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Special Report: Women's Role in P3s

A STRONG, GROWING PRESENCE IN THE EXECUTIVE SUITE

by William G. Reinhardt, Editor

(A recent academic paper finds that women globally are not well-represented in the executive suites of the P3 industry—some 83% of the top slots are held by white males (see p. 19). PWF found a different story in North America.)

Belén Marcos, 44, mother of a young girl and boy, and a successful player in the U.S. P3 market for the past 13 years, was named President of Cintra US in October 2016 with management responsibility for \$10.2 billion in revenue-risk highway concessions, including most recently I-66 Express in Virginia.

She joins an elite cadre of three female executives whose U.S. P3 project development operations are building or are operating 13 managed lanes projects in four states with an investment value of \$19 billion. Moreover:

- A total of \$5 billion in equity has been invested in these projects, representing 80% of the entire pool of equity raised for all P3 transportation projects in the U.S. since 1993.
- Nearly all are revenue-risk concessions where lenders and investors have placed big bets on the accuracy of traffic forecasts.
- Most were completed on time or ahead of schedule.

- Cintra's three managed lanes projects in metro Dallas-Fort Worth were completed for about 25% less than the original investment estimates.

- Most of the completed express lane projects are operating smoothly at or above forecast using state-of-the-art dynamic tolling technology.

In addition to Marcos, the top U.S. P3 executives are Nuria L. Haltiwanger, CEO of ACS Infrastructure Development, Inc. and ACS Infrastructure Canada Inc., and Jennifer Aument, Group General Manager North America for Transurban.

[The list starting on p. 3 includes names and titles of 90 women in executive positions in the North American P3 industry, including both government and private sector.]

Aument managed all government relations, communications and marketing activities during the development of Transroute's 495 Express project on the Capital Beltway, starting in 2006. She was tapped to lead North American operations in 2013. Before joining Transurban, Aument worked for Bechtel Infrastructure to develop the Washington Metrorail Silver Line. She is also a commissioner for the Virginia Port Authority, which oversees one of the largest shipping enterprises in the U.S.



Belén Marcos

Haltiwanger, formerly a project finance lawyer at Dewey & LeBoeuf, was hired in 2009 as Sr. VP and General Counsel of ACS Development following her work advising ACS on its I-595 DBFOM project in Florida. Her subsequent bidding success and expertise in legal and commercial risk assessment led to her being tapped to head ACS's development activities in 2014.

Haltiwanger was born in Georgia and earned her Juris Doctorate at Georgetown University Law Center, and BAs in Economics, International Studies and Political Science from the University of Miami.



Nuria Haltiwanger



Jennifer Aument

Marcos earned a bachelor's and master's degree in Civil Engineering from Universitat Politècnica de València in Spain and a master's degree in Transportation Infrastructure from Ecole Nationale des Ponts et Chaussées in France.

Women are well represented in Cintra, Marcos believes. For her and other executives in the P3 business, where multidisciplinary skills are prized, the issue isn't gender but rather the shortage of qualified people with technical training. "It's a workforce issue not a women's issue," she says.

Marcos joined Cintra in 1999, and most recently served as CEO of the combined operations of the North Tarrant Express, LBJ Express and construction of the NTE 35W project. Prior to that, she served as the CEO of NTE Mobility Partners for seven years.

While with NTE Mobility Partners, she successfully managed the construction and operation of the \$2.1-billion North Tarrant Express Managed Lanes, which opened nine months ahead of schedule in 2014. The road handles more than 200,000 vehicles a day, and is credited with doubling the existing road capacity in one of the country's fastest growing and most congested regions.

Marcos also oversaw operation of the \$2.6-billion LBJ Express, which opened ahead of schedule in 2015. It has been described by Texas DOT as the most comprehensive, complex project of its type in the country.

Cintra's aggressive revenue forecasts have mystified its competitors for years. It has a 60% hit rate on bid pursuits since Cintra and its contractor owner Ferrovial Agroman won their first U.S. toll concession in 2008 for SH 130 in Texas. That project and two others failed to thrive in the aftermath of the great recession. But overall, for its entire portfolio of toll concessions, Cintra has an expected 15% IRR with cash flows from current concession projects to maturity, with 10% of that already

earned to date on investments made since inception, including the equity lost in the SH130 and ITR investments. Those numbers include 407 ETR in Toronto, which distributed Cdn \$790 million in dividends in 2016, 43% of that to Cintra.

