Jane

Unlocking community infrastructure as an asset class.
1. **Market** – Unmet infrastructure needs have real consequences for communities

2. **Our model** – Local SPVs can finance and pool community Public-Private Partnerships

3. **Capital structure, cash flows** – Securitizing P3s delivers returns and recycles capital

4. **Achieving scale** – Our growth strategy leverages local resources to mitigate P3 risks

5. **Creating impact** – We will unlock community infrastructure as an asset class
The American Society of Civil Engineers reports that **US infrastructure is “poor” or “at risk”** due to significant aging and deterioration. Affected asset classes include **drinking water systems, wastewater systems, and energy infrastructure**.

This shortfall has a direct effect on communities: **US households lose $3,400 per year due to infrastructure deficiencies** – with low-income areas disproportionately bearing the cost.

We are in a record fundraising environment for infrastructure private equity – much of which remains undeployed: **infrastructure investors held $75B in dry powder in 2016**.

52% of **infrastructure fund managers** report deal flow as their biggest challenge.

According to PwC, **the need for a structured US infrastructure program (P3, privatization)** to mobilize this capital has never been greater.

This problem is acute at the local level, where small-scale infrastructure lacks access to Federal funding, investor interest, or P3 mechanisms.

Many cities struggle to meet infrastructure needs, particularly for small projects:

- US mayors most commonly cite infrastructure as an area where they need Federal Government support. Mayors report having to “go it alone” on infrastructure, without outside funding.
- Mayors state that due to financing constraints, their cities can meet just 52% of infrastructure needs in the next five years.
- While larger scale projects may look to the private sector for support, two barriers prevent small projects from accessing private capital:
  1. Projects often lack sufficient scale to attract interest. Investors typically seek infrastructure deal sizes of over $100M in order to effectively deploy capital and justify transaction costs.
  2. Small-scale projects lack access to standardized Public-Private Partnership mechanisms as the one-off transaction costs for these projects are often too high.

As a result, we estimate an untapped annual market of $1.1B in municipal P3s:

| Market Target P3 spending as % of infrastructure finance | 5% |
| Estimated infrastructure projects less than $10M in size | 25% |
| Typical % equity for infrastructure Special Purpose Vehicles | 50% |

\[
\text{Estimated annual addressable market for municipal infrastructure Public-Private Partnerships in the US} = \$1.1B
\]

Jane finances and pools municipal Public-Private Partnerships – ultimately linking small-scale infrastructure to capital markets

We finance small-scale infrastructure P3s...
- We raise capital from investors seeking to tangible impact within their communities.
- We will begin by targeting LED lighting retrofits – a low-cost, scalable infrastructure upgrade.

...aggregate contracts into asset-backed securities...
- P3s are aggregated by shared characteristics, and moved to more attractive asset brackets for larger investors.
- This achieves scale and diversifies risk with small P3s.

...and deliver assets to capital markets, recycling P3 funds.
- The resulting pooled asset is sold to an investor seeking infrastructure exposure.
- Subsequent returns from the sale are delivered to SPVs, and capital is recycle for new P3s.

Our Model
LED lighting upgrades represent an ideal entry point into the municipal infrastructure market – delivering sustainability through a scalable P3

Lighting retrofits represent a large, scalable, and investor-ready market for P3s

- Lighting retrofits are a significant municipal infrastructure need...
  - There are ~38M streetlights in the US, about half of which owned by the public sector.
  - Approximately 1% of end-use electricity in the United States is tied to street lighting.
  - Street lighting has an average age of 25+ years – resulting in rising power, maintenance costs.
  - Finally, street lighting represents 5% to 60% of a municipal government’s electricity bill.
- ...and are well positioned for private capital
  - Smaller municipalities often unable to bear retrofit costs ($10M to $100M+), thus unable to achieve environmental benefits or savings.
  - Retrofit project payback commonly achieved in seven to ten years.

LEDs also offer sustainability – appealing to local impact investors and municipalities

- LED upgrades can reduce a city’s energy bill by approximately 50%. Additional benefits include:
  - Reducing greenhouse gas emissions from power consumption;
  - Reducing ongoing maintenance costs;
  - Decreasing light pollution;
  - Enhancing visibility and performance.

