The Canadian Council for Public-Private Partnerships

The Canadian Infrastructure Landscape: Trends, Financing and Cross-Border Collaboration

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Infrastructure Investment
The Global Challenge
Infrastructure Investment

• Drives Jobs
• Drives Productivity
• Drives Growth + Prosperity
• Drives Global Competitiveness

But some realities....
Infrastructure Challenge

Infrastructure Deficit

Fiscal Reality

Faster, Cheaper, Better

= Innovative Approaches
P3 Facts to Remember

- It’s Simply a Procurement Method
- It’s Not Privatization
- It’s Not a Panacea
Canadian P3 Market
Canadian P3 Overview

27-Year History

286 Projects

$138+ Billion

Source: Canadian PPP Project Database
## P3 Projects by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
<th>Value ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>80</td>
<td>64.0</td>
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<tr>
<td>Health</td>
<td>101</td>
<td>29.1</td>
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<tr>
<td>Energy</td>
<td>11</td>
<td>26.1</td>
</tr>
<tr>
<td>Justice</td>
<td>23</td>
<td>6.7</td>
</tr>
<tr>
<td>Education</td>
<td>15</td>
<td>3.2</td>
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<tr>
<td>Accommodations</td>
<td>10</td>
<td>3.0</td>
</tr>
<tr>
<td>Water &amp; Wastewater</td>
<td>21</td>
<td>2.0</td>
</tr>
<tr>
<td>Recreation &amp; Culture</td>
<td>15</td>
<td>1.4</td>
</tr>
<tr>
<td>Government Services</td>
<td>5</td>
<td>1.0</td>
</tr>
<tr>
<td>Information Technology</td>
<td>5</td>
<td>0.8</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>286</strong></td>
<td><strong>138.1</strong>+</td>
</tr>
</tbody>
</table>

* Includes only actual cost figures released after financial close.

Source: P3 SPECTRUM
# P3 Projects by Jurisdiction

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial</td>
<td>216</td>
</tr>
<tr>
<td>Municipal</td>
<td>56</td>
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<tr>
<td>Federal</td>
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<tr>
<td>Indigenous</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>286</strong></td>
</tr>
</tbody>
</table>

Source: P3 SPECTRUM
Canadian PPP Results

- On Time (13% Faster)
- On Budget (Up to $27B in savings)
- PPPs deliver projects 1-Year on average quicker, which adds an additional $11B in value

Every year on average, Canada’s PPP portfolio supports:

- $14B in Economic Activity
- 115,000 job years
- $5B of additional wages
- $4B of combined federal/provincial tax revenue
- Each dollar spent on Canadian P3 projects = $3.6 for the surrounding community
Priority Sectors

- Urban Transit
- Water/Wastewater
- Affordable Housing
- Broadband
- Green Energy
- Sustainable/Resilient Infrastructure
- Government Services
New Players

- Newfoundland and Labrador
- Nova Scotia
- Alberta
- Canada’s North
- Indigenous Communities
New Initiatives
• Four investments made so far:

1. **$1.28 billion** 15 year loan for the Réseau express métropolitain project (REM) in Montréal

2. **$2 billion** in debt financing in Ontario’s GO Expansion – On Corridor project

3. **$71.1 million** to establish a Joint Project Team which will explore VIA Rail Canada’s proposal for High Frequency Rail in the Quebec City - Toronto Corridor

4. **$20 million** for the Town of Mapleton’s Water/Wastewater project
Smart Cities Challenge

• Goal is to enhance quality of life for Canadians through innovation, use of data and connected technologies
• Open to municipalities, local or regional governments, and Indigenous communities
• Winners announced May 2019
• $50M prize - Montreal
• $10M prizes – Nunavut, Guelph & Wellington County
• $5M prize - Bridgewater
Cross Border Opportunities
Gordie Howe Bridge

- First Transnational P3 project for Canada currently under construction
- $5.7 billion DBFOM project that had a VfM savings of $562 million due to the P3 model risk savings
- The project includes four major infrastructure components: the bridge, Canadian port of entry, U.S. port of entry and a connection to Interstate 75 in Michigan
- Numerous challenges such as 30 delayed U.S and Canadian properties acquisitions and a legal challenges from the American-based owner of the Ambassador Bridge
Vancouver-Seattle-Portland HSR Project

- Washington State leading proponent of a high-speed rail line that links Seattle with Vancouver and Portland.
- High speed trains capable of running up to 400 kilometres an hour would reduce travel times for travellers, ease congestion and also benefit businesses in the region which operate on both sides of the border.
- January 2019 saw Washington State introduce bill to allocate USD $3.25 million towards authority that will involve governments of British Columbia, Washington State and Oregon. Investment builds on the USD $1.2 million the US committed to conduct a 2018 business case analysis.
- February 2019 saw British Columbia add $600,000 in funding for multi-jurisdictional analysis.
CCPPP - PNWER Collaboration
Canadian P3 Projects
Edmonton Valley Line LRT Expansion Project

- Location: Edmonton, Alberta
- Model: DBFOM
- Government Level: Municipal
- Status: Under Construction
- Agreement Cost: $2.2 billion
- Cost Savings: $575 million
- LRT system will run 13.2 km
- Project will generate 20,000 direct, indirect, and induced jobs; and $1.3 billion in associated wages and salaries in Alberta
- Project will generate $131 million in personal income tax revenues for Alberta and $331 million for the federal government, offsetting capital grants provided to the City of Edmonton
Iqaluit Airport

- Location: Iqaluit, Nunavut
- Model: DBFMO
- Government Level: Provincial/Territorial
- Status: Operational
- Agreement Cost: $376.2 million
- Cost Savings: $99.8 million
- A new airport terminal building, expanded aprons for planes to park, a new lighting system, and an upgraded runway
- The Project Agreement has requirements for the involvement of Nunavut Land Claim Agreement beneficiaries, requiring Arctic Infrastructure Partners to provide a diverse range of training opportunities
Mosaic Stadium

- Location: Regina, Saskatchewan
- Model: DBF
- Government Level: Municipal
- Status: Operational
- Agreement Cost: $278.2M (2013)
- Cost Savings: $23.8M (2013)
- The new stadium is the largest redevelopment project in Regina’s history. It will have a partial roof to cover spectators, sunken bowl design with a capacity of 33,000, expandable to 40,000 for special events. It includes a variety of lounges and suites that can be used year-round.
Mackenzie Valley Fibre Link

• Location: Northwest Territories
• Model: DBFOM
• Government Level: Provincial/Territorial
• Status: Operational
• Agreement Cost: $97.7M (2015)
• Cost Savings: $18.4M (2015)
• A 1,300km fibre link between McGill lake and the Arctic Ocean that provides high speed internet to communities previously lacking advanced, affordable telecommunications technology
Canada Line

- Location: Vancouver, British Columbia
- Model: DBFOM
- Government Level: Provincial
- Status: Operational
- Capital Cost: $1.9B (2006)
- One year after completion, ridership of the 19.5km rapid transit system significantly exceeded projections, serving 100,000 passengers every day
- The project won several awards including he Project Finance North American Transport Deal of the Year (2005), the CCPPP Gold Award for Infrastructure (2009) and was named one of the 100 most innovative and socially significant infrastructure projects in the world by *Infrastructure Journal* (2010)
27th Annual Conference

November 18-19, 2019
Sheraton Centre Toronto Hotel
Toronto, Canada

www.P3-2019.ca