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*STATE OF MARYLAND*  
**BOARD OF PUBLIC WORKS**  
*ANNAPOLIS, MARYLAND*

**August 11, 2021**  
**10:07 a.m.**

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# PRESENT

**HONORABLE LARRY HOGAN**

Governor

**HONORABLE NANCY KOPP**

Treasurer

**HONORABLE PETER FRANCHOT**

Comptroller

**JOHN GONTRUM**

Secretary, Board of Public Works

**ELLINGTON CHURCHILL**

Secretary, Department of General Services

**DAVID BRINKLEY**

Secretary, Department of Budget and Management

**GREG SLATER**

Secretary, Department of Transportation

**JEANNIE HADDAWAY-RICCIO**

Secretary, Department of Natural Resources

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Recording Secretary, Board of Public Works

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# PROCEEDINGS

GOVERNOR HOGAN: Welcome to the Board of Public Works.

It's great to be able to join my colleagues once again here on their home turf, the Louis Goldstein Building. As Louis used to say, "May the Good Lord bless you all real good."

We're here this morning for our semi-annual bond sale. Last week, all three rating agencies reaffirmed Maryland's AAA bond rating, giving us access once again to the best terms possible for our State issued bonds. Maryland is just one of only 13 states in the country to hold this distinction. We're very proud of it. And I want to thank all of our partners who helped make this a reality again this year. And I'll now just take a moment to highlight what some of the rating agencies said contributed to these great ratings.

Moody's in part credited this very Board and the unique flexibility that it provided us to help close our budget gaps by freeing up hundreds of millions of dollars over the past two fiscal years. Fitch made particular note of all the major steps we took on the State level to support our economy since the onset of the pandemic. And finally, S&P said that their stable outlook on our rating reflects their opinion of our ability to proactively manage economic and budgetary risks that arise in a structurally balanced manner to alleviate fiscal pressures.

These ratings will govern the terms of the bonds that we'll be selling this morning. And these bonds are going to be used to build public schools, to expand businesses, support the arts, enhance our higher education facilities, revitalize downtown districts, and to promote tourism from Garrett County to Ocean City. And all our taxpayers benefit from the lower interest rates that result from these AAA ratings.

And I want to just recognize everyone who has contributed to the fiscal management of our State. I want to give a shout out to our Budget Secretary David Brinkley and Deputy Secretary Marc Nicole, the rest of the team at the Department of Budget and Management, thank you all for everything you have done to help us get through these uncharted fiscal waters. And I want to thank the Treasurer and her staff. They have been working very hard to make sure that today's bond sale is going to be a huge success. And I want to applaud my colleagues, both Treasurer Kopp and Comptroller Franchot, and their staffs, for their tremendous work and thank them for collaborating with our team. We could not have achieved this AAA bond rating without all of us working together. So please give all of them a big round of applause this morning.

(Applause.)

GOVERNOR HOGAN: And with that, I'm going to turn it over to my colleagues for opening remarks. I normally start with the Treasurer, but I'm

going to go ahead and mix it up and start with the Comptroller today so we can give Madam Treasurer the last word on the bond sale before we start with our Agenda.

Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. And I really appreciate the recognition of the collaborative relationship that the Legislature, the Governor, and the Treasurer and the Comptroller's Offices have. Because the rating agencies are always commenting on that as something that is missing in other states, let me just put it that way. So, thanks to the whole team. I'm delighted that the AAA bond rating is there for us again. And I couldn't agree with you more about the good fiscal management of the State.

Obviously, I'm pleased to join the Treasurer in welcoming everybody to the Louis L. Goldstein Treasury Building for the bond sale and for this meeting of the Board of Public Works. If I could just share briefly my concern about the slow pace at which federal rental relief funds are being disbursed. This is a crisis that is unfortunately awaiting to happen and I think we need to head it off if we can.

I know Senators Van Hollen and Cardin and other members of the congressional delegation have expressed frustration that we only have four days to go before the State's eviction moratorium expires. And with the CDC eviction moratorium, which they, it was published, somewhat incomprehensible who is

covered and who isn't. But apparently, that's under legal challenge anyway and it's only going to cover some jurisdictions in Maryland. So the question is, how do we get rental assistance out the door faster?

According to an estimate from the *National Equity Atlas*, there are approximately 129,000 households in Maryland who are behind on rent. But of the \$753.8 million in emergency rental relief funds that the State and counties have received from the last two federal stimulus bills, only \$49.2 million, or just seven percent, has been expended. So the *National Equity Atlas* estimates of 129,000 Maryland households behind on rent and on verge of eviction, apparently only 8,234 of those households have received federal rent assistance funds.

