

**ENGLISH**  
*Since 1909*

A leader in  
public/private partnerships  
and design-build projects.



BUILDING GREAT TEAMS TO ACCOMPLISH GREAT WORKS.

# English Construction helps you find answers to the problem of construction financing.

Budget cuts and inadequate funding are realities for localities and public institutions today. But important construction needs still exist even in tough times. The challenge is finding innovative ways to fund needed building projects.

English Construction is at the forefront of a new trend in public-sector construction financing—a trend made possible by the passage of the Public-Private Education Facilities and Infrastructure Act (PPEA).

With the passage of the PPEA, English can help you find solutions even for challenges that may appear insurmountable. PPEA helps localities and public institutions deal with situations such as these:

**ISSUE:** A large planned community under development will bring so many new residents to a suburban area that a new school will be required.

**SOLUTION:** The developer builds the school as part of the planned community and leases it to the county government.

**ISSUE:** A state college experiences a growth in student population that outpaces the institution's ability to provide housing.

**SOLUTION:** A construction company builds new dorms and leases them to the college.

**ISSUE:** A rural county needs a public wastewater treatment plant to meet the needs of new development.

**SOLUTION:** A construction company designs, builds, and finances a new facility in less than half the time the county would have taken.

These scenarios are all possible with the passage of the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA). English Construction is uniquely qualified to help your locality or institution realize the opportunities afforded by this innovative legislation.

# The experience you need...

Founded in 1909, English is a family-owned company whose stability is reflected in the fact that English has been bonded by the same surety company for more than 50 years. Our tremendous bonding capacity enables us to comfortably handle many large jobs simultaneously.

Over the years, English has undertaken an extraordinarily diverse range of projects, from institutions to interstates, from factories to utilities. We've also had the privilege of being involved in the creation of many prestigious landmarks and in the restoration of historic structures. Our resume likely contains projects that are relevant to your own construction needs:



## MONUMENTAL STRUCTURES

- Westminster-Canterbury Retirement Center (Lynchburg)
- Martha Jefferson Hospital (Charlottesville)
- Academy of Music Theatre (Lynchburg)
- Bluff-Walk Hotel construction including historic restoration (Lynchburg)
- Dulles International Airport Hanger Facility



## ROADS & BRIDGES

- I-85 (South Carolina)
- I-66 (Front Royal)
- I-595 (Richmond)
- I-64 (Norfolk-Virginia Beach)
- I-40 (Durham)
- I-81 (Wytheville)
- Route 29 (including Lynchburg Expressway, Charlottesville, Danville)
- Route 460 (including Appomattox, Farmville, Lynchburg, Blacksburg)
- Roanoke River Parkway



## CHURCHES

- Randolph-Macon Woman's College Chapel (Lynchburg)
- Lane Memorial UMC (Altavista)
- Faith Baptist (South Boston)
- Eagle Eyrie Baptist Assembly Center (Lynchburg)
- St. John's UMC (Staunton)
- Chestnut Hill UMC (Lynchburg)
- First Baptist (Charlottesville)
- Broadus Memorial Baptist (Charlottesville)
- New Bridge Baptist (Richmond)



## WATER & SEWER PROJECTS

- Hopewell Regional Wastewater Treatment Plant
- City of Richmond Wastewater Treatment Facility
- City of Petersburg Wastewater Treatment Facility
- Winchester Filter Plant
- Lynchburg Filter Plant
- City of Covington Water Treatment Facility
- City of Harrisonburg Water Treatment Facility



## INDUSTRIAL PLANTS

- Thomasville Industries (Appomattox)
- U.S. Steel (Gary, W. Va.)
- Lane Company (Altavista)
- General Electric (Lynchburg)
- Dunham-Bush Manufacturing Co. (Harrisonburg.)
- Robinson Creek Coal (Virgie, Ky.)
- Quality Foods (Lynchburg)
- J.M. Huber Plant (Crystal Hill)
- Georgia Pacific Corporation (Big Island)



## COLLEGES & SCHOOLS

- Randolph-Macon College (Ashland)
- University of Virginia Dormitories (Charlottesville)
- Virginia Military Institute (Lexington)
- Averett University (Danville)
- New Dining Hall, Fork Union Military Academy
- Covenant School (Charlottesville)
- Petersburg High School

# How design-build has worked:

For nearly two decades, the majority of English's private-sector work has been design-build. Our customers have discovered that this approach consistently results in a smooth, cost-effective project. They've also appreciated the fact that this approach yields a well-defined program and a guaranteed cost for the project.

