

# ALTERNATIVE CONSTRUCTION PROJECT DELIVERY METHODS

Illinois Community College Chief Financial Officers  
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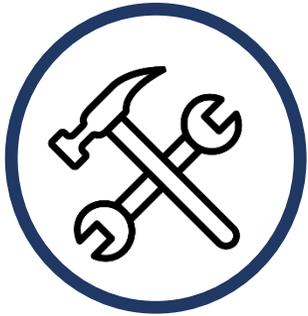


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WHAT ARE THE  
DIFFERENT  
DELIVERY  
METHODS?

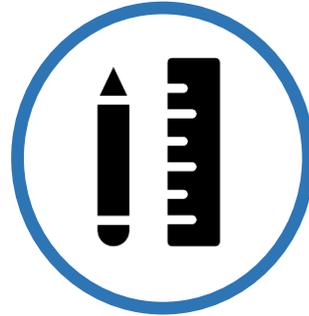
# DELIVERY METHODS /



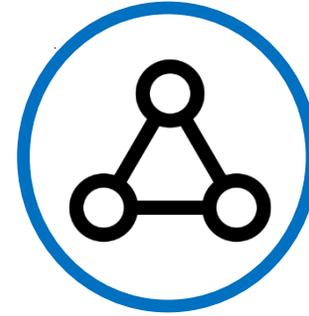
**General  
Contractor**



**CM**  
As Advisor or  
at Risk



**Design Build**



**Integrated  
Project Delivery**



**P3**  
Public/Private/  
Partnership

WHAT DOES  
ILLINOIS  
CURRENTLY  
ALLOW?

# TYPICAL FINANCING STRUCTURE / Illinois Community Colleges

- Generally, avoid bonds requiring referendum.
- Issue debt certificates pursuant to Section 17 of Local Government Debt Reform Act, 30 ILCS 350/17, using installment contract structure. Certificates establish “claim” against the Community College District.
- Subsequently issue bonds pursuant to Section 3A-6 of Public Community College Act, 110 ILCS 805/3A-6, to pay claim against the Community College District.
  - “Back door” referendum only.
  - Bonds “take out” debt certificates.

# TYPICAL FINANCING STRUCTURE FOR P3S /

*Privatized Project Finance Model with Tax-Exempt/Taxable Revenue Bonds*



# COMMUNITY COLLEGES AND P3S /

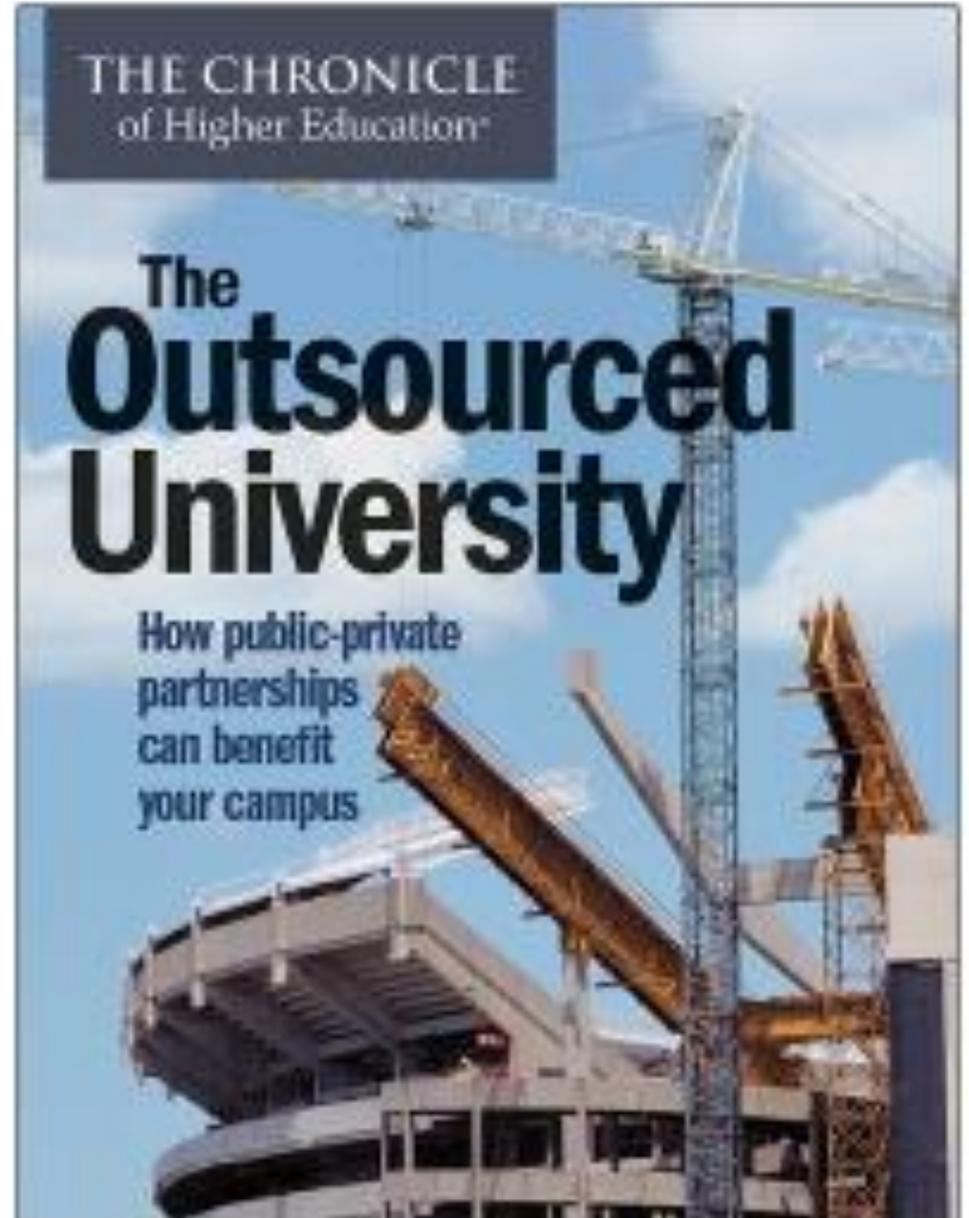
## CHALLENGES

- No specific authority (compare to Section 53-25 of Illinois Procurement Code, 30 ILCS 500/53-25).
- Tax rate limit, tax extension, debt limit may limit sizing.
- Facility types – some are better/worse for P3s.
- Limited authority under Public Community College Act to apply revenues from revenue-producing enterprise to debt service. (Exception: 110 ILCS 805/3A-26 re: exhibition facilities).

# COMMUNITY COLLEGES AND P3S /

## OPPORTUNITIES

- Lease financing authority in Section 17 of Local Government Debt Reform Act, 30 ILCS 350/17.
  - Lease with developer/operator rather than treasurer as nominee lessor.
  - Lease payments by Community College District used by developer/ operator to manage facility and pay debt service on bonds.
  - Bonds issued by conduit issuer and lent to developer/ operator to construct facility.



# COMMUNITY COLLEGES AND P3S /

## OPPORTUNITIES

- Additional authority to apply revenue to payment indebtedness in Section 13 of Local Government Debt Reform Act, 30 ILCS 350/13.
  - Use to make lease payments to developer/ operator from revenue producing facilities other than sports facilities.

HOW DO WE  
MOVE  
FORWARD?