Cintra's competitors are misjudging the risks, says Marcos. "I don't think that the biggest bet in the revenue-risk projects is the accuracy of the traffic forecasts, but these are projects where management skills and experience are more important to attract customers and succeed than in other projects."

Big Data

Cintra's financial proposal on I-66 benefitted from its use of Big Data techniques to better understand driver behavior and improve the reliability of its traffic estimates. Congestion data and travel patterns were collected using GPS, which provided information on congestion and the movement of users. The data is more detailed and reliable than the inputs used to model Cintra's Texas projects. Critically, analysis of the GPS data allows connectivity to be improved, thus increasing customers' use of the managed lanes.

Likewise, in Toronto, Cintra collects GPS data from drivers on its 407 ETR concession

and from those on the competing free road to optimize its toll policy there.

Cintra's three managed lanes concessions in metro Dallas-Fort Worth are all meeting expectations on congestion relief, ensuring a strong demand for their product—assured trip times for urban travel. In fact, Marcos believes managed lanes are the only cost-effective way to reduce urban congestion in most parts of the U.S.

Encouraged by the I-66 procurement, Maryland has launched an ambitious plan to build a network of managed lanes in metro Washington D.C. using Virginia's P3 model. Many more will follow, Marcos believes. ■

Private Capital, Maintenance, Income Tax Payments Total \$13.4 Bn For Dallas Toll Concessions		
NTE Segments 1-3 and LBJ Financial Highlights		
Expenditures on rehabilitation of existing highways, construction of new lanes, and maintenance of both toll and toll-free lanes over time for three Cintra concessions in the Dallas-Fort Worth region:		
* Capital expenditure	2010-2018	\$5.34 billion
* Subsequent capex	2016-2062	\$1.94 billion (npv@5%=\$448m)
* Maintenance	2010-2062	\$2.61 billion (npv@5%=\$711m)
		Total: \$9.897 billion
Funding		
* Shareholder equity		\$1.52 billion
* Private Activity Bonds		\$1.29 billion (issued 12/09, 6/10, 9/13)
* USDOT TIFIA debt		\$2.03 billion
* TxDOT subsidy		\$1.12 billion
Shareholder income tax payments back to the public sector Est. net present value @5% to 2062: \$3.5 billion		
Source: Cintra 9/13		

Women in North American PPPs

Government

Deborah Flint

Chief Executive Officer of Los Angeles World Airports (LAWA)

Gisela Shanahan, Chief Financial Officer

Denver International Airport

Susan Shaw, Mega Projects Director and Design-Build Program Manager

Virginia DOT

Martha E. Gross, PE, Major Projects Manager for the Hampton Roads District

Virginia DOT

Alice Bravo, Director

Department of Transportation and Public Works in Miami-Dade County, FL

Isa Nunez, P.E. Construction Program Manager, (Port of Miami Tunnel)

Florida DOT

Jennifer Wright, Project Finance & Debt Director

Texas DOT

Nadine Lee, Deputy Chief Innovation Officer

LA County Metropolitan Transportation Authority

Gail Lewis, Director, Office of International Affairs and P3 Initiatives

Arizona DOT

Emily Christ, Senior Program Manager, Office of P3 Initiatives and International Affairs

Arizona Department of Transportation

Elizabeth McCarthy, Chief Financial Officer

Port Authority of NY and NJ

Karen Rae, Senior Advisor for Innovative Project Delivery

Empire State Development Corp., NY

Tilly Chang, Executive Director

San Francisco County Transportation Authority

Elisabeth Gunther, Chief Campus Counsel in the Office of Legal Affairs

UC Merced

Kim Day, CEO

Denver International Airport

Kim Becker, President/CEO

San Diego County Regional Airport

Authority

Joanne Brooks, Vice President/Counsel

The Surety and Fidelity Association

Kristina Swallows, President

ASCE

Brandye Hendrickson, Acting Administrator

Federal Highway Administration (FHWA)

Private Sector

Belén Marcos, President

Cintra US

Rebecca Brooks, Project CEO

Cintra US

Jennifer Aument, Group General Manager North America

Transurban (30% of Transurban's board in Australia and 40% of its executive committee are women, including Aument)

Nuria L. Haltiwanger, CEO

ACS Infrastructure Development, Inc. and ACS Infrastructure Canada Inc.

