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REAL-WORLD PUBLIC-PRIVATE PARTNERSHIP STRATEGIES



Mountain Connect 2016

Risk & Reward Matrix for PPPs

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PPP Concepts

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- Don't release an RFI until you've done your homework
- You only have one opportunity to attract providers
- Don't just ask providers to "come and build it"
- Feasibility study is CRITICAL
 - Document your assets
 - Understand your goals, know your options
 - Develop your "ask"
 - What's negotiable and not negotiable
 - Define how you will measure success

PPP Concepts

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- Still an emerging field, business models are developing
- Every business model is different
- Flexibility is key as the environment changes
- You must have strong deal-making partners
 - Know the business of broadband and have lived it
 - Experts at project finance
 - Capable of marrying public and private interests

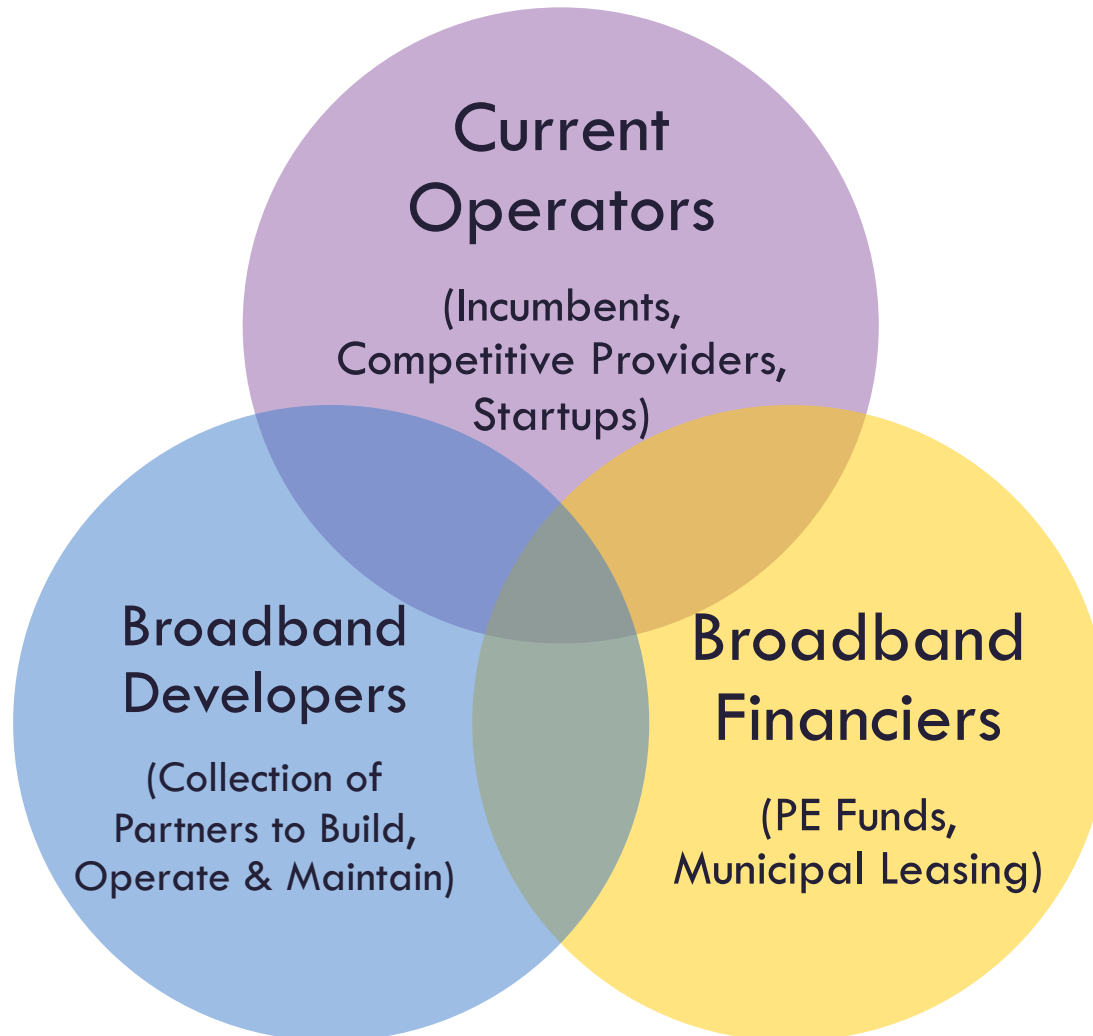
PPP Concepts

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- Negotiation points for partnerships
 - Early term sheet development
 - Roles and responsibilities
 - Clearly defined deliverables from each partner
 - Funding sources and amounts
 - Triggers to release capital
 - Contingencies on funding
 - Binding letters of intent and agreements

Who Are the Private Partners?

