New American Approach

A Process Flow Chart

PFG

Public Facilities Group

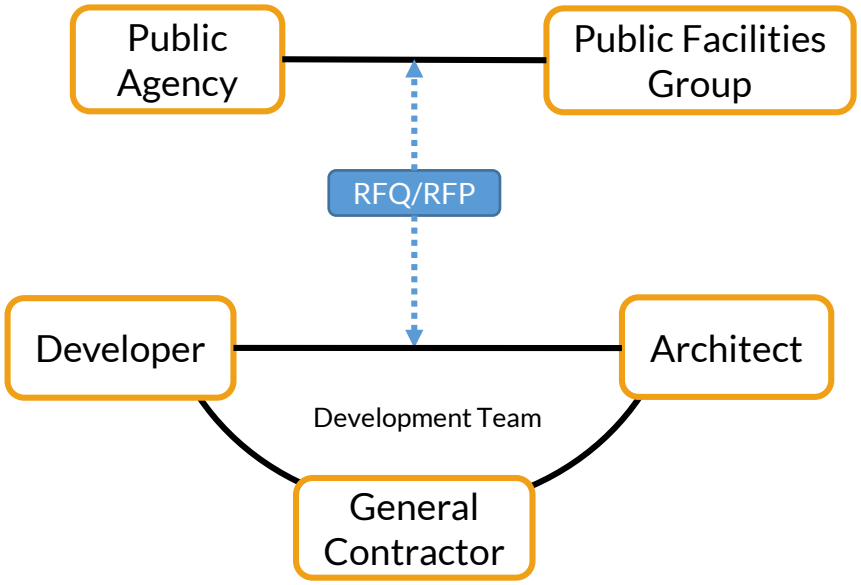
The New American Approach:

Step 1: Selecting the Not-for-Profit Partner

- The Public Agency selects PFG to assist in a Public-Private Partnership

The New American Approach:

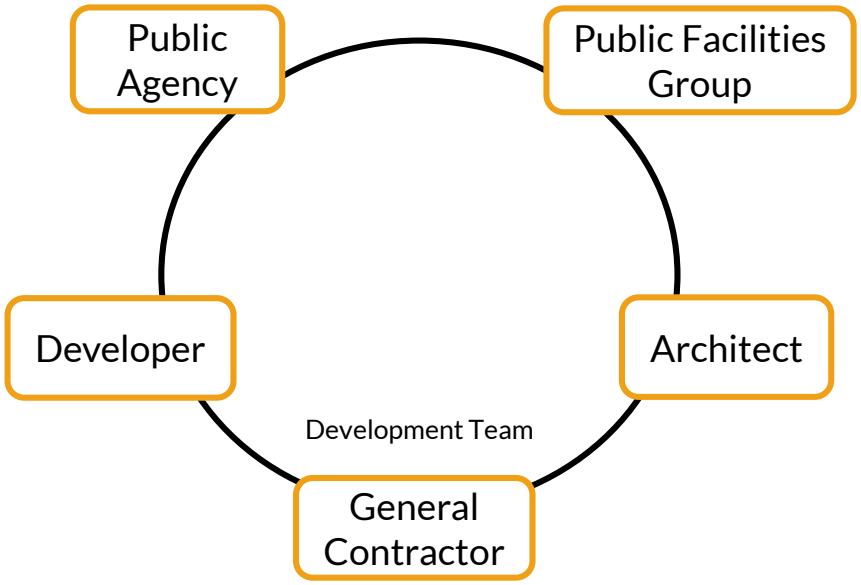
Step 2: Selecting the Private Development Team



- The Public Agency, with assistance from Public Facilities Group, selects the development team through a RFQ / RFP process.

