

## Infrastructure 101

### HOW “WE THE PEOPLE” CAN BETTER UNDERSTAND AND DEMAND TRANSFORMATION OF OUR SOCIETY AND SYSTEMS THROUGH INFRASTRUCTURE DEVELOPMENT AND P3’S

BY DAVID J. WILK, MAI, CRE, FRICS AND DANIEL V. FLANAGAN, JR.

» One of the most overused yet misunderstood words thrown about today is infrastructure.

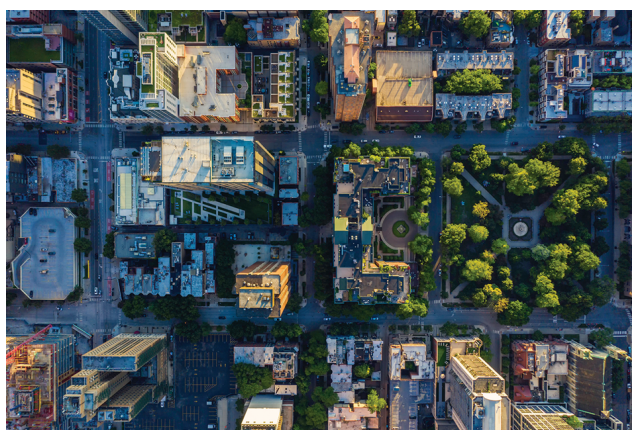
What in the world is infrastructure? One definition, according to the New Oxford Dictionary, is “the basic physical and organizational structures and facilities needed for the operation/optimization of a society or enterprise.”

When most people hear this word, they usually think of an interrelated system of physical components—roads, bridges, and highways. However, infrastructure assets do not just include transportation. They can also include energy, water, and telecommunications.

But infrastructure is perhaps most importantly about people and societal needs. Many are surprised to know that social infrastructure—education, affordable housing, health care, public safety/social justice, food security, entrepreneurship, and government facilities—is the second largest category of infrastructure investment.

We are at an inflection point in our country’s and state’s history. The drive behind social equity and inclusion has never been more prevalent than it is today. Social infrastructure is designed to meet these challenges—providing for human capital needs while operating and optimizing society and enterprises.

With Delaware’s own Joe Biden as the



46th President, and with the COVID-19 pandemic slowing enough to reopen our economy, the timing is ideal to transform our country through infrastructure innovation.

The good news: There doesn’t seem to be much disagreement on whether the United States needs to reimagine infrastructure to avoid economic and social decline. President Biden’s proposed infrastructure plan also recognizes that infrastructure assets involve more than just roads and bridges.

The bad news: Innovative strategies and delivery options for infrastructure that harness private sector expertise and execution in real estate, finance, and operations are being endangered by political dysfunction.

How do we break through?

First, we can educate the public about the value of infrastructure development. Academics and other subject matter experts can explain why social

infrastructure is the key to future prosperity, equity, and inclusion. Then “we the people” will be able to drive the political forces in the same way that has been done with climate change, sustainability, and diversity, equity and inclusion (DEI).

Second, we can push our congressional leaders to support a bipartisan infrastructure plan. Public-private partnerships—or P3’s—are the ideal structure for future social infrastructure

projects. P3’s leverage the unique expertise from the public and private sectors, sharing risks and increasing efficiency to execute these activities better than they could alone.

Third, government leaders should create a national infrastructure bank as a credit enhancement for infrastructure projects. This entity, available to all federal department and agencies, would encourage additional private infrastructure investment. By coordinating the needed federal funding and project finance expertise to assist the regional, state, metro and rural sectors in successful project development, a national infrastructure bank would serve the community through smart social infrastructure investment.

Fourth, state and local leaders can expand infrastructure project development offices. They must be staffed by experienced project finance and economic development professionals

to accelerate innovative project development, including public private partnership applications.

Infrastructure is good for all. Just as we all want safe bridges and roads, we also deserve equitable education, access to public health, fair housing practices, and food security. Social infrastructure is worth the investment, and Delaware can leverage its position to become a national leader. Together, we can champion social infrastructure strategies that deliver inclusive value impact.

*Writing and editing support from Megan Alt.*



**David J. Wilk**, MAI, CRE, FRICS is assistant professor of finance and director of the Real Estate Program and Center at Temple University Fox School of Business. David has taught about infrastructure development and sustainable cities at Johns Hopkins and Temple Universities since 2017. He is also the managing director of Colliers International National Infrastructure practice in Washington, DC.



**Daniel V. Flanagan Jr.** chaired the 1992-1993 U.S. Infrastructure Investment Commission and its recommendations have inspired the launch of dozens of large-scale infrastructure/pension funds investing in U.S. infrastructure projects, many of them are public-private partnerships. Flanagan consults to such funds following his earlier career in guiding the successful regulatory reform efforts in the U.S. transportation, telecommunications, and electricity/energy sectors.

# END-OF-SESSION POLICY CONFERENCE

## THANK YOU SPONSORS!

Presenting:



Gold:



Silver:



Bronze:



As of 6/8/21