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PPP Process

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9-12 Month Timeframe

Document
& Prepare
Your Assets

Determine
Feasible
Scenarios

Determine
Your Ask

Release
Your RFP

Short List
Your Top
Providers

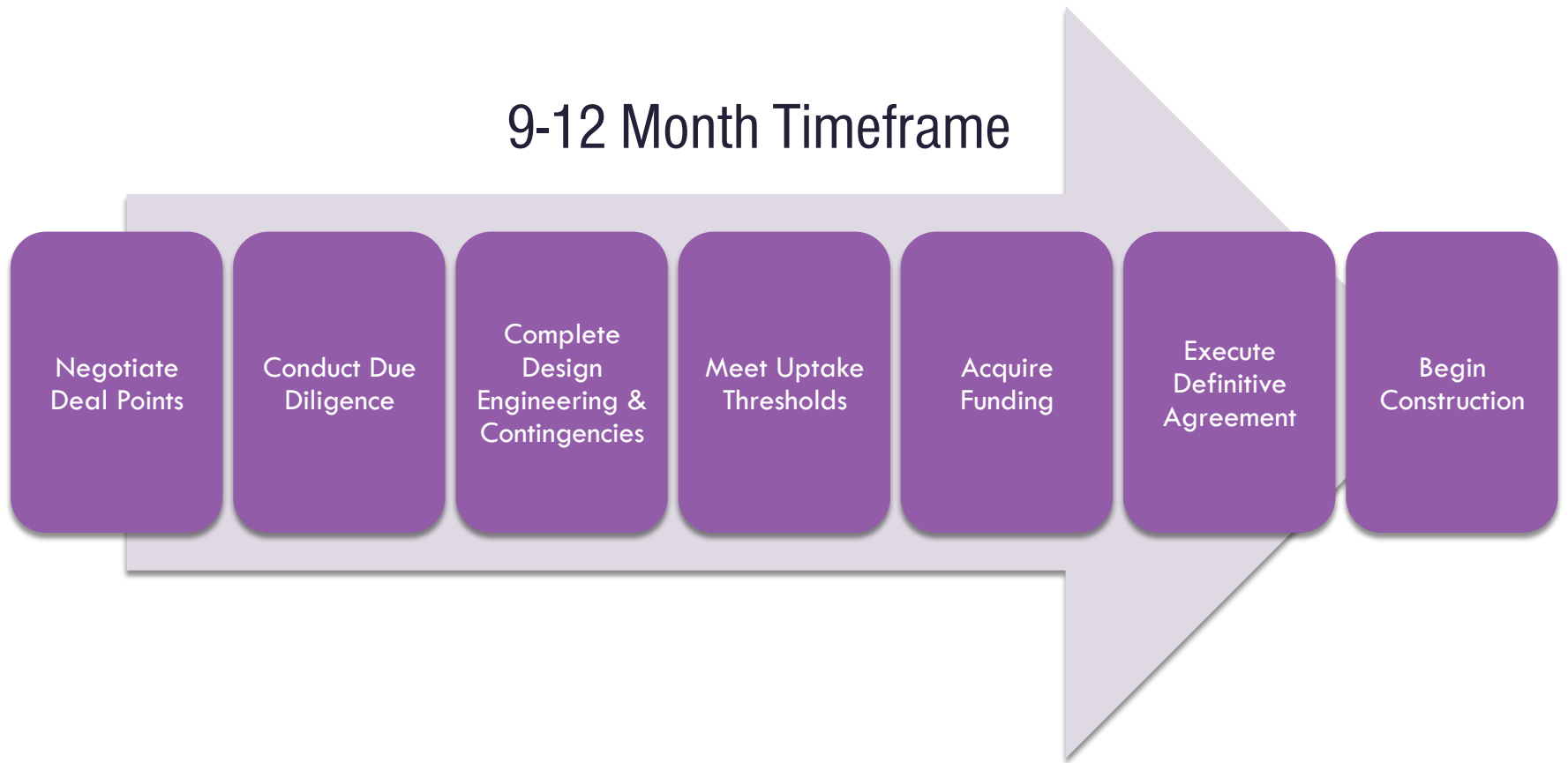
Issue Your
Term Sheet

Select the
Most
Responsive
Bidder

PPP Process

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9-12 Month Timeframe



Case Study: Rancho Santa Fe

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- Rural community north of San Diego
- Low density, challenging terrain
- 2,000 homes, 150 businesses
- Wealthy demographic, yet unreliable broadband services
- DSL, cable, wireless & dialup
- Minimal investment from current providers

Case Study: Rancho Santa Fe

- Partnership Development
 - Initial feasibility study conducted
 - Needs assessment & goal setting
 - Technical design & service requirements
 - Financial feasibility & funding required
 - Option development and consensus building
 - Privately-owned, community-owned, partnership
 - Provided the feasible options and recommended approach based on the community's requirements

Case Study: Rancho Santa Fe

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- RFP Release
 - Identified terms and conditions upfront
 - 8 companies participated
 - 3 shortlisted
 - Term-sheet developed and “ask” was well defined
 - Most responsive provider selected
 - Competitive national FTTH provider

Case Study: Rancho Santa Fe

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- Partnership Goals
 - Make RSF the most connected community in the US
 - Allow RSF to participate in the project
 - Funding
 - Partial control over services
 - Long-term rates
 - Types and packages
 - Quality and performance
 - Payback on investment
 - Ongoing return

Questions?

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