

STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM
SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND

January 8, 2014

10:30 a.m.

P R E S E N T

GOVERNOR MARTIN O'MALLEY, Presiding;

HONORABLE NANCY KOPP, Treasurer;

HONORABLE PETER FRANCHOT, Comptroller;

SHEILA C. MCDONALD, Secretary, Board of Public Works;

AL COLLINS, Secretary, Department of General Services;

T. ELOISE FOSTER, Secretary, Department of Budget and Management;

JAMES SMITH, Secretary, Department of Transportation;

EMILY WILSON, Director, Land Acquisition and Planning, Department of Natural Resources;

ZENITA WICKHAM HURLEY, Special Secretary, Governor's Office of Minority Affairs;

MARY JO CHILDS, Procurement Advisor, Board of Public Works; and,

MISSY HODGES, Recording Secretary, Board of Public Works.

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PROCEEDINGS

GOVERNOR O'MALLEY: Good morning, everyone. We had a little fire drill earlier and it's not even an exam day.

(Laughter.)

GOVERNOR O'MALLEY: But it's good to know that the facilities are working and that the piping that we replaced several years ago and the infrastructure of your public edifice was all connected. And we knew immediately when a pipe burst downstairs on the sprinkler system and that's what triggered things, right Al?

MR. COLLINS: That was not it.

GOVERNOR O'MALLEY: Well that's what they told me.

MR. COLLINS: It was an odor of, someone thought they smelled an odor of gasoline or something and pulled it.

GOVERNOR O'MALLEY: Well you might want to check with your guy.

MR. COLLINS: Okay, well that's --

(Laughter.)

GOVERNOR O'MALLEY: Okay. Because I talked to your guy.

TREASURER KOPP: It could be both.

GOVERNOR O'MALLEY: It could be both. All right. This is the first meeting of the Board of Public Works for the bicentennial year 2014. So it's the 200-year celebration this year, commemoration of the courageous defense of

Baltimore and the defense of the United States of America, and the birth of the Star Spangled Banner. And so I want to encourage all of you to talk about it far and wide. It is a great story of resilience; of e pluribus unum; of a diverse people coming together to be willing to lay their lives on the line for one another and the still as yet emerging and developing nation that they carried in their heart. And I have a gift for you. This is a book for you. If you already have it, give it to Jerry.

This is a very cool book. And in fact the illustrator is the same illustrator that we commissioned to do the painting downstairs in the stair room, you know, that gives a sense of the War of 1812. But he also does some great stuff with the geography and the illustrations. In other words, he makes sure that they are all very much based. So I don't know, he must have used Google Earth or something so that when he did the illustrations of what it would have looked like when the British landed at Benedict. The topography is accurate. And so there you go, for both of you.

TREASURER KOPP: Well that's interesting. Thank you.

GOVERNOR O'MALLEY: And as I say, if you already have it you may regift it.

(Laughter.)

TREASURER KOPP: Thank you. Thank you very much.

COMPTROLLER FRANCHOT: Hang on a minute now. I'm taking the cellophane off. I feel like I'm back in law school, right around exam time. But Governor, thank you for this. And thank you for your great perspective on history. Because I know Mike Miller thinks he is the State's historian. But I think

you've got a tremendous amount of investment in our State's history. And I sure appreciate it. And I'm going to give you a pen and ask you to put a little word, a nice word in there --

(Laughter.)

GOVERNOR O'MALLEY: To --

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: Oh, I see.

GOVERNOR O'MALLEY: This is probably making for some God-awful website television.

(Laughter.)

GOVERNOR O'MALLEY: To Peter Franchot --

TREASURER KOPP: With love.

GOVERNOR O'MALLEY: Huzzah, with deep respect. There are some great parts in this book, too. My favorite pictures are the ones where we defeat the British.

(Laughter.)

GOVERNOR O'MALLEY: Thank you. And I want to say congratulations to the Towson Tigers. They got all the way to the championship of their division. And congratulations to Coach Ambrose. It was a great season and a great effort and they made us proud. So congratulations to the Towson Tigers on a great season.

It's the first day of the legislative session and the General Assembly is all back. And we're going to be all about the work of strengthening and

growing Maryland's middle class. Making it every stronger, more diverse, more inclusive. It's about improving public safety, public education, and expanding opportunity. And that's what we have the honor to be a part of in this ongoing journey.

With that, let me ask the Comptroller and the Treasurer if they have any opening words?

COMPTROLLER FRANCHOT: Madam Treasurer?

