



Environment Committee

Committee: Education, Health, and Environmental Affairs
Testimony on: SB0361 – Public-Private-Partnerships—Process and Oversight
Organization: Takoma Park Mobilization Environment Committee
Submitting: Laurie McGilvray
Position: Favorable
Hearing Date: February 17, 2021

Dear Mr. Chairman and Committee Members:

Thank you for allowing our testimony today in support of SB0361. The Takoma Park Mobilization (TPM) is a grassroots organization based in Takoma Park, Montgomery County and focused on state and local climate change issues. The TPM Environment Committee urges you to vote favorably on SB0361. The bill will bring much-needed oversight to the public-private partnership (P3) process by establishing the Public-Private Partnership Oversight Review Board; requiring P3 agreements be submitted to the Legislative Policy Committee; and prohibiting the Board of Public Works from approving a proposed P3 agreement until the Legislative Policy Committee has reviewed and commented on it.

The current public-private partnership model in Maryland, where the three-member Board of Public Works is the sole approving body, lacks the oversight necessary to ensure that large-scale infrastructure projects are in the public interest. P3 projects, such as the project to expand I-270 and I-495, have far reaching fiscal, environmental, and economic impacts that deserve the highest degree of public scrutiny. By creating the Public-Private Partnership Oversight Review Board, SB0361 will improve P3 oversight by involving a broader selection of elected officials, as well as appointees who have relevant expertise in key professional fields. Although the current P3 model does provide flexibility and speed that can be appealing, it is important to balance urgency with proper public oversight. There are multiple examples in the U.S. of poorly structured P3 deals -- including the Purple Line Project -- that drag on, cost more, and which frustrate taxpayers and government leaders. When we prioritize speed alone for entering into a private partner contract, we sacrifice other important goals namely public support, cost, and/or quality of the project. SB0361 can help to ensure Maryland leaders and the public are more fully informed on the costs, risks, alternatives, and likely outcomes before entering into P3 projects.

P3 Issues for Takoma Park

Takoma Park is uniquely located in Montgomery County on the Prince Georges County border. As such, Takoma City residents have been and potentially will be affected by two major P3 projects – the Purple Line and I-495/I-270 toll lanes - addition to the financial and tax burdens they may share with other Maryland residents (e.g., WSSC water utility relocation and project cost overruns).

- Purple Line - The mismanagement of the P3 Purple Line Project has affected Takoma Park residents and businesses by prolonging the major disruption associated with longer, uncertain construction timeframes. Neighborhoods, roadways, traffic, and businesses were already being significantly impacted by the Purple Line construction and now the extended construction timelines

have worsened the situation due to the project's mismanagement. All Maryland taxpayers are now paying the cost of the glaring contract failures, including the failure to include an arbitration clause.

- I-495/I-270 Toll Lanes – The proposed I-495 toll lanes expansion will not pass directly through the City of Takoma Park; however, the natural resource, water quality, and stormwater impacts to Sligo Creek will directly affect Takoma Park. Additionally, Takoma Park will be affected by the traffic congestion on feeder roads resulting from both construction and operation of the proposed toll lanes. Finally, many Takoma Park residents enjoy the natural resource and recreational opportunities in nearby Rock Creek and other County parks that will be lost and negatively impacted by the project.

How SB0361 Addresses These Concerns

Many of the P3 problems arise from the lack of transparency in the origin, negotiation, and execution of P3 projects. There is a critical lack of oversight and too much power resides with the Governor's Office and the Board of Public Works to make P3 decisions that put Maryland taxpayers and the State's natural resources at the mercy of private partners/investors and poorly designed P3 projects. This bill will bring greater oversight and transparency to the process.

For these reasons we urge a favorable vote for SB0361.