Encouraging Private Sector’s Involvement in Stormwater Management and Beyond

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Stormwater – a Watershed Problem and Opportunity
Leveraging the Private Sector – a Growing Trend

Problem
• Impervious surface to treat – 15,000 acres by 2025
• Cost – $1.2 billion

Solution
• Community Based Public Private Partnership (CBP3)
• 30 years
• 4,000 acres
Prince George’s County CBP3

- Treated impervious acres
- Performance-based fee & incentive fee
- Greened acres
- Community benefits
Benefits and Challenges of Existing CBP3 Model

**Benefits**

- Accelerated delivery of green acres
- Transferred risk to private sector
- >30% cost saving
- Ensured long term operation & maintenance
- Local jobs
- Community inputs
- Technology innovation

**Potential Challenges**

- Mismatch of timing for payments
  - Public → Private partner → Subcontractors
  - State Revolving Fund → Private partner

- Large upfront capital needed
  - Planning
  - Design
  - Permitting
  - Siting
Stormwater Retention Credit Trading – Power of the Market

SW Retention Credits (volume managed)
Impact Investment – Capital with a Heart

$1.7mm for green SW infrastructure in Washington, D.C.
CBP3 + Impact Capital – Maximize Them to the Full Extend

Municipality

- Payments for performance
- Annual SW volume managed
- Upfront capital

Private Partner

- Interest and principal payments

Impact Investors

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- Community benefits

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- Interest and principal payments

- Greened acres
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Going Beyond the Municipal Boundary
All These New Things – a Brave or Scary New World?
Behavior Change – the Human Aspect of Business

Rare’s Theory of Change Model
Attitude – Touch the heart

Interpersonal Communication – Validate your change and feelings