So Governor, I know our staffs are communicating and obviously you have been in touch with the counties, the Department of Housing and Community Development is very well led, and I appreciate all of their attention. I know that they are working diligently to assist counties and local jurisdictions in getting the money out the door. But I think that we can all agree there is a serious problem here. No one in my view, not one family, should lose their home or be evicted while millions of federal dollars are sitting in State bank accounts to prevent this from happening. The State I think needs to take a lead in creating immediate statewide policies through executive order if necessary on how these funds should be allocated and the timetables for the eviction process. I'm told by the landlords



that in one county it's this, in another county it's completely different, in a third county it's nonexistent. So to the extent we can step in and give some regular order to this hodgepodge, I guess you would call it, set of rules that the landlords must abide by that vary from county to county. And I'm not suggesting the counties are not well meaning. They are. But the key here is to pay the landlords some past rent so they don't evict people, then get the evicted people back to work and actually making money and being able to pay rent. But right now it's teetering. And over the next several months, we could be looking at a tsunami of evictions and homelessness, and yet we have hundreds of millions of dollars that were secured for Maryland for the explicit purpose of preventing this problem remaining, those dollars are remaining unspent. There is enough money in the account in my view to pay the landlords. You don't have to pay them 12 months' rent or six months' back rent. All you are saying is keep your tenant, because you don't want to lose them and have to recruit a new tenant. We'll pay you whatever, 20, 30 percent of whatever is owed you that has not been paid. That will get you, as long as your tenant then gets up to being able to pay the rent, will avoid all of these evictions, all the legal fees, all the court decisions, and hopefully try to get back to normal without having a large group of newly homeless people.

I want to applaud County Executive Alsobrooks and County Executive Pittman. Their counties are doing obviously a very good job in getting

the federal relief out the door. But it is exactly those counties that, and others, that people complain about, saying, look, I can apply for this money in Baltimore County if you are six months in arrears. But you can't do it if you are two months in arrears. They are the landlords who are just going to go and, you know, possibly evict people. So to the extent that we can work together and make sure that the State is protecting these folks, I would be appreciative. Thank you, Governor, for letting me go first.

GOVERNOR HOGAN: Thank you. Madam Treasurer?

TREASURER KOPP: Well, I thank you, also, for going first. And I couldn't agree more. We have weathered the storm fiscally at the State level, statewide, well. Better than most other states. But this moving problem of evictions that then the costs placed more not only on people who are out of work and out of a home, the health impact on that is obviously terrifying. But it doesn't help the landlords any, because they are not getting funds either. And the whole thing begins to eat away at Maryland's recovery. And I think this is the problem that is looming before us.

Having said that, Governor, you suggested that I mention a few things about the bond sale, which is coming in about an hour, hour and a half. It is for \$915 million. We did receive the AAA bond rating from all of the rating agencies, both because of the strong fiscal constraints the State has on the process,

but also because of the strength of our economy and our well educated workforce. Again, the education system of Maryland has redounded to the economic benefit of everyone in Maryland. Of this \$915 million, about \$615 million is new money that will go to support the schools and the other public purposes across the State. \$300 million is for refunding bonds to save the taxpayers money by taking advantage of lower interest rates. And I would only point out, because it has been about 20 years, Governor, I had a big fight with the Comptroller's predecessor, who did not believe in refunding because he thought when he bought a bond he didn't want the State to call it, even though the State had paid him a little more, to make it callable. But since that time, we arm wrestled. I won.

(Laughter.)

TREASURER KOPP: We have gained about half a billion dollars for the taxpayers, just by timely refunding. And I think even former Comptroller/Governor/Mayor Schaefer would support that. Thank you. I look forward to it. Christian Lund, our Debt Director, will be coming in in a while and giving us a signal that we have to step away from the Agenda for a moment to do that, and then we will go back.

GOVERNOR HOGAN: Great. Thank you. So if somebody might be speaking or testifying, we're going to have to cut you off in the middle of your remarks because it's a timely thing that we have to do. So please don't take offense.

This morning, we're going to start off with the Department of Transportation Agenda. And we're here today to advance our historic and transformative traffic relief plan that the *Washington Post* editorial board called the most positive and significant step for the region in 50 years.

Through a public-private partnership, which will deliver a new American Legion Bridge, real traffic relief on the Capital Beltway, more transit services for the region, thousands of jobs, and long term economic growth and environmental benefits. This traffic relief plan is a win for families, commuters, and small businesses, and it will finally begin to solve the soul crushing, worst in the nation traffic that people have failed to address for 50 years. This project has the support of an overwhelming majority of Marylanders and was recently advanced by the Regional Transportation Planning Board with an overwhelming vote, including the support of Governor Northam and all of Northern Virginia, Mayor Bowser and Washington, D.C., the Montgomery County Council, Prince George's County, Frederick County, and Charles County.