TREASURER KOPP: Yeah. First of all, opening day is always very exciting. I think great things are going to be done this session. The sun is shining. The country and the economy are getting stronger, and the people of Maryland are going to benefit greatly from that. It's going to be a very interesting session, election year sessions always are. But I think we are going to actually end up this term, the past two terms, having made the greatest amount of progress in this State of any term, or any set of terms, in Maryland's modern history. It's really quite extraordinary. And in the most difficult and challenging of times since the early 1930's. It's really quite impressive.

I did want to mention, Governor, the passing of the man who was my first Speaker of the House when I was first elected, a great man, John Hanson Briscoe. They always call him John Hanson Briscoe of Southern Maryland, but he was really John Hanson Briscoe of the entire State. And when you look at what was accomplished under his leadership. A quiet, moderate, consensus building person who was amazingly progressive in the eyes of this pretty young

new delegate from Montgomery County, a supporter of civil rights, civil liberties, equal rights, and progress.

I have to say that I served, I worked under Thomas Hunter Lowe, served under John Hanson Briscoe, when Steny Hamilton Hoyer was Senate President. I thought all leaders had to have two last names. It was really --

(Laughter.)

TREASURER KOPP: But he really was an extraordinary person who, while he was a delegate in the sixties helped reform the House of Delegates, and Speaker in the seventies really modernized it and made it I think the strongest people's house in the country. And did it quietly and with great moderation and great civility. And as the Governor knows, having spoken to his widow yesterday, he had a great sense of timing and he knew when he had accomplished what he wanted to accomplished, and decided that it was time to go back to St. Mary's County. And he did.

Happily, he returned to serve the people of the State for another set of decades as a member of the judiciary. But just a very good as well as a very strong man. And we will miss him. All those, to be candid, millions of people who don't know that they miss him will miss him greatly. Because they live in a better world because John Hanson Briscoe was Speaker of the House.

GOVERNOR O'MALLEY: Well said. I'd like to associate myself with the Treasurer's remarks. And I also want to note the passing of Bishop Robinson, the first African American Police Commissioner of Baltimore City, and also the Secretary of Public Safety, and then to return for a second tour of duty

here as the Secretary of Juvenile Justice we called it then, I guess. Of maybe it goes back and forth. Anyway, he came in at a very troubled time. And he was a person who was very, very kind to me especially when we were putting together the transition team for a new mayoral administration in Baltimore in 1999.

Bishop Robinson served on our Public Safety Transition Committee. And after that time Baltimore achieved some of the largest reductions of overall crime and violent crime of any major city in America. So a great guy, a class act, and will very much missed. And our thoughts go out to his family and to his wife.

COMPTROLLER FRANCHOT: Well I'd like to associate myself with the remarks of the Governor, and also the Treasurer. Both of them, Speaker Briscoe and Bishop Robinson, great figures. And I also agree about the sunny future for the State of Maryland.

I don't know anyone, if you all knew or met Bishop Robinson. But this was the best dressed public servant I have ever met. I mean, this was a dapper gentleman. And in addition to all of his other great talents and skills. And the Governor noted that he was a tremendously effective city and State official. But he was also a consummate gentleman. A friend of mine, and he is going to be sorely missed as, you know, he has left. But there is an enormous legacy to his service. I think it's fair to say that we're better off as a State because of Bishop Robinson.

And so I also want to note the Governor's comments about football. You know, the Ravens just missed, just barely missed getting into the playoffs and doing their normal end of season wonderful championship stuff. But they

came close, which is more than you can say for the Redskins, much as I love them.

And the Governor mentioned Towson, which was in the national championship game, which I watched, a lot of people watched. They didn't win, of course, on Saturday but they certainly made everybody very proud that they had had such a magical playoff run. Coach Rob Ambrose and his players did such a good job all season long. And I know it's tough to come close and fall short, but boy, they have no reason to feel down at all. They stunned the nation's expectations as far as getting into that championship game. So I want to congratulate them on their hard work and success.

And Governor, I understand you lost a little friendly wager with the Governor of North Dakota. And --

GOVERNOR O'MALLEY: I lost on the Marshall-Maryland game, too.

TREASURER KOPP: Maybe you shouldn't --

COMPTROLLER FRANCHOT: The Towson wager caught my eye because the Governor, his offering was a world class Maryland crab cake. And the, I guess the other side of the bet was North Dakota pasta, which I've never heard of.

(Laughter.)

COMPTROLLER FRANCHOT: But anyway, my staff is now working on whether the Governor can take a, or wants to take an itemized gambling loss for tax purposes.

(Laughter.)