The New American Approach:

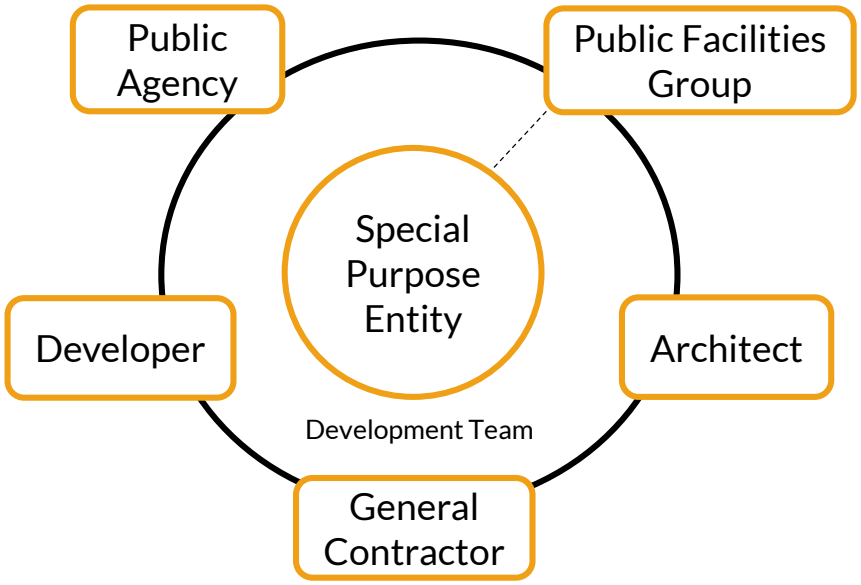
Step 3: Design and Predevelopment



- The Developer, Architect, and General contractor come together with the Public Agency and Public Facilities Group to advance the design from concept drawings, through schematics and design development with the goal of arriving at a Guaranteed Maximum Price (GMP)
- The Developer secures approval of all Entitlements
- The Public Agency and PFG negotiate a long term lease

The New American Approach:

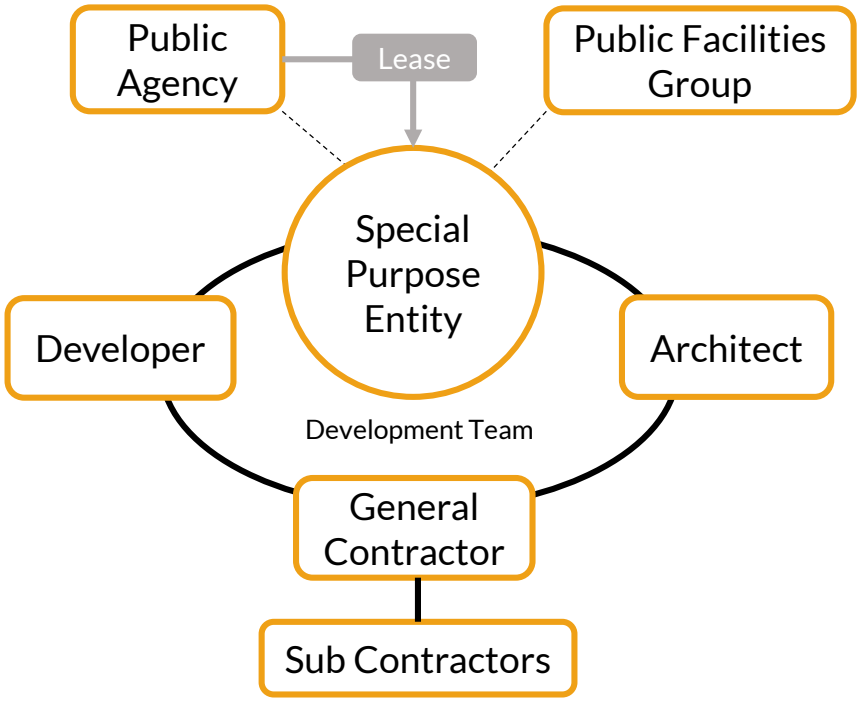
Step 4: Financing Contracts and Bond Sale



- Public Facilities Group creates a Special Purpose Entity (SPE) to own and finance the asset
- PFG, the Public Agency, the Development Team and the Finance Team produce all Financing Documents
- A lease agreement is prepared and executed
- Tax-Exempt bonds are sold to finance the project

The New American Approach:

