

Public-Private Partnership as a Solution for Financing Public Infrastructure

States, counties and municipalities are finding it increasingly difficult to build or maintain infrastructure projects that rely on traditional public sources of funding. These projects span all manner of public services, from transportation to waste water and electric power. Mounting costs and competing social needs have diminished available public resources, and this has prompted public agencies to seek alternative means to fund these vital functions.

The purpose of this report is to study the strengths and weaknesses associated with the use of public-private partnerships [PPP] for funding.

Jacksonville Aviation Authority [JAA] has examined use of PPP to satisfy its need for financing infrastructure. JAA has projected that capital improvement requirements in the next 15 years will exceed expected grant funding and other sources by some \$500 million. The authority has compared different sources of funding to determine the optimal course of action:

- Debt
- Public-private partnership
- Privatization.

This report will compare the strengths and weaknesses of each choice.

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