COMPTROLLER FRANCHOT: And we'll send that over. But let me just also end on the note that I am looking forward to the baseball season. Schuerholz Field, I'm going to go back up to at Towson, and I'm going to help, and hopefully spectate on Towson's baseball team. As you know, they went to the College World Series. And since there are only 36 days now until pitchers and catchers report for Spring Training, I thought I would leave you with that warm thought, and wish everyone here a wonderful 2014.

Governor, thank you again for the gift. I'm going to treasure the inscription. I'm not going to let anybody in on it because I'm sure it's -- well, I'm sure it will leak out, but thank you.

(Laughter.)

GOVERNOR O'MALLEY: Thank you, Mr. Comptroller. And thank you for your Christmas gift, the Taft-Roosevelt book. Okay. Let's get on with the business of the day. Secretary's Agenda?

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller. We have 19 items on the Secretary's Agenda, five reports of emergency procurements. We are withdrawing Item 3, Item 5, and Item 10. We can take your questions on the remaining 16 items or the emergency reports.

GOVERNOR O'MALLEY: Any questions?

COMPTROLLER FRANCHOT: Governor, I am pleased to announce that I have no questions and in fact I have no questions on the entire

Agenda. So whenever you and the Treasurer are comfortable, I'm happy to move the whole thing.

(Laughter.)

(Applause.)

GOVERNOR O'MALLEY: To Nancy Kopp --(*signing book*)

(Laughter.)

GOVERNOR O'MALLEY: -- on the occasion --

TREASURER KOPP: A remarkable day.

GOVERNOR O'MALLEY: How many esses in occasion?

SECRETARY MCDONALD: There is one S in occasion.

GOVERNOR O'MALLEY: O?

SECRETARY MCDONALD: C-C-A-S-I-O-N. I remember now because there is no A-S-S in occasion. That's how --

(Laughter.)

GOVERNOR O'MALLEY: -- of Peter Franchot's --

TREASURER KOPP: Moving, yes. Another remarkable day in Maryland history.

GOVERNOR O'MALLEY: -- moving the BPW Agenda on, how many Ss in masse? Thank you. Is there an E at the end of masse?

COMPTROLLER FRANCHOT: There were several items pulled, weren't there?

(Laughter.)

SECRETARY MCDONALD: I just wanted to make sure that we had the items withdrawn before we had to pull, the moving of the Agenda, yes.

(Laughter.)

GOVERNOR O'MALLEY: You and I of course were up late with this Agenda, so we're --

(Laughter.)

GOVERNOR O'MALLEY: What is the date today? I want to really put this on here.

SECRETARY MCDONALD: January 8th.

TREASURER KOPP: January 8th.

GOVERNOR O'MALLEY: January 8, 2014, huzzah!!! Well. Can I call all of the Agenda?

SECRETARY MCDONALD: Well --

GOVERNOR O'MALLEY: What do we want to withdraw?

SECRETARY MCDONALD: We need to have the departments, three of the agencies need to withdraw items. Which I can do on their behalf, if they are okay. I mean, and then I do think maybe there was a little update on the Purple Line, which would be exciting.

GOVERNOR O'MALLEY: Okay.

SECRETARY MCDONALD: So if you would like I would withdraw Item 2-S from the Department of Budget and Management; I would withdraw Item 6-IT from the Department of Information Technology; and I will withdraw Item 1-C, 4-M, and 18-CGL from the Department of General Services.

MR. COLLINS: That's correct.

SECRETARY MCDONALD: And then you can move the whole Agenda, but --

GOVERNOR O'MALLEY: We're going to hear from Jim Smith, first.

SECRETARY MCDONALD: Right, from Mr. Smith --

GOVERNOR O'MALLEY: And then we're going to move the whole Agenda.

MR. SMITH: I don't have an Agenda item. I have what we told you we would do, and that is an update on our progress in delivering the Purple Line through the public private partnership, or P3 approach.

Following your approval in November to move this project forward MDOT and MTA staff issued a request for qualifications to the private sector taking into consideration all the key points that you made that day, actually.

In early December six private sector teams responded to the request for qualifications to design, build, finance, operate, and maintain the Purple Line following the guidelines outlined in Maryland's new P3 law. The strong interest by so many well regarded companies is a testament to both the significance of the Purple Line as a transportation asset and the power of the public private partnership to deliver value for Maryland's citizens over a long period of time.

Over the last month up through the holidays, MDOT and MTA staff carefully reviewed all of the request for qualifications statements. In particular we studied closely the team's prior experience, personnel and organization,

financing capacity, stewardship approach, and overall approach. I'm pleased to say that we have identified several teams as potential partners to deliver a Purple Line project geared to realize true economic benefits for Marylanders, including meeting our goals for participation by disadvantaged business enterprises; U.S. manufactured equipment; labor agreements; and competitive wages and benefits.