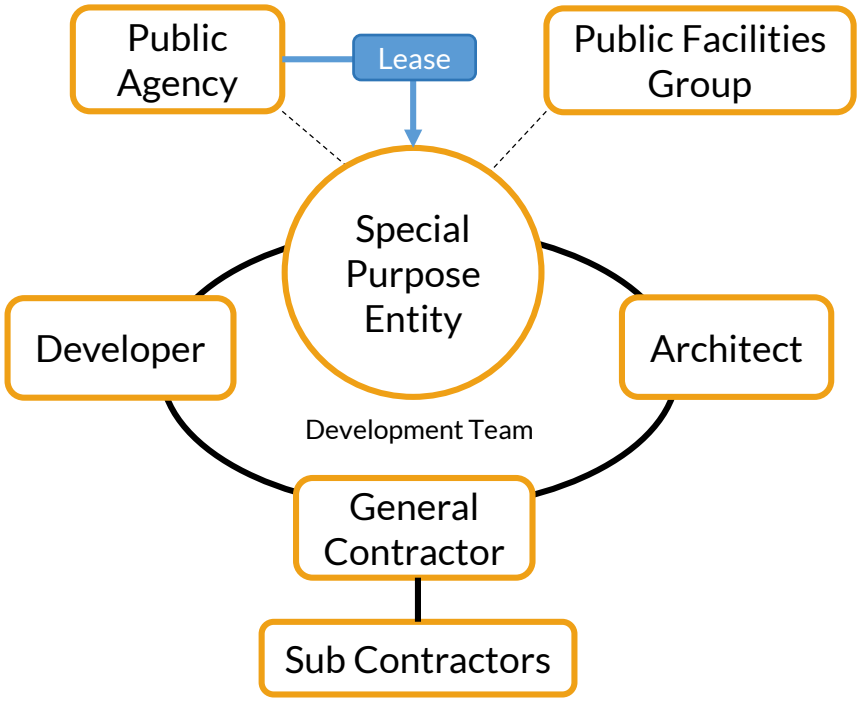
Step 5: Construction



- After the Bonds are sold, the Special Purpose Entity (SPE) gives the Development Team a notice to proceed
- The Development Team begins construction
- Public Facilities Group staffs the SPE through a Development Services Contract
- During construction, the SPE and the Public Agency collaborate to issue an RFP for property management services

The New American Approach:

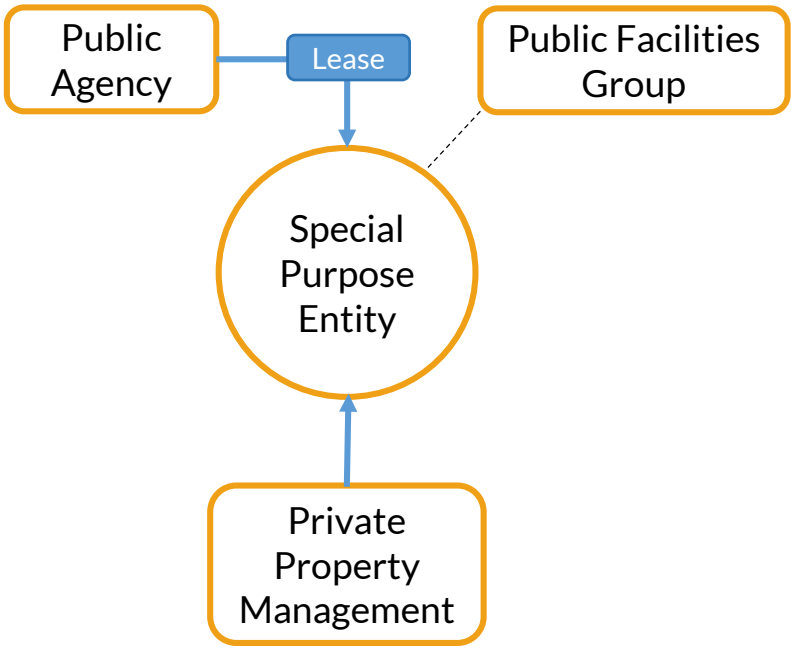
Step 6: Construction Completion



- Public Agency Lease payments begin at Certificate of Occupancy
- After the completion of all punch list items the SPE issues a Certificate of Final Acceptance.
- The SPE enters into the Property Management Agreement with the selected property manager