Here are a few examples of English design-build projects.



## FORK UNION MILITARY ACADEMY

English prepared a design for a new science building, established a maximum project price, and agreed to credit any savings to the owner. English then completed work on schedule ... and credited the owner with a savings of 4 percent of the contract amount.



## I-85 STATE REST STOP

English coordinated the design and construction of this 17,500 sq.-ft. facility. The job was completed in one year with no change orders, no increased costs, and no time-extensions. This was VDOT's first design-build project, and English was soon awarded the second.



## BRIDGES (ROUTE 418 & S-316, S.C.)

English built two concrete bridges simultaneously, finishing in less than a year. The initial estimate for both bridges (SCDOT's first design-build work) was just over \$3 million; the actual price at completion was \$2,935,000 ... the \$200,000 in savings was shared equally with SCDOT.



## I-895 AND ROUTE 288

**I-895:** Cost: \$324 million; \$27M provided by state, \$297M by private bond investors, to be repaid by toll revenues.

**Route 288:** Contract price for 17-mile length, plus 20-year pavement warranty: \$236 million (\$47 million less than VDOT projections).

A photograph of a construction site at sunset. The sky is a vibrant orange and yellow, with silhouettes of construction cranes and building structures against the bright light. The scene is hazy, suggesting a misty or smoky atmosphere.

## PPEA: A new law that brings new possibilities for institutions and localities.

The PPEA allows public entities the authority to create public/private partnerships for the development of a wide range of public-use projects. The predecessor of PPEA was the Public-Private Transportation Act of 1995 (PPTA), which succeeded in expediting the construction of transportation projects through public/private partnerships and non-traditional funding plans.

The PPEA was passed so that localities and private institutions could take the methods which had proven so successful with PPTA and apply them to non-transportation projects. Ultimately, this law gives institutions and localities far greater latitude in the initiation of public projects, in the sources of funding for those projects, and in the selection of vendors.

The most common scenario under PPEA is for a private entity to build the desired facility, then lease it back to the public entity. (Other scenarios made possible by PPEA include private-sector maintenance/operation of facilities.) Virtually any public construction project can qualify for this approach, including schools and stadiums, utility and telecommunications infrastructure, parks, libraries, jails, improvements to public buildings, and more.

The PPEA allows public parties to solicit proposals for desired projects—and even to accept unsolicited proposals. This can greatly streamline procurement procedures by eliminating the need for a lengthy public bidding process, burdensome allocation hearings, or referenda.

Numerous transportation projects in Virginia have demonstrated the benefits of public/private partnerships. Those benefits can now be extended to many other public projects via the PPEA. Among the advantages the PPEA offers to Virginia communities and state institutions:

- **Timeliness**—Without the delays and uncertainties of appropriations and/or bidding, certain projects can be undertaken many years sooner than may have been possible before PPEA. (This means problems and pressures can be relieved more quickly, too.)
- **Savings**—PPEA projects enjoy private-sector efficiencies and relieve administrative burdens for *major* savings in public-sector time/resources.
- **Community Service**—PPEA facilities can efficiently host both public and private “tenants,” so a new school building could also be used for daycare services, civic events, education programs, etc.

# English can help you consider all possible sources of funding.

PPEA is based on the simple fact that public institutions may not have funds on hand to undertake needed projects ... and yet may not be able to endure the delay that conventional fundraising or appropriation would entail.

Accordingly, the legislation encourages stakeholders to seek innovative financing methods and alternate sources of revenue for projects, including user fees or service payments. This gives you and your contractor the freedom to identify ways the project could help “pay for itself.” (For example, a new privately owned school building could generate income by renting classroom space to a local business college in the evenings.)

