public entity may terminate negotiations with the proposer and negotiate with the second-ranked or subsequent-ranked firms, in the order consistent with this procedure. If only one proposal is received, the responsible public entity may negotiate in good faith, and if the responsible public entity is not satisfied with the results of the negotiations, the responsible public entity may terminate negotiations with the proposer. Notwithstanding this paragraph, the responsible public entity may reject all proposals at any point in the process until a contract with the proposer is executed.

- (d) The responsible public entity shall perform an independent analysis of the proposed public-private partnership which demonstrates the cost-effectiveness and overall public benefit before the procurement process is initiated or before the contract is awarded.
- (e) The responsible public entity may approve the development or operation of an educational facility, a transportation facility, a water or wastewater management facility or related infrastructure, a technology infrastructure or other public infrastructure, or a government facility needed by the responsible public entity as a qualifying project, or the design or equipping of a qualifying project that is developed or operated, if:
1. There is a public need for or benefit derived from a project of the type that the private entity proposes as the qualifying project.
 2. The estimated cost of the qualifying project is reasonable in relation to similar facilities.
 3. The private entity's plans will result in the timely acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, or operation of the qualifying project.
- (f) The responsible public entity may charge a reasonable fee to cover the costs of processing, reviewing, and evaluating the request, including, but not limited to, reasonable attorney fees and fees for financial and technical advisors or consultants and for other necessary advisors or consultants.
- (g) Upon approval of a qualifying project, the responsible public entity shall establish a date for the commencement of activities related to the qualifying project. The responsible public entity may extend the commencement date.
- (h) Approval of a qualifying project by the responsible public entity is subject to entering into a comprehensive agreement with the private entity.
- (6) INTERIM AGREEMENT.—Before or in connection with the negotiation of a comprehensive agreement, the responsible public entity may enter into an interim agreement with the private entity proposing the development or operation of the qualifying project. An interim agreement does not obligate the responsible public entity to enter into a comprehensive agreement. The interim agreement is discretionary with the parties and is not required on a qualifying project for which the parties may proceed directly to a comprehensive agreement without the need for an interim agreement. An interim agreement must be limited to provisions that:
- (a) Authorize the private entity to commence activities for which it may be compensated related to the proposed qualifying project, including, but not limited to, project planning and development, design, environmental analysis and mitigation, survey, other activities concerning any part of the proposed qualifying project, and ascertaining the availability of financing for the proposed facility or facilities.
 - (b) Establish the process and timing of the negotiation of the comprehensive agreement.
 - (c) Contain such other provisions related to an aspect of the development or operation of a qualifying project that the responsible public entity and the private entity deem appropriate.
- (7) COMPREHENSIVE AGREEMENT.—
- (a) Before developing or operating the qualifying project, the private entity must enter into a comprehensive agreement with the responsible public entity. The comprehensive agreement must provide for:
 1. Delivery of performance and payment bonds, letters of credit, or other security acceptable to the responsible public entity in connection with the development or operation of the qualifying project in the form and amount satisfactory to the responsible public entity. For the components of the qualifying project which involve construction, the form and amount of the bonds must comply with s. [255.05](#).

2. Review of the design for the qualifying project by the responsible public entity and, if the design conforms to standards acceptable to the responsible public entity, the approval of the responsible public entity. This subparagraph does not require the private entity to complete the design of the qualifying project before the execution of the comprehensive agreement.
 3. Inspection of the qualifying project by the responsible public entity to ensure that the private entity's activities are acceptable to the responsible public entity in accordance with the comprehensive agreement.
 4. Maintenance of a policy of public liability insurance, a copy of which must be filed with the responsible public entity and accompanied by proofs of coverage, or self-insurance, each in the form and amount satisfactory to the responsible public entity and reasonably sufficient to ensure coverage of tort liability to the public and employees and to enable the continued operation of the qualifying project.
 5. Monitoring by the responsible public entity of the maintenance practices to be performed by the private entity to ensure that the qualifying project is properly maintained.
 6. Periodic filing by the private entity of the appropriate financial statements that pertain to the qualifying project.
 7. Procedures that govern the rights and responsibilities of the responsible public entity and the private entity in the course of the construction and operation of the qualifying project and in the event of the termination of the comprehensive agreement or a material default by the private entity. The procedures must include conditions that govern the assumption of the duties and responsibilities of the private entity by an entity that funded, in whole or part, the qualifying project or by the responsible public entity, and must provide for the transfer or purchase of property or other interests of the private entity by the responsible public entity.
 8. Fees, lease payments, or service payments. In negotiating user fees, the fees must be the same for persons using the facility under like conditions and must not materially discourage use of the qualifying project. The execution of the comprehensive agreement or a subsequent amendment is conclusive evidence that the fees, lease payments, or service payments provided for in the comprehensive agreement comply with this section. Fees or lease payments established in the comprehensive agreement as a source of revenue may be in addition to, or in lieu of, service payments.
 9. Duties of the private entity, including the terms and conditions that the responsible public entity determines serve the public purpose of this section.
- (b) The comprehensive agreement may include:
1. An agreement by the responsible public entity to make grants or loans to the private entity from amounts received from the federal, state, or local government or an agency or instrumentality thereof.
 2. A provision under which each entity agrees to provide notice of default and cure rights for the benefit of the other entity, including, but not limited to, a provision regarding unavoidable delays.
 3. A provision that terminates the authority and duties of the private entity under this section and dedicates the qualifying project to the responsible public entity or, if the qualifying project was initially dedicated by an affected local jurisdiction, to the affected local jurisdiction for public use.
- (8) FEES.—A comprehensive agreement entered into pursuant to this section may authorize the private entity to impose fees to members of the public for the use of the facility. The following provisions apply to the comprehensive agreement:
- (a) The responsible public entity may develop new facilities or increase capacity in existing facilities through a comprehensive agreement with a private entity.