So we'll start this morning with Items 10 and 11, and I'll ask Secretary of Transportation Greg Slater to present the items.

MR. SLATER: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. For the record, my name is Greg Slater, the Secretary of the Maryland Department of Transportation. I'm going to spend some time on Items

10-GM and 11-GM this morning. Overall we're presenting 14 items today. 10-GM and 11-GM are associated with our traffic relief plan.

With me today, I have our P3 Program Deputy Director Jeff Folden, and our MDTA Executive Director Jim Ports. With us virtually are SHA Administrator Tim Smith, our MDOT Chief Financial Officer Jaclyn Hartman, our MDTA Chief Financial Officer Deb Sharpless, and our Assistant Attorney Generals Jason Couch, Lydia Hoover, and Craig DeRan.

Let me start off by thanking the Board for the authorizations to date. They have brought us to where we are today. But based on this Board's approval back in January, we held a competitive and transparent solicitation process to select a Phase Developer for the P3 agreement to perform predevelopment work for phase one. I'm here today to request your approval of that Phase P3 Agreement in your material so that we can move forward with our selected developer, Accelerate Maryland Partners, allowing the P3 program to take the next step by providing predevelopment work for phase one, that new American Legion Bridge, I-270 up to I-70. To be completely clear, what we have before us today is not a construction contract, it's a predevelopment contract.

Let me start by talking about the need for this project. The needs are all around critical infrastructure. It's about trying to provide some relief to congestion with another option to choose. And it's about finding alternative ways

to deliver the infrastructure because our needs far outweigh the resources that we have.

Marylanders are returning to our roadways today in numbers approaching our pre-pandemic levels. Just a few weeks ago, we saw traffic volumes on the Capital Beltway at the American Legion Bridge exceed pre-pandemic levels. That's what the data is showing us. On average, 83 percent of Maryland's interstates are congested, almost double the national average of 47 percent. Our latest traffic data illustrates that the I-270 from the split to Maryland 117 and I-495 from the Virginia state line to the I-270 west spur have the highest daily traffic in the State.

So let's talk about the plan and how we got here. This is not the same proposal we started with. Four years ago, we were looking at a proposal that included four express toll lanes on all of 495 and all of 270. That's not what we have before us today. Since then, through extensive coordination and input from counties and municipalities and partnering agencies and the public, the scope has been modified to focus on those 37 miles known as the American Legion Bridge and 270 to 70 Traffic Relief Plan, which proposes two high occupancy toll lanes in each direction across the American Legion Bridge and extend them north up 270 all the way up to I-70 in Frederick.

So with HOT lanes, we're incentivizing people, not cars. We've also committed to integrating transit and a new bike and pedestrian connection across the Potomac River. Much of the new lanes added on 270 will be done by repurposing the pavement between the general purpose lanes and the CD lanes. Where we have CD lanes today, the roadway for the through lanes generally stays within the existing pavement. The vast majority of any work outside the existing pavement today is to modernize and upgrade our drainage, our stormwater management, build retaining walls, and new noise barriers.

Through these coordination efforts --

TREASURER KOPP: Excuse me, Mr. Secretary? Just for those of us layman, the CD lanes, could you go back --

MR. SLATER: Absolutely, yes, ma'am, Madam Treasurer. A CD lane is that collector-distributor lane. It's a lane that runs parallel --

TREASURER KOPP: Known as the local --

MR. SLATER: -- local lanes that help minimize kind of that friction between those movements and help manage the traffic. Thank you. I get stuck in our acronyms at times.

But through these coordination efforts, MDOT's plan also is now completely in sync with the Greater Washington Partners Capital Region Blueprint for Regional Mobility by expanding the region's performance based toll network,

and with the National Capital Region Transportation Planning Board's aspirational initiative in its long range plan to expand the express highway network.

As part of a multiyear process in preparing the long range plan task force, TPB unanimously agreed that the anticipated congestion by 2040 was unacceptable and developed and endorsed aspirational initiatives only that would significantly improve the performance of the region's transportation system, such as expanding the express highway network. At the July 21st meeting, TPB voted to keep this in the plan, including members from Maryland, Virginia, and the District of Columbia.

This is truly a regional initiative as our phase one. In the vicinity of George Washington Memorial Parkway would come across the American Legion Bridge, tie into the extension of the Virginia express lanes that are being developed through VDOT's 495 Next Project, which just received federal approval to move forward with final design and construction plan beginning next year. Based on this historic partnership with Virginia established through the bi-state Capital Beltway Accord, VDOT will continue working with us through phase one in replacing the American Legion Bridge and related infrastructure in Virginia, and tie into Virginia's system and create that truly regional network.