Anne Hird Rabin, Sr. VP and Head of US

HOCHTIEF PPP Solutions North America

Kate Speir, VP

HOCHTIEF PPP Solutions North America

Jane F. Garvey, North American Chairwoman

Meridiam Infrastructure Partners

Elisabeth Hivon, Executive Director

Meridiam Infrastructure Partners

Julia Prescott, Partner & Chief Strategy Officer

Meridiam Infrastructure Partners

Zoe Marwick, Vice President of Risk Management

Skanska AB

Ruth McMorrow, President

Parsons Enterprises

Melanie Vander Valk, Vice President P3 Concessions & Major Project Development

Halmar International (Gavio Group)

Laurene Mahon, Global Head of Infrastructure

CIBC

Amy M. Knapp, Chief Operating Officer of

Corsair Capital

Hadley Peer Marshall, Senior Vice President

Brookfield Asset Management

Heather Davis, Senior Managing Director and Chief Investment Officer

TIAA Global Real Assets

Megan Matson, Partner

Table Rock Infrastructure Partners

Karen J. Hedlund, Director P3s, Director of Public-Private Partnerships

WSP Strategic Consulting Group

Sallye Perrin, Senior Vice President, P3 Strategic Director

WSP

Deborah Brown, Director of Alternative Delivery

WSP

Samara Barend, SR. VP, North America Strategic Development, Director P3s

AECOM Capital

Carla Christofferson, General Counsel

AECOM

Sharon Greene, Director of Strategic Financial Consulting

HDR Inc.

Tesse Rasmussen, VP

HDR

Francesca McCann, Business Development Director, iMG

Black & Veatch

Katie Nees, Sr VP, practice leader for HNTB's Denver office

HNTB Corporation

Kimberly Daily, Sr. Program Manager

Jacobs

Christine Graygor, Project Manager

Jacobs

Catherine Muth, President

OR Colan

Yukiko Kojima, Partner

Nossaman LLP

Ann-Therese Schmid, Partner

Nossaman LLP

Elizabeth Cousins, Partner

Nossaman LLP

Betty Cerini, Senior Attorney

Hunton & Williams

Dolly Mirchandani, Partner

White & Case

Young Lee, Partner and Lawyer in the Energy and Infrastructure Group, Orrick

Sue Lee, Senior Managing Director
Ernst & Young Infrastructure Advisors

Anna Chew, Sr. VP
Ernst & Young Infrastructure Advisors

Lisa Fenner, Managing Director
KPMG

Meagan Hazzout, Manager
KPMG

Victoria Taylor, President

Project Finance Advisory Ltd.

Pamela Bailey-Campbell, President
PBC Consult

Mary Peters, Principal
Mary E. Peters Consulting Group, LLC

Maria Kang, Managing Director
Rubicon Infrastructure Advisors

Canada

Toronto

Yeganeh Pakdaman, Director, Project Finance, Private Fixed Income
Sun Life Investment Management

Vickie Turnbull, Managing Director and Co-Head Infrastructure Finance
RBC Capital Markets

Divya Shah, Senior Vice President, Transaction Finance
Infrastructure Ontario

Angela Clayton, Group Head, Buildings Delivery
Plenary Group

Lindsay Wright, Senior Manager
KPMG LLP

Danna Donald, Partner, Commercial
Osler Hoskin & Harcourt LLP

Julie Parla, Partner, Litigation Group
McCarthy Tétrault LLP

Marissa Kirsh, Associate
Osler Hoskin & Harcourt LLP

Jennifer Manning, General Counsel
NRStor Inc.

Tory McKillop, Director, Emerging Markets
EllisDon

British Columbia

Amanda Farrell, President and CEO
Partnerships British Columbia Inc.

Sara Clark, President and CEO
Fraser River Pile and Dredge (GP) Inc.
(formerly President & CEO of Partnerships
British Columbia Inc.)

Winnie Shi, CFO
InTransit British Columbia GP Ltd.

Marie-Liesse Marc, Vice President, Acquisitions and Asset Management
Vantage Airport Group

Anne Stewart, Q.C., Senior Counsel
Blakes Cassells, and Graydon LLP

Elizabeth Mah, Regional Director, National Capital Region
Defence Construction Canada

Cheryl Nelms, Deputy City Engineer, Engineering Services
City of Vancouver

Tara Rogers, Deputy Chief Project Officer, Royal Columbian Hospital Redevelopment Project
Fraser Health Authority

Ottawa

Leah Carson, Manager, Deal Advisory, Global Infrastructure Advisory
KPMG LLP

Beth Cassells, Partner, Deal Advisory, Global Infrastructure Advisory
KPMG LLP

Ved Proag, B.A.Sc., EIT, Municipal Designer, Infrastructure Division
Morrison Hershfield Limited

Janet Mrenica, Director, Program Oversight, Community Infrastructure
Indigenous and Northern Affairs Canada

Alberta

Faye McCann, Executive Director/Senior Financial Officer
Government of Alberta

Jill Beaton, CPA, CA, Manager, Deal Advisory, Infrastructure
KPMG LLP

Samantha Marcy, P.Eng., Process Engineer
Associated Engineering

Karli Stewart, Proposal Manager, Project Development
Kiewit Canada Development Corp.

