

The Governor's Table.

Structuring a *State-Level PPP* as a Foreign Investor.

A working position on how a Gulf investor structures and navigates a public-private partnership with an American state – from the first meeting at the Governor's table to the federal review that can unwind the whole deal. No two states are the same; each leans red or blue, and each negotiation begins where its politics begin. The access ladder, honestly ranked. The calendar play that out-positions K Street. The deal dynamics – licenses, structure, subsidies. The local layer nobody briefs you on. And the federal layer – CFIUS and FARA – that decides whether any of it holds.

FOREWORD · THE FIRM'S POSITION

The Gulf principal looking at the United States – a sovereign fund, a holding company, a family office, or an operating business carrying the mandate to deploy abroad – is told the American market is open. It is. What the principal is rarely told is that there is no single *American* counterparty. There are fifty states, each with its own governor, its own cabinet, its own legislature, its own red or blue political weather, and its own price of entry – sitting underneath a *federal review layer* that can unwind a closed deal months later. The firm's working position is that a foreign investor who treats a state PPP as a commercial negotiation, and discovers the politics and the federal review only at signing, has mispriced the deal. The discipline is to read the state's politics first, choose the right access route second, win the *calendar* third, structure the deal against the local layer fourth, and clear the *federal layer* before, not after, the capital moves. Editorial, not legal advice, and non-partisan on the merits of either party.

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Contents & *Reading Plan*.

A six-part field guide for the foreign investor structuring a partnership with an American state – running examples throughout: a parking-lot acquisition, land rights, and an energy-project license. Each part closes in a move you can task.

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READING PLAN FOR THREE READERS

The *sovereign fund or holding company* reads Parts I, IV, and VI first – the politics, the structure, and the federal review that prices the whole deal. The *family office or private investor* reads Parts II and III first – access and calendar are where the smaller balance sheet wins or loses. The *operating company seeking licenses* reads Parts IV and V first – the deal mechanics and the local layer are where an energy or infrastructure license actually lives or dies.

Lobbying a state is one thing. Navigating the federal layer is another. Know the players, hold the relationship, and read the review before the capital moves – because knowledge, in this market, is the only real leverage.

SECTION I · THE GOVERNOR'S TABLE

Read the state's *politics* before the first meeting.

No two states are the same. Each leans red or blue, each governor sets the tone, and each negotiation begins where the state's politics begin. The first meeting is with the Governor — and the Governor never comes alone.

I.1 · THERE IS NO 'AMERICAN' COUNTERPARTY — THERE ARE FIFTY.

The Gulf investor accustomed to a single sovereign interlocutor at home must reset the model entirely. A partnership with Texas is not a partnership with California; a deal in a Republican-led state turns on different incentives, different constituencies, and a different posture toward foreign capital than the same deal in a Democratic-led one. Energy licenses read one way in an oil-and-gas state and another where the governing coalition ran on climate. *Read the political weather first* — who holds the governorship, which way the legislature leans, when the next election falls — because every term you will negotiate is priced by it.

I.2 · THE FIRST MEETING IS THE GOVERNOR — AND THE CABINET SETS THE BASELINE.

At the onset, the Governor will bring the relevant cabinet — the Commissioner of Commerce or Economic Development, the Secretary of State, the energy or environmental authority, the budget office — to the table. This is not ceremony. The cabinet officials are there to *establish the beginning point of each negotiation*: what the state can offer, what it will require, where the statutory limits sit. The principal who walks in without knowing which cabinet officer owns which lever has surrendered the framing of the deal before the first exchange. Map the cabinet to the deal before the meeting is taken.

I.3 · THE RUNNING EXAMPLES — AND WHY THE TABLE CHANGES FOR EACH.

Three deals run through this guide. A *parking-lot acquisition* in a downtown core — simple on its face, until municipal zoning, a county assessor, and a civic association enter. *Land rights* — where the state's posture toward foreign ownership, and proximity to anything the federal layer deems sensitive, governs. And an *energy-project license* — where the cabinet officer, the public utility commission, and the state's political coalition decide the timeline. Each sits at the same Governor's table, and each is negotiated against a different set of cabinet levers.

The first meeting sets the baseline, and the cabinet sets it with the Governor in the room. Read the state's politics, map the cabinet to your deal, and arrive knowing which officer owns which lever — or negotiate on terms someone else framed.

SECTION II · THE ACCESS LADDER

Four routes to the table, *honestly ranked*.

Once you know the state, the question is the how — how the meeting actually gets booked. There are four routes. They are not equal, and the most traditional one is the weakest.

THE TRADITIONAL GATE — EXTERNAL RELATIONS

The state's external-relations or economic-development office is the front door, and the firm's honest read is that it is the *least-connected option*. It is the route that treats you as one inbound inquiry among many; it is slow, it is procedural, and it routes you to staff rather than principals. It is not wrong to use it — but a foreign investor who relies on it alone has chosen the longest path to the Governor's table.