Certain PPEA projects may also make use of tax-exempt bonds. Federal funds for tax-exempt private activity bonds are allocated annually to the state (via the Economic Growth and Tax Relief Act of 2001) for the public/private development of K-12 education facilities.

By blending public and private funds, projects can proceed more quickly and more efficiently. In the block below are examples of how funding options permitted by PPEA can expedite public projects.

## PPEA CASE STUDIES: SCHOOL CONSTRUCTION

Although any public structure can qualify for PPEA strategies, schools have taken the lead, recognizing the remarkable options PPEA enables for upgrading facilities quickly. Here are actual examples of the PPEA principle in action\*:

### HIGH SCHOOL MATH

In New York, the Niagara Falls School District replaced two dilapidated high schools with one new facility. The entire project was completed in 18 months, at a savings of \$10 million (roughly 10 percent of overall cost). The school district will lease the new complex for \$5 million per year, and at the end of a 30-year lease, will take ownership of the entire site for one dollar.



### 24 YEARS ... OR 4?

Greenville County, South Carolina, saw its School Board facing a need to remodel or build 72 new schools. The Board determined that traditional public procedures would take 24 years and cost \$1.3 billion. Instead, the county entered into an agreement with a private firm to handle the construction and renovations in just four years, at a cost of \$780 million—a savings of 40%!

\*Information derived from *Public/Private Partnerships: A New Way to Fund and Build Schools*, by David Guhse (2001) • The Thomas Jefferson Institute for Public Policy, Springfield, Virginia)



## English: A leader in design-build and public/private partnerships.

Since the introduction of the Public-Private Transportation Act in 1995, English has been involved in the majority of those projects to date in Virginia—experience that leaves us well-prepared for involvement in PPEA projects.

Many of our PPTA and private-sector projects have followed the **design-build** contracting model, which enables customers to deal with a single source for the design and construction phases of your project. The design-build approach can bring even greater efficiency to a PPEA project. (*See below.*) Moreover, under the design-build system, English can develop budgets that are precisely tailored to your building program, and can then establish a realistic, guaranteed cost for the job.

### HOW ENGLISH'S DESIGN-BUILD EXPERTISE COMPLEMENTS YOUR PPEA PROJECT.

With a design-build project, a single team coordinates the architectural/engineering phase, as well as the actual construction. The primary benefits of this approach are the efficiency and accountability that result from having fewer parties controlling the project. What's more, the design-build approach enables a locality or public institution to transfer the risks of unanticipated costs and delays to a contractor.

Our background has proved that the key to a successful public/private partnership is to assemble a strong, experienced, and compatible team at the very onset of project planning. Over the years, we've become experts in bringing together the team members needed to

help a project succeed. This team typically consists of your locality or institution, the general contractor, and the architect and/or engineering firms. (We can also bring proven financial and legal experts to the project or work with yours.)

These team members collaborate with you to develop a Comprehensive Agreement in which you can negotiate terms for nearly every aspect of the project, from pricing and changes to scheduling and maintenance. This arrangement has a distinct advantage over the old "secret sealed bid" approach, in that all parties have a clear picture of the exact scope of the work, all are aware of the challenges unique to the project, and all understand your expectations of them and their subcontractors. (Which helps you avoid uncertainties and unpleasant surprises.)

The Comprehensive Agreement also provides the opportunity to establish a pricing structure for the

project in which the savings could be distributed among team members if work comes in under budget. This system gives all parties both the incentive and the responsibility to play their part as cost-effectively as possible. (In fact, by serving on the team right from the beginning, all members are free to use "open book costing" and to share detailed, line-item costs with other members of the team. This keeps all parties aware of potential pitfalls and overruns *before* they occur.)

Through our experience with numerous PPTA and design-build projects, English is already accustomed to working in concert with other team members. More importantly, we are also accustomed to serving as the hub of the design-build process ... integrating the services of all team members, solving problems, making a difference. Let us put that experience to work for you.

# ENGLISH

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