Our Model
Sources: Clinton Climate Initiative, Street Lighting Consortium, US Dept. of Energy
Applying the model: Establishing an SPV in Washington, DC, to participate in LED lighting P3 opportunities (1/4)

**Under an umbrella HoldCo:**

1. **Establish the local SPV at the state level**
   - SPVs will specifically be tasked with raising capital from and deploying capital back into local communities.
   - This approach will allow us to trace returns from local P3 projects back to their local financial backers.

2. **Raise capital from impact-minded local investors**
   - We will target organizations including university endowments, family offices, and impact investors.

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Combined invest. of $20M-$30M per SPV

**Jane** Urban Infrastructure Partners

HOLDING COMPANY

Chicago SPV

Los Angeles SPV

Chicago Investors

Los Angeles Investors

DC Investors

IMPACT ASSETS

THE CASE FOUNDATION

GEORGETOWN UNIVERSITY
Applying the model: Deploying place-based, concessional capital into project capital expenditures (2/4)

3. Target local P3 procurements within our transaction range
   - In this example, we specifically target the DC OP3 Street Light Modernization Program – delivering upfront capex for contractors leading project execution.
   - Alongside this DC effort, we will pursue similar LED projects in other cities – either through open procurements or through unsolicited proposals.

4. P3s will be executed after an agreement with the city is awarded
   - For small projects, we do not currently anticipate significant competition.
   - But as a market for small-scale P3s grows, our focus on place-based, impact-driven investors will provide a competitive cost of capital – increasing our bid chances.
Applying the model: Aggregating this opportunity alongside other LED P3s, and marketing the pooled asset to larger investors (3/4)

Similar projects are aggregated together based on asset type or risk
- Here, we bundle the DC OP3 LED project alongside similar P3s from Chicago and Los Angeles.
- This gives secondary investors exposure to a single asset type, which is still diversified across multiple projects.

We will secure credit ratings for aggregated P3s
- To inform our valuation of the securitized asset – and to support the process of securing an investor in the secondary market – we will seek credit ratings on the underlying P3 contracts.
Applying the model: Delivering returns to place-based investors, while collecting fees and carry at the HoldCo level (4/4)

- 2.5% management fees and 5% carry to HoldCo
- Target 7% IRRs from SPVs to investors
- Capital recycled into additional infrastructure investments
  - We will target a warehousing period of 2 years on executed Public-Private Partnerships – generating initial returns from the contracts and providing a buffer zone for them to be bundled with similar projects from other SPVs.
  - Once projects are aggregated and offloaded, proceeds from the sale will be recycled back into the SPV and reinvested.
- Returns delivered to local impact investors
  - At the close of the 10-year SPV, returns will be sent back to local investors. Jane Urban Infrastructure Partners will charge a 5% carry. **We currently anticipate a 7% IRR for investors.**
Our fund structure and fees deliver an IRR that is commensurate with the lower-end of infrastructure returns.

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<tr>
<th>Jane Urban Infrastructure Partners</th>
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<tr>
<td><strong>Target # SPVs</strong></td>
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<td><strong>Target SPV Lifespan</strong></td>
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<td><strong>Target SPV Size</strong></td>
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<td><strong>P3 Transaction Size</strong></td>
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<td><strong>Target IRR</strong></td>
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<td><strong>HoldCo Mgmt. Fee</strong></td>
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<td><strong>HoldCo Carry</strong></td>
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This is a starting point. With scale, our platform will generate gradually higher IRRs.

- We are targeting an starting point of three community Special Purpose Vehicles.
  - This will allow us to target multiple key markets and aggregate a sufficient number of projects for secondary buyers.
  - SPVs will be able to invest between 25% and 100% of their committed capital into a single Public-Private Partnership.

- As we grow and expand into additional communities, we will distributed fixed transaction costs across a larger number of projects.
  - Standardizing P3 contracts, streamlining the project finance process, and distributing fixed legal and accounting costs will allow us adjust our fee structures.
  - Fees may be adapted to different community SPVs to reflect varying opportunity and risk.