THE LOBBYIST

A registered lobbyist is the next rung — faster, with real relationships inside the legislature and the agencies. The caveat the foreign investor must understand: lobbying for a foreign principal carries registration consequences under federal law (Part VI), and a lobbyist sells access to a defined set of relationships, not necessarily the ones your specific deal needs. Useful, often necessary — but a transaction, not a strategy.

THE HIGHLY-CONNECTED PROFESSIONAL

Above the lobbyist sits the highly-connected professional — former officials, ex-cabinet members, the operators who move between government and the private sector. K Street is full of them. They carry genuine access and genuine judgment, and they price accordingly. For the right deal they are worth it. The risk is paying for a marquee name whose relationships do not actually reach the cabinet officer who owns your lever.

THE INTERNATIONAL ADVISORY — AND WHAT THEY WON'T TELL YOU

The fourth route is the one K Street will not volunteer: *you can negotiate from your own back yard*. An international advisory with standing in your jurisdiction can do what a domestic lobbyist cannot — work through the diplomatic channel to coordinate a meeting in-country. This is Part III, and it is the route that most often out-positions the others, because it changes the one variable money cannot buy.

External relations is the slowest door. The lobbyist is a transaction. The connected professional is real but priced. The international advisory route is the one that changes the variable the others can't — the calendar.

SECTION III · THE CALENDAR PLAY

The meeting in your *own back yard*.

What the connected professionals will not tell you is that the highest-value move is not about money or saving a dollar. It is about calendar – and the calendar is where the foreign investor holds an advantage the domestic operator does not.

THE INSIGHT – IT IS NOT ABOUT MONEY, IT IS ABOUT CALENDAR

Access in the United States is usually framed as a question of spend: the bigger the retainer, the better the room. The firm's read is that for a foreign investor the binding constraint is rarely money – it is the official's *calendar*. A governor or cabinet officer has finite hours, and the meeting that happens is the one that fits the schedule, not the one that pays the most. Win the calendar and you win the access the retainer was only a proxy for.

THE MECHANISM – THE CONFERENCE, THE EMBASSY, THE IN-COUNTRY MEETING

American officials travel. Governors lead trade missions; cabinet officers headline conferences in the Gulf; delegations come through Abu Dhabi, Dubai, Riyadh, and Doha on a regular calendar. When that official is travelling to *your* jurisdiction, an international advisory can *enlist the support of the embassy* to help coordinate a meeting in-country – on your ground, on your time, with the diplomatic channel lending the convening weight. The meeting that would take six months to book through external relations can happen on the margins of a conference the official is already attending.

WHY IT OUT-POSITIONS K STREET

The domestic lobbyist competes for the official's time in Washington or the state capital, where every interest in the country is competing for the same hours. The foreign investor who convenes in-country competes for that time where almost no one else is – and where the official is already a guest, already disposed to engagement, and already on a calendar that has room. *This is the variable money cannot buy and proximity can.* It is a diplomatic-facilitation channel, distinct from registrable lobbying – and it should be run with counsel aware of the distinction in Part VI.

Not money. Calendar. When the official travels to your jurisdiction, the embassy can help convene the meeting on your ground – the one move that out-positions K Street, because it changes the constraint everyone else is paying to fight.

SECTION IV · DEAL DYNAMICS

Licenses, structure, readiness, *subsidies*.

With the table set and the meeting won, the deal itself. Four dynamics decide whether a state PPP closes on terms the investor can underwrite – and each carries a discipline the Gulf principal should set before the term sheet.

LICENSES & PERMISSIONS

The energy-project license, the operating permit, the concession to run the parking structure – each is granted by a specific authority on a specific statutory timeline, and each can be conditioned. Map every license the deal requires, the authority that issues it, and the political body that can delay it, before you commit capital. A license assumed is a license that stalls the deal at the worst moment.

INVESTMENT STRUCTURE

How the investment is structured – the ownership vehicle, the share of control, the use of a US subsidiary or a joint venture with a domestic partner – is not only a tax-and-liability question. For a foreign government-linked investor it is the question the *federal layer* will examine most closely (Part VI). Structure the vehicle with the CFIUS posture in mind from day one, not as a clean-up exercise after the state deal is agreed.

INVESTMENT READINESS

The state and its cabinet will test whether you are a serious, ready counterparty: proof of funds, a credible operating plan, a compliance and AML posture, a local presence or partner. Gulf investors are sometimes underwritten on the assumption that capital equals readiness. It does not. *Readiness is documented, not asserted* – and the investor who arrives ready shortens every subsequent negotiation.