Larissa Svekla, Associate
Blake, Cassels & Graydon LLP

Kristine Smith, Pursuit Coordinator
Opus Stewart Weir Ltd.

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WOMEN ANCHOR NOSSAMAN'S DEEP BENCH ON P3/DB

Twelve of the 31 lawyers in Nossaman's infrastructure group are women, nine of them partners. The vast majority of the infrastructure group's new hires are women, many of them from outside the U.S. (Canada, Australia, South Korea and others.) This contrasts with most of its competitors in the P3 market.

Why? "Frankly, the women have better resumes," says Patrick Harder, who heads Nossaman's infrastructure practice and is the gatekeeper for new hires in his practice area. Three quarters of the resumes are from women, and "our best candidates are highly slanted toward women," he says.

Harder credits the advocacy work done by Nancy Smith, the firm's P3/design-build veteran, with helping to draw women to Nossaman and keeping them there. Smith most recently advised the Maryland Transit Administration on the \$2-billion Purple Line light rail project

Nossaman has the largest infrastructure practice in the P3 market, all of it advising public clients. In that space, there is blossoming of women lawyers, engineers, finance experts and administrators who have risen to the top of public transportation agencies, and many are doing innovative deals, Harder says (see p.3).

Currently Nossaman women are advising public agencies on over \$4-billion worth of procurements. These include:

- Los Angeles World Airports, on its ongoing \$2.25-billion people-mover procurement at LAX (Andrée Blais, Partner)

- Denver, on the recent financial close of Denver International Airport's \$650-million Great Hall P3 (Yukiko Kojima, Partner)
- Boston, on MBTA's recently awarded \$1.1-billion Green Line design-build transit contract (Ann-Therese Schmid, Partner) and
- Michigan DOT on its lighting P3 procurement (Elizabeth Cousins, Partner).

Finally, Harder says the older attorneys at Nossaman benefit from the creativity of smart, young women who are more inclined than men to listen to others' points of view. "They help old, white dudes learn new tricks," he says.

The Lineup

Nancy Smith, Partner

Christine Ryan, Partner

Linda Cunningham, Partner

Patricia de la Pena, Partner

Andrée Blais, Partner

Margo Bennett, Partner

Donna Brady, Partner

Yukiko Kojima, Partner

Ann-Therese Schmid, Partner

Elizabeth Cousins, Partner

Stephanie Kam, Associate

Jayoung Jeon, Associate

In his review of women and minorities in PPPs (p.21), Prof. Matti Siemiatycki writes:

Why the Diversity Gap in the PPP Industry Matter Matters

"The production of large infrastructure projects through PPPs involves a high level of collaboration between multiple firms and governmental agencies and departments carrying out diverse tasks. PPPs are differentiated from more traditional models of project delivery by an emphasis on collaboration and interdependence among partners in order to share responsibilities and manage project risks, as well as a marked increase in the number of firms involved in infrastructure projects (Siemiatycki, 2012). The organizational structure of a typical PPP project involves an exten-

sive array of construction contractors, facility operators, debt and equity investors, and professional services advisors providing design, engineering, legal, and financial services to the private and public sector partners. Indeed the global rise of PPPs has created an extensive network of firms and government departments and agencies that together comprise the PPP industry.

"The importance of relationships and teamwork within the networked model of PPP project delivery that relies on the formation of temporary project organizations is well documented. Huxham and Vangen (2000) show that successful partnerships are predicated on finding collaborative advantages that enable organizations to deliver results that are greater than any one could realize on its own.

Achieving a collaborative advantage in partnerships commonly requires the building of trust, reciprocity, shared purpose, and attentiveness between multiple organizations and the individuals that work in them. However, as Buckle and Thomas (2003) argue, project management is a notoriously male dominated and "macho profession" that thrives on competition. This is a rising challenge as "the profession confronts the growing need to manage expectations, relationships and trust." There is an extensive body of literature showing the value of diversity in senior management positions as a driver of team building, collaboration and successful organizational outcomes." ■