Combined across multiple SPVs, current fees are sufficient to cover the costs of a HoldCo CEO, two Investment Professionals, and a Central Office to manage origination in our target markets.
We will warehouse and offload P3 assets in cycles over the SPV lifetime – reinvesting proceeds into additional Public-Private Partnerships.

**DC SPV Cash Flows and Fees**

- Capital is returned to investors at the end of the SPV lifetime. Depending on investor interest and mission, some capital can be disbursed sooner as dividends.
- HoldCo structure and distribution across SPVs enables us to target low management fees (2.5%) and carry (5%).
- Once P3s are warehoused for two years, aggregated, and offloaded, they are immediately reinvested into new Public-Private Partnerships.
We will leverage our place-based investment strategy and modularity to mitigate Public-Private Partnership risks

We see two primary risks to the Jane Urban Infrastructure Partners strategy

**P3s carry significant transaction costs.**
- Structuring individual Public-Private Partnerships is a challenging and complex process – each contract demanding a degree of customization to the project or policy context.
- Projects take a wide range of forms depending on the revenue structure, legal requirements, and other factors.

**Public-Private Partnership origination challenges.**
- Sourcing P3s can be an intensive process – both in identifying opportunities and in navigating procurement.
- Significant time and resources could be lost seeking out projects within our target range and target asset classes.

We believe that we can mitigate these risks through our unique model

**We will focus on assets that can be standardized.**
Interviews with public finance experts indicate that several types of P3 contracts can be more easily standardized, including: **LED Lighting**, **Municipal Power Storage / Battery Solutions**, **Information & Wi-fi Kiosks**, and **Municipal Building Upgrades**.

**Our platform for investors will invite collaboration.**
By serving as a platform for community infrastructure P3s, and by acting as a financing partner for local P3 implementers, we:
- Ease our involvement in the procurement process, and
- Incentivize communities to identify high-priority P3 needs.
Who is Jane?

- Our namesake is Jane Jacobs – an activist and urbanist who believed in the power of communities to build better cities.
- “Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody.” — Jane Jacobs, *The Death and Life of Great American Cities*

- Jane Urban Infrastructure Partners mobilizes **community capital** to address **community infrastructure needs**.
- We pool these assets and deliver them to capital markets, **generating returns and recycling capital for further investment**.
- By aggregating and securitizing the resulting Public-Private Partnerships across multiple cities, **we unlock community infrastructure as an asset class**.
Unlocking community infrastructure as an asset class.
Our team

**Cole Boskey**
- Worked at Autodesk – a software firm specializing in architecture, engineering, construction.
- Previously Co-Founder and Chief Growth Officer of Wellable, a health and wellness technology startup.
- Additional experience with Goldman Sachs, Bain Capital, and the Commonwealth of Massachusetts.

**Francisco Valdez Seminario**
- Worked across multiple roles at Graña y Montero, Peru’s leading engineering and construction company – focusing on Real Estate, Oil & Gas, and Public-Private Partnerships.
- Earlier experience at Urbi Propiedades, one of Peru’s leading developers of Public-Private Partnerships.

**Mathew O’Sullivan**
- Supported the growth of CrossBoundary – a frontier markets investment firm – from 6 to 40 employees.
- With CrossBoundary, advised on Power and Water & Sanitation projects in Africa.
- Additional experience in the Eco Banking Division of XacBank, a Mongolian financial institution.
Our resources and mentors

- Chris Elmore, Vice President – Public Sector & Infrastructure Group
- David Klinges, Managing Director – Public Finance Investment Banking
- Lauren Counts, Senior Director, Strategy, Innovation, and Impact Management
- Jessel Amin, Manager, Investments and Structured Finance
- Andrew Straub, Associate
- Leslie Darling, Executive Director
- Tom Budescu, Managing Director of Finance
- Joshua Schank, Chief Innovation Officer – LA Office of Extraordinary Innovation
- Yousef Salama, Manager for PPPs – LA Office of Extraordinary Innovation
- Seth Miller Gabriel, Director
- Judah Gluckman, Deputy Director and Counsel
- Bruce M. Kahn, Ph.D., Portfolio Manager