



Framework to Establish a West Coast Infrastructure Exchange (WCX)
November 14, 2012

Vision:

The West Coast Infrastructure Exchange (WCX) is a resource that will increase the feasibility for vital infrastructure projects at a time when existing public facilities need renewal and new investments are imperative to maintain and improve economic competitiveness to support jobs and families.

Limitations in available financing and the high cost of infrastructure mean new tools are necessary. The WCX will help by reducing costs through strong management, bundling similar projects, partnering with innovators in other regions, and by helping to connect public entities with private capital. Target infrastructure investment opportunities include, but are not limited to, energy transmission and efficiency, water storage capacity, municipal water systems and wastewater management.

The WCX also will offer a forum to strengthen ties and help align interests among government, community, investment and non-profit stakeholders in the West.

During the start-up phase (2012-2013), the WCX will operate as a non-profit entity with an interim management team representing each partner office, with coordination by the Oregon State Treasury, and financial support from the Rockefeller Foundation.

Jurisdictional Background:

California, British Columbia, Oregon and Washington,

Recognizing the benefits of collaboration to address shared regional infrastructure, fiscal and economic development challenges;

Pursuant to the *Memorandum to Establish the Pacific Coast Collaborative* of June 2008 to which all are signatories, and as provided for in Article 6;

Recognizing the benefits of collaboration in meeting our shared regional infrastructure, fiscal and economic development challenges;

Acting on the Pacific Coast Collaborative's *2012 West Coast Action Plan on Jobs*, signed on March 13, 2012, by the Premier of British Columbia and the Governors of California, Oregon and Washington, ***"to create jobs by investigating and expanding promising models of accelerated investment in broad-scale energy efficiency improvement"*** and specifically to ***"evaluate the feasibility of creating a West Coast Infrastructure Exchange to connect willing investors to energy efficiency infrastructure opportunities."***

Hereby now agree to further work together to establish the West Coast Infrastructure Exchange (WCX) within the following framework:

Mission:

1. The West Coast Infrastructure Exchange (WCX) will seek to promote near-term job creation and long-term economic competitiveness by improving and accelerating infrastructure development, as we look to make \$1 trillion in infrastructure investments along the West Coast in the next 30 years in a time of fiscal uncertainty and climate change. It will do this by:
 - a) Identifying public project development and delivery methods that yield more measurable value for the public dollar while meeting public policy, accountability and transparency objectives,
 - b) Creating and advancing new mechanisms for project finance, including those that could be attractive to private investors that have traditionally not invested in public infrastructure,
 - c) Connecting investors to opportunities by providing consistent, comprehensive and high-quality data,
 - d) Helping investors and project sponsors identify, understand and mitigate risk,
 - e) Sharing and developing best practices as well as strengthening public sector capacity and expertise in these new approaches, and

- f) Ensuring that an estimated \$1 trillion in future West Coast infrastructure investment considers climate risk factors.

Governance:

- 2. The WCX will operate on the following governance framework:
 - a) Governance, policies and decision-making will be as agreed by the partner jurisdictions who will be constituted as a Board of Directors.
 - b) Each WCX partner jurisdiction will have one vote; however, decisions, including decisions on the addition of further partner jurisdictions, will be made on the basis of consensus of the participating jurisdictions as set out in the Memorandum to establish the PCC of June 2008, and reflect the Exchange's objectives of regional alignment, innovation and standardization.
 - c) Agendas, progress reports, meeting records and grant reports will be public records available through a WCX website.
 - d) Operating under the non-profit rules of Oregon law, WCX will be governed by a Board of Directors and employ an Exchange Manager who will hire and manage loaned staff subject to the Board's approval.
 - e) The Board will select and appoint an Advisory Council composed of independent experts from relevant fields of interest, including, among others: the investment community; project management; organized labor; financial advisors; and state, local and regional government and non-governmental organizations. The WCX will put a high priority on systematic outreach to and consultation with the Advisory Council and other significant stakeholders.

Financing:

- 3. The WCX will initially operate through December 31, 2013 on the following basis:
 - a) Sponsorship will be provided by the Oregon Treasurer's Office, continuing under the auspices of a state-sponsored non-profit corporation, and financial support will be provided by the Rockefeller Foundation.
 - b) By June 30, 2013, each jurisdictional partner intends to assess WCX's financial needs, and then seek any necessary public funding, if they conclude that net taxpayer benefits warrant the investment. Public funding would be sought to operate the Exchange for a period of three years.

- c) Except as provided above, nothing in this framework creates any funding requirement, or expectation of funding for or by participating jurisdictions.

2013 WCX Work Plan and Partner Commitments:

- 4. Based on current funding, the following actions and activities will be undertaken in 2013:
 - a) Establish and operate a West Coast Exchange Standards Committee, which will work to develop and advance standardized business case and project assessment tools in our jurisdictions that can reduce political, investor and taxpayer risk.
 - b) Work together as jurisdictions, and with other jurisdictions outside the West Coast which express interest, to advance these standardized business cases and other mechanisms that reduce investor risk and promote innovative and performance-based public infrastructure.
 - c) Operate a work group in 2013 that will seek to accelerate regional innovation in water project financing.
 - d) Convene work groups or develop appropriate mechanisms to accelerate energy infrastructure and energy efficiency finance innovation and acceleration, in partnership with other entities.
 - e) Enable member jurisdictions to have an active voice in the federal infrastructure, deficit and tax debates in the United States and/or Canada when we see opportunities to accelerate a pipeline of innovative infrastructure projects, or a need to respond to infrastructure finance and deployment concepts at the national level which fail to take account of bottom-up innovation opportunities.
 - f) Hold one national meeting and multiple regional meetings in the United States to strengthen and build the connection and translation points between public, private and community stakeholders, and interested impact and institutional infrastructure investors.
 - g) Seek assistance and partnerships to scope out and build a common set of data standards, shared services and technical functionalities that can govern a sustainable database to match projects and investors, and meet the common needs of multiple jurisdictions and stakeholders.
 - h) Hire an Exchange Manager.

5. Final Provisions

- a) Nothing in this framework alters the powers of the state or provincial legislatures or of the state or provincial governments, or their rights to exercise their authorities under the Constitution of the United States or the Constitution of Canada.
- b) This framework shall have no legal effect; impose no legally binding obligation enforceable in any court of law or any other tribunal. Nor shall this framework create any funding expectation. Further, our jurisdictions shall not be responsible for the actions of third parties or associates who may participate in activities outlined in this document.

Approved by the following agencies of participating PCC partner jurisdictions, in San Francisco, California on November 14, 2012:

British Columbia's Ministry of Transportation and Infrastructure
California State Treasurer's Office
Oregon Joint Treasurer-Governor Working Group on Innovative Infrastructure
Washington State Department of Commerce