Today we announce the short listing of four private sector firms, namely Maryland Purple Line partners, comprised of Vinci Concessions, Walsh Investors, InfraRed Capital Partners, Alstom Transport, and Keolis; secondly, Maryland Transit Connectors is comprised of John Laing, Kiewit Development Company, and Edgemoor Infrastructure; Purple Line Transit Partners, comprised of Meridiam Infrastructure, Fluor Enterprises, and Star America Fund; and Purple Plus Alliance, comprised of Macquarie Capital, Skanska Infrastructure Development.

Senior officials from both Montgomery and Prince George's County participated in the review and the recommendations to short list these teams. This Spring we will be issuing a request for proposal to the short listed teams to submit complete proposals by the Fall of 2014, ensuring both competition and innovation.

The next step will be to select a preferred partner and bring the recommended final agreement back to the Board of Public Works for your review and approval. If the Board approves this agreement the goal would be to begin construction in the Spring of 2015.

Throughout this entire process we will continue to remain engaged with local communities and will ensure that all State goals, responsibilities, and commitments are fulfilled.

In closing I want to thank all of you on the Board for your ongoing thoughtful review and examination of the State's first transit P3. I also again want to thank the Lieutenant Governor for his leadership in securing passage last year of the legislation that established the framework for P3 solicitations that has really made this progress possible.

I also want to recognize the work of MTA and MDOT staff for their continued efforts on the project, and give a special thanks to the Board of Public Works staff and your offices for their patience and willingness to maintain the open dialogue on this project and other P3 projects that are in the pipeline.

Governor, you really challenged all of MDOT to develop a process that reflects your leadership and a project that reflects Maryland's values. It's exciting to see this process working thanks to the collaboration of both the public and the private sectors.

GOVERNOR O'MALLEY: Mr. Secretary, thank you for your patience, for your persistence, and for your very professional and good work on pulling this off. And I also want to acknowledge the leadership of the Lieutenant Governor, of Anthony Brown, who has been pushing this 3P legislation, and the notion of how we go about doing this in a predictable way that strikes the right balance that is economically inclusive, that's socially responsible. And this project really does it. I think you would be sore pressed to find a project that is

more inclusive on the front end, lays out the rules. There are some who I think secretly probably think that the way the 3Ps work is that if you pay the workers less you get more project. And we are not doing that here. That is not what we envision in 3P. We envision an innovative and better way of financing the needed projects that we have but doing it in a way that actually creates jobs at a decent salary and a living wage that can support our economy. So you've done that in this agreement and it's really terrific. I appreciate your update.

So the way this works then is that in, tell me again the time frame?

MR. SMITH: We will put out a draft RFP within the next ten days, probably.

GOVERNOR O'MALLEY: To these four that have pre-qualified?

MR. SMITH: To these four short-listed teams. And then we will be talking to them one on one over a period of time until about April we anticipate putting out the final RFP. But we're going to use their input, their innovative ideas to decide what we want the final RFP to look like. Then we will expect them to respond to the RFP by like September of this year, and then it will be, we will be bringing, we will make a selection for the partner that we are ultimately going to deal with and we will bring that back to you. And you will have the, obviously, the opportunity to review the agreement and to review all the information surrounding that agreement. And then when you approve the agreement we expect construction to begin Spring of 2015.

GOVERNOR O'MALLEY: Great. Okay. Anything else on this matter?

COMPTROLLER FRANCHOT: I'd like to thank you, Mr. Secretary, for what you have done, pulling all this together. I think it's a great project. I want to echo the Governor as to the accomplishment of the Lieutenant Governor on getting the legislation passed. And I can very emphatically state that without his leadership that legislation would have, would still be being talked about and we wouldn't have this great proposal in front of us. And politics is tough because people are able to say things about you, and you kind of look at yourself and say, "Gosh, how can that person say I haven't done anything." Well this exercise is something obviously the Governor can come back and years from now feel proud of. But it wouldn't be here without Anthony Brown. So thanks for moving it forward.

GOVERNOR O'MALLEY: Hear, hear. Okay. We're going to call the entire, every single last Agenda item of this Agenda, all at once. Is that okay? The Comptroller moves approval.

(Laughter.)

GOVERNOR O'MALLEY: Seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: A unanimous start to a great New Year.
(Applause.)

GOVERNOR O'MALLEY: Huzzah with respect.

(Whereupon, at 10:54 p.m., the meeting was concluded.)