Bond Case Briefs

Municipal Finance Law Since 1971

Still Rebuilding After Hurricane Maria, Puerto Rico Hopes to Spur Critical Infrastructure Investment.

Officials have outlined an ambitious set of P3 projects supporting electrical and water resilience, as well as economic development.

OXON HILL, Md. — With power almost completely restored along Puerto Rico's still-fragile electrical grid nine months after Hurricane Maria, island officials have turned their attention toward securing investment in resilient infrastructure.

The fiscal plan recently certified by the Puerto Rico Financial Oversight and Management Board forecasts about $60 billion in federal funds flowing through the U.S. territory over the next eight to 10 years.

Funding like that hasn't been seen on the island since the 1990s, and Puerto Rican officials at the 2018 SelectUSA Investment Summit just outside Washington, D.C. said Thursday they hoped it would entice other investors.

"I think that Puerto Rico can be a great case study for the Trump administration in how you can use investment in infrastructure to support economic development and also rebuild and modernize aging infrastructure," Omar Marrero, Puerto Rico Public-Private Partnerships Authority executive director, told Route Fifty.

Gov. Ricardo Roselló on Wednesday announced $1.5 billion in projected investments across six public-private partnership, or P3, projects that officials hope will help the government transfer finance, production and maintenance risks. For comparison, the U.S. P3 market was valued at $2.6 billion in 2016.

Roselló's administration has moved to overhaul its highly subsidized maritime transportation system—providing ferry service between metro areas and outlying islands—by making it part of the Federal Transit Administration's pilot program for private investment. The territory is also eying a $50 million to $150 million procurement for on-campus student housing at the University of Puerto Rico Mayagüez Campus.

A third P3 project, costing between $150 million and $400 million, would see the Puerto Rico Aqueduct and Sewer Authority, or PRASA, replace all water metering and externalize non-revenue water—the water lost before reaching the customer. Residents currently pay PRASA's non-revenue water operational loss, close to 60 percent, but smart metering is expected to help residents identify leaks.

The three other P3 projects have been proposed by the private sector, after Puerto Rico amended its laws to allow for that.

Tesla pitched a high-capacity energy storage system at critical substations, an environmentally friendly alternative to the diesel-fired "peaker" units currently in use. Should another hurricane

cause an electrical collapse, the energy stored in giant batteries could be used for power.

Route Fifty

By Dave Nyczepir,
News Editor

JUNE 21, 2018

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com