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Public-Private Partnerships Reaching Across Texas.

AUSTIN — Lacking a good source of high-speed internet, Bridgeport kids have resorted to hanging out at fast-food restaurants to get online and do homework.

That could change soon, thanks to a new cable that's coming to town under a public-private partnership between the small Wise County city and a private company.

"It's going to be kind of a next-generation kind of thing," said Kevin Lopez, a city council member in Bridgeport, about 45 miles northwest of Fort Worth. "Business or manufacturing weren't coming out: we didn't have the infrastructure in place."

It's a common cry around in rural and smaller Texas cities, where local governments may have limited ability to float bonds to cover infrastructure upgrades.

To meet demand, local entities, such as an economic development corporation, are turning to public-private partnerships, or P3s, to address a variety of needs.

"In addition to small city public-private partnerships for redevelopment, infrastructure and amenity projects, there are numerous examples of P3s that address broadband, water and wastewater facility operations and parking garages," Mary Scott Nabers, of Austin-based Strategic Partners, Inc., wrote recently. "New small city public-private partnerships are also emerging in the areas of smart lighting, solar energy, municipal facilities consolidation and green storm water infrastructure."

Cities can offer private partners grants, as well as "exclusive development rights...long-term leasing agreements...revenue-sharing opportunities," and tax increment financing "in which future gains in taxes from a redevelopment effort are used to repay bonds that provide a financial incentive to an investor," Nabers wrote.

Texas lawmakers last session rejected legislation authorizing the Texas Department of Transportation TxDOT to use P3s for a number of highway projects.

The move came after the state's first public-private toll road, a 41-mile highway connecting Austin and San Antonio, hit a series of high-profile problems including a lack of traffic, debt and low revenues, according to the San Antonio Express-News.

Still, P3s spread as public funding hits limits.

At fast-growing Texas A&M, there's a \$368 million 3,400-bed P3 student-housing project.

To summarize a Bisnow report on the deal, a nonprofit builds on the university-owned land under a ground lease and the university owns the housing when the lease ends.

A Texas' attorney general's opinion said that, "property held or dedicated for the support, maintenance, or benefit of an institution or institutions of higher education that is leased to students or employees of such institution or institutions is tax-exempt."

According to an the Real Estate Center at Texas A&M, the university “has used the P3 model almost exclusively in recent years to expand access to student housing.”

Smaller Blinn College in Brenham, Texas, is also involved in a P3 project.

In Texarkana, Texas, the local housing authority is using a P3 renovate nearly 300 decades-old housing units.

The housing authority takes title to the properties from HUD, uses equity to obtain financing and outsources management.

“Subsidies are shrinking,” said Antonio Williams, executive director of Texarkana’s housing authority. “The housing authority ends up with equity.”

In Bridgeport, Fred Meyers, a board member of the local economic development corporation, is eagerly awaiting the arrival of cable and an improved internet connection .

He said the city and the economic development corporation each contributed about \$10,000 to the project.

“We decided if we’re going to be competitive, we’ve got to be competitive in all areas,” Meyers said. “We decided as an economic development board (that) to attract business, we had to have better service.”

Once the private company finishes bringing cable from Decatur, about 10 miles to the east of Bridgeport, it wouldn’t take much to continue to smaller neighbors such as Chico or Paradise, each about five miles away, Meyers said.

“This affects everybody,” including the employees at his insurance agency, who Meyers said, talk about slow internet “day in and day out.”

He’s still waiting for the hook up at home, as is his wife, a retired school teacher.

It’s a big enough issue, Meyers said, “that my wife talks about it three days out of seven.”

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