- (b) The comprehensive agreement must ensure that the facility is properly operated, maintained, or improved in accordance with standards set forth in the comprehensive agreement.
- (c) The responsible public entity may lease existing fee-for-use facilities through a comprehensive agreement.
- (d) Any revenues must be authorized by and applied in the manner set forth in the comprehensive agreement.
- (e) A negotiated portion of revenues from fee-generating uses may be returned to the responsible public entity over the life of the comprehensive agreement.

(9) FINANCING.—

- (a) A private entity may enter into a private-source financing agreement between financing sources and the private entity. A financing agreement and any liens on the property or facility must be paid in full at the applicable closing that transfers ownership or operation of the facility to the responsible public entity at the conclusion of the term of the comprehensive agreement.
- (b) The responsible public entity may lend funds to private entities that construct projects containing facilities that are approved under this section.
- (c) The responsible public entity may use innovative finance techniques associated with a public-private partnership under this section, including, but not limited to, federal loans as provided in Titles 23 and 49 C.F.R., commercial bank loans, and hedges against inflation from commercial banks or other private sources. In addition, the responsible public entity may provide its own capital or operating budget to support a qualifying project. The budget may be from any legally permissible funding sources of the responsible public entity, including the proceeds of debt issuances. A responsible public entity may use the model financing agreement provided in [s. 489.145\(6\) for its financing of a facility owned by a responsible public entity. A financing agreement may not require the responsible public entity to indemnify the financing source, subject the responsible public entity's facility to liens in violation of s. 11.066\(5\), or secure financing of the responsible public entity by a mortgage on, or security interest in, the real or tangible personal property of the responsible public entity in a manner that could result in the loss of the fee ownership of the property by the responsible public entity, and any such provision is void.](#)

(10) POWERS AND DUTIES OF THE PRIVATE ENTITY.—

- (a) The private entity shall:
 1. Develop or operate the qualifying project in a manner that is acceptable to the responsible public entity in accordance with the provisions of the comprehensive agreement.
 2. Maintain, or provide by contract for the maintenance or improvement of, the qualifying project if required by the comprehensive agreement.
 3. Cooperate with the responsible public entity in making best efforts to establish interconnection between the qualifying project and any other facility or infrastructure as requested by the responsible public entity in accordance with the provisions of the comprehensive agreement.
 4. Comply with the comprehensive agreement and any lease or service contract.
- (b) Each private facility that is constructed pursuant to this section must comply with the requirements of federal, state, and local laws; state, regional, and local comprehensive plans; the responsible public entity's rules, procedures, and standards for facilities; and such other conditions that the responsible public entity determines to be in the public's best interest and that are included in the comprehensive agreement.
- (c) The responsible public entity may provide services to the private entity. An agreement for maintenance and other services entered into pursuant to this section must provide for full reimbursement for services rendered for qualifying projects.

(d) A private entity of a qualifying project may provide additional services for the qualifying project to the public or to other private entities if the provision of additional services does not impair the private entity's ability to meet its commitments to the responsible public entity pursuant to the comprehensive agreement.

(11) EXPIRATION OR TERMINATION OF AGREEMENTS.—Upon the expiration or termination of a comprehensive agreement, the responsible public entity may use revenues from the qualifying project to pay current operation and maintenance costs of the qualifying project. If the private entity materially defaults under the comprehensive agreement, the compensation that is otherwise due to the private entity is payable to satisfy all financial obligations to investors and lenders on the qualifying project in the same way that is provided in the comprehensive agreement or any other agreement involving the qualifying project, if the costs of operating and maintaining the qualifying project are paid in the normal course. Revenues in excess of the costs for operation and maintenance costs may be paid to the investors and lenders to satisfy payment obligations under their respective agreements. A responsible public entity may terminate with cause and without prejudice a comprehensive agreement and may exercise any other rights or remedies that may be available to it in accordance with the provisions of the comprehensive agreement. The full faith and credit of the responsible public entity may not be pledged to secure the financing of the private entity. The assumption of the development or operation of the qualifying project does not obligate the responsible public entity to pay any obligation of the private entity from sources other than revenues from the qualifying project unless stated otherwise in the comprehensive agreement.