The New American Approach:

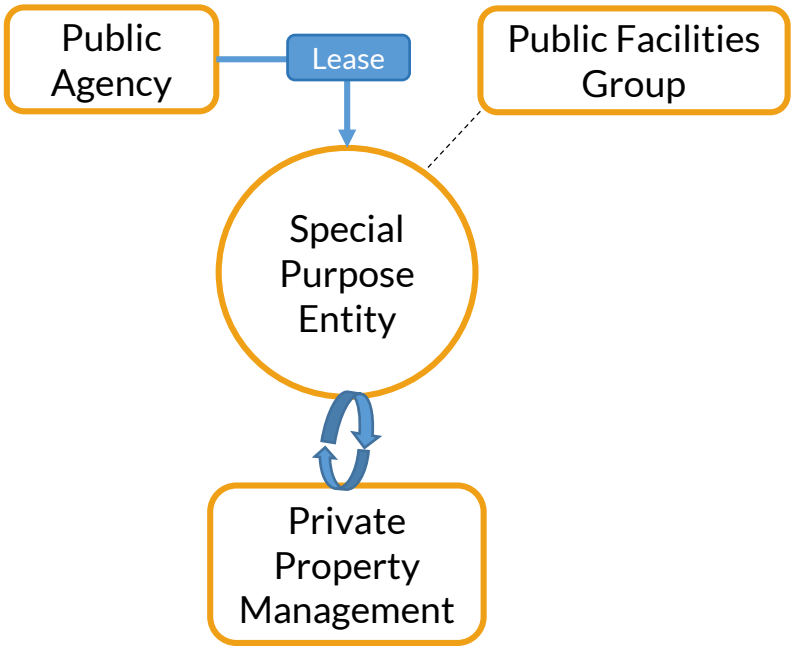
Step 7: Operations and Maintenance



- With the Certificate of Occupancy and the Certificate of Final Acceptance the Public Agency begins its tenancy
- Public Facilities Group continues to staff the SPE
- The Property Manager oversees Operations and Maintenance duties working for the SPE and in-service to the Public Agency

The New American Approach:

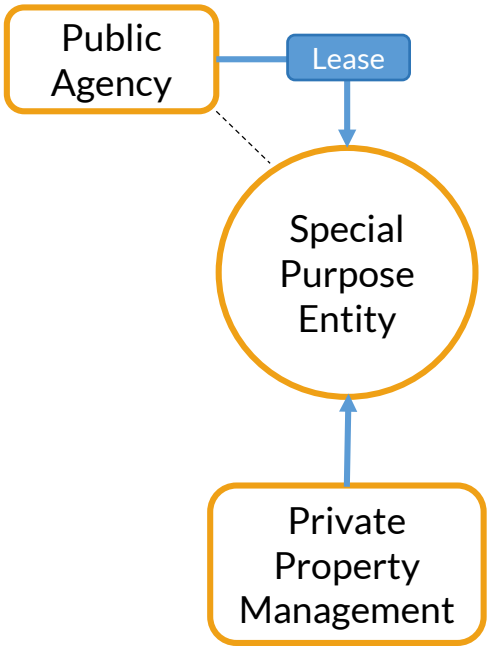
Step 7: Operations and Maintenance Renewal



- Every 3 to 5 years the performance based management agreement will be re-bid to guarantee a competitive operation and maintenance package for the building

The New American Approach:

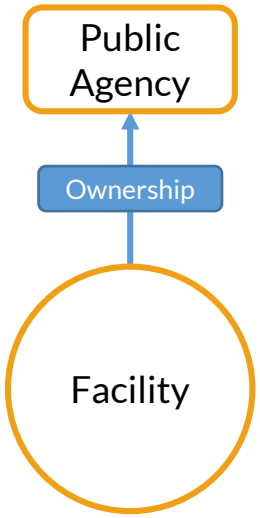
Unique Public Safeguards



- The Public Agency can take control of the SPE at any time by replacing its board of directors

The New American Approach:

Step 8: Transfer of Ownership



- After the bonds have been retired ownership of the project transfers to the Public Agency at no cost.

Contact

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