NEGOTIATING SUBSIDIES & INCENTIVES

States compete for inbound investment with incentives – tax abatements, grants, infrastructure contributions, workforce subsidies – and these are negotiable, often more than the headline terms. The discipline: know the state's incentive statutes before the meeting, know what comparable deals received, and negotiate the incentive package as part of the deal rather than as a concession sought after the structure is fixed. The cabinet officer across the table negotiates these every week; the first-time foreign investor should arrive equally prepared.

Map every license to its authority. Structure the vehicle with the federal review in mind from day one. Document readiness rather than assert it. And negotiate the subsidy package as part of the deal – because the state across the table will.

SECTION V · THE LOCAL LAYER

County, council, school boards — and the *civic associations*.

The deal agreed at the Governor's table still has to survive the layer nobody briefs the foreign investor on. State approval is necessary; it is rarely sufficient. The parking lot and the land rights live or die here.

THE COUNTY & THE COUNCIL

Zoning, land use, permitting, and the assessment that sets your tax base sit with the county and the municipal council — not the Governor. A state incentive package means little if the city council rezones against you or the county assessor reprices the asset. These bodies are elected, local, and responsive to constituents who may never have heard of your sovereign fund. Engage them early, in their own forums, on their own terms.

SCHOOL BOARDS — YES, REALLY

The foreign investor is routinely surprised that a school board can shape a deal. It can. School boards control a large share of local property-tax revenue, sit at the center of community sentiment, and frequently hold a vote or a voice on tax-abatement packages that fund schools. A parking structure or an energy site that touches the local tax base may need the school board's acquiescence as much as the Governor's signature. Do not discover this at the hearing.

THE CIVIC ASSOCIATIONS — THE MOST INTERESTING VARIABLE

The most interesting actor is the one with no statutory power at all: the neighborhood association, the chamber of commerce, the civic league. They do not issue permits — but they shape the sentiment that elected bodies answer to, and a determined association can stall a deal through the very local democracy the investor cannot lobby from abroad. *The Gulf investor who treats the civic layer as noise mistakes the most local form of American power for the least.* Win it the way it is won — in person, early, and with genuine local benefit on the table.

The Governor signs; the county, the council, the school board, and the civic association decide whether the signature holds. State approval is necessary and rarely sufficient — engage the local layer early, in its own forums, before the hearing.

SECTION VI · THE FEDERAL LAYER

CFIUS, FARA, and why state success *can still be unwound*.

Lobbying a state is one thing. Navigating the federal layer is another. A deal closed at the Governor's table can be reviewed, conditioned, or unwound in Washington — and the foreign investor who meets this layer at signing has mispriced the risk.

CFIUS — THE REVIEW THAT CAN UNWIND THE DEAL

The Committee on Foreign Investment in the United States reviews foreign investments, and certain real-estate transactions, for national-security effect. Its real-estate jurisdiction reaches purchases, leases, and concessions near ports and military installations — a list expanded again under the FY2026 defense authorization — so even a *parking lot* or *land rights* near a sensitive site can fall in scope. For a Gulf government-linked investor, a substantial interest can trigger a *mandatory filing*; most filings are voluntary, but a deal left unfiled can be reviewed and, in rare cases, divested by presidential order after closing. *File the question early*, even if the answer is that no filing is required.

FARA & THE LDA — HOW YOU ENGAGE MATTERS

How a foreign investor engages the political system carries its own federal regime. The Foreign Agents Registration Act requires those acting politically on behalf of a foreign principal to register and disclose; registered lobbying under the Lobbying Disclosure Act can, in defined circumstances, satisfy the obligation instead. The distinction matters for the access ladder of Part II and the diplomatic-facilitation channel of Part III — the embassy route is a recognized diplomatic activity, distinct from registrable agency, but the line should be drawn by counsel, not assumed. *Engage in a way that is documented and defensible from the first meeting.*

THE SEQUENCE — CLEAR THE FEDERAL LAYER BEFORE THE CAPITAL MOVES

The error is to treat the federal layer as a closing formality. The discipline is to run it in parallel from the first meeting: assess CFIUS scope as the deal is structured (Part IV), set the FARA/LDA posture as the access route is chosen (Part II), and clear both before the capital moves. State success and federal failure is the most expensive outcome in this market — and the most avoidable.

State approval does not bind Washington. Assess CFIUS scope as you structure, set the FARA posture as you choose your route, and clear the federal layer before the capital moves — because state success with federal failure is the costliest result.

Editorial · not legal, tax, or investment advice, and non-partisan as between the parties. CFIUS, FARA, and state and local law are fact-specific and change; every transaction described should be validated, before execution, with US counsel of record on the regulatory posture, with the investor's accountants on the structure, and with the relevant authorities on the licenses. The signing authority is, and remains, the principal's.

FROM THE CHAIRMAN'S DESK

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