(12) SOVEREIGN IMMUNITY.—This section does not waive the sovereign immunity of a responsible public entity, an affected local jurisdiction, or an officer or employee thereof with respect to participation in, or approval of, any part of a qualifying project or its operation, including, but not limited to, interconnection of the qualifying project with any other infrastructure or project. A county or municipality in which a qualifying project is located possesses sovereign immunity with respect to the project, including, but not limited to, its design, construction, and operation.

(13) DEPARTMENT OF MANAGEMENT SERVICES.—

(a) A responsible public entity may provide a copy of its comprehensive agreement to the Department of Management Services. A responsible public entity must redact any confidential or exempt information from the copy of the comprehensive agreement before providing it to the Department of Management Services.

(b) The Department of Management Services may accept and maintain copies of comprehensive agreements received from responsible public entities for the purpose of sharing comprehensive agreements with other responsible public entities.

(c) This subsection does not require a responsible public entity to provide a copy of its comprehensive agreement to the Department of Management Services.

(14) CONSTRUCTION.—

(a) This section shall be liberally construed to effectuate the purposes of this section.

(b) This section shall be construed as cumulative and supplemental to any other authority or power vested in or exercised by the governing body of a county, municipality, special district, or municipal hospital or health care system including those contained in acts of the Legislature.

(c) This section does not affect any agreement or existing relationship with a supporting organization involving such governing body or system in effect as of January 1, 2013.

(d) This section provides an alternative method and does not limit a county, municipality, special district, or other political subdivision of the state in the procurement or operation of a qualifying project pursuant to other statutory or constitutional authority.

(e) Except as otherwise provided in this section, this section does not amend existing laws by granting additional powers to, or further restricting, a local governmental entity from regulating and entering into cooperative arrangements with the private sector for the planning, construction, or operation of a facility.

(f) This section does not waive any requirement of s. [287.055](#).

(15) PUBLIC RECORDS AND PUBLIC MEETINGS EXEMPTIONS.—

(a) As used in this subsection, the term “competitive solicitation” has the same meaning as provided in s. [119.071\(1\)](#).

(b)1. An unsolicited proposal received by a responsible public entity is exempt from s. [119.07\(1\)](#) and s. [24\(a\)](#), [Art. I of the State Constitution](#) until such time as the responsible public entity provides notice of an intended decision for a qualifying project.

2. If the responsible public entity rejects all proposals submitted pursuant to a competitive solicitation for a qualifying project and such entity concurrently provides notice of its intent to seek additional proposals for such project, the unsolicited proposal remains exempt until the responsible public entity provides notice of an intended decision concerning the reissued competitive solicitation for the qualifying project or until the responsible public entity withdraws the reissued competitive solicitation for such project.

3. An unsolicited proposal is exempt for no longer than 90 days after the initial notice by the responsible public entity rejecting all proposals.

(c) If the responsible public entity does not issue a competitive solicitation for a qualifying project, the unsolicited proposal ceases to be exempt 180 days after receipt of the unsolicited proposal by such entity.

(d)1. Any portion of a meeting of a responsible public entity during which an unsolicited proposal that is exempt is discussed is exempt from s. [286.011](#) and s. [24\(b\)](#), [Art. I of the State Constitution](#).

2.a. A complete recording must be made of any portion of an exempt meeting. No portion of the exempt meeting may be held off the record.

b. The recording of, and any records generated during, the exempt meeting are exempt from s. [119.07\(1\)](#) and s. [24\(a\)](#), [Art. I of the State Constitution](#) until such time as the responsible public entity provides notice of an intended decision for a qualifying project or 180 days after receipt of the unsolicited proposal by the responsible public entity if such entity does not issue a competitive solicitation for the project.

c. If the responsible public entity rejects all proposals and concurrently provides notice of its intent to reissue a competitive solicitation, the recording and any records generated at the exempt meeting remain exempt from s. [119.07\(1\)](#) and s. [24\(a\)](#), [Art. I of the State Constitution](#) until such time as the responsible public entity provides notice of an intended decision concerning the reissued competitive solicitation or until the responsible public entity withdraws the reissued competitive solicitation for such project.

d. A recording and any records generated during an exempt meeting are exempt for no longer than 90 days after the initial notice by the responsible public entity rejecting all proposals.

(e) This subsection is subject to the Open Government Sunset Review Act in accordance with s. [119.15](#) and shall stand repealed on [October 2, 2021, unless reviewed and saved from repeal through reenactment by the Legislature](#).

History.—s. 2, ch. 2013-223; s. 1, ch. 2016-153; s. 1, ch. 2016-154.

Note.—Former s. 287.05712.