So why? Why are we looking down this path? The express lanes in Virginia have proven to work by reducing delays by a 20 percent reduction in



congestion on the general purpose lanes on 95 and 495 in the morning rush hour. We have also proven in Maryland on 95 north of Baltimore that similarly, express lanes work for us. Prior to the 95 express toll lanes, that section of the interstate was one of the worst bottlenecks we had in the State. It's not on the list today. The modeling we have in our NEPA study today projects similar results with the implementation of our HOT lanes within phase one. Throughput at the American Legion Bridge improves by 30 percent in the morning rush hours and 25 percent in the evening rush hours.

There are also benefits to the regional and the local roads. Our modeling shows vehicle hours of delay across all Montgomery County arterials is reduced by 4.8 percent. In Washington, D.C. and Prince George's County, where no work is being done, we still see a reduction in vehicle hours of delay on their arterials. The improvements will clearly take traffic off of the local roadway system, even though they are only focused on phase one.

Phase one will also connect the HOT lane system into Virginia with I-370 and the ICC and really create that regional system across to 95. Phase one is multimodal, it's adaptable, and it includes critical infrastructure. It's multimodal because it creates options and opportunities not otherwise possible for multimodal travel and a choice to pay a toll when you need for your personal use or you're late

or you have to make that choice. At the same time, all the existing general purpose lanes will move faster.

Phase one creates a bike and pedestrian connection across the American Legion Bridge linking trails in Virginia to Maryland, allowing for interstate bike travel that's not available today.

Phase one also includes investments in significant transit services. We look at our partners over in Virginia, I-66 inside the Beltway toll revenues are now backing bonds to help fund the Long Bridge Rail Project in Virginia and providing more than \$10 million annually to the region to invest in new transit and new travel demand management.

Here in Maryland, as part of our further coordination efforts leading up to last month's TPB vote, we clarified in a letter to Montgomery County MDOT's commitment to fund the design for a major transit project identified by and serving Montgomery County, such as phase one of that Carter's City transit way or bus rapid transit on Maryland 355 or another high priority transit project.

After financial close of the Phase One South Section P3 Agreement, and if we are able to obtain that final Board of Public Works approval for construction, MDOT will commit not less than \$60 million from that original development rights fee for immediately funding the design and permitting and final predevelopment work for that high priority transit investment in Montgomery

County. We're going to work collaboratively with Montgomery County to develop those funding plans for construction and delivery and operations in conjunction with this project.

It is our belief that we need both transit and highway systems working together for the region to manage its growth. We just have to pursue them separately as the opportunities for implementing highway solutions and transit solutions are different. It's a different toolbox for each. As part of our phase one south, MDOT will commit to provide not less than \$300 million of additional transit services as part of the phase developer's proposed transit investment to implement high priority transit in Montgomery County. These funds are going to be provided over that operating term.

But as illustrated in our commitment to utilize part of the development rights fee early, we're looking for ways to yield as Virginia did those benefits earlier, using the other tools that we have in our toolbox, and leveraging that funding.

Additionally, as mitigation as part of the phase one south highway improvements, MDOT is going to construct new bus bays at Shady Grove Station, increase the parking capacity at Westfield Montgomery Park & Ride, provide the necessary bus fleet, and construct and equip the Metropolitan Grove Bus

Operations and Maintenance Facility. We're going to look to provide these resources early in the construction period to support that expanded transit operation.

Additionally, as the projects progress up towards Frederick, an appropriately scaled transit investment will be developed with MDOT in Montgomery County and Frederick County to develop solutions further north.

Phase one is adaptable. HOT lanes work to manage growth and change behavior. Across the river in Virginia, again, carpooling on 495 has increased by 550 percent from opening year of those HOT lanes to FY20.

TREASURER KOPP: Excuse me, Mr. Secretary, once again, HOT lanes --

MR. SLATER: HOT lanes, I'm sorry. So HOT lanes are a high occupancy toll lane.

TREASURER KOPP: Toll lane.

MR. SLATER: So essentially, if you have three or more people in your car, you can use those lanes for free as a car pool, and the only people paying the tolls will be the ones that were driving with less than three.

In the I-95 express lanes today, they move more than twice as many people per lane as the general purpose lanes. But phase one also includes some critical infrastructure. Our state of good repair needs across the department total \$7 billion across all of our roads. The American Legion Bridge and a whole host

of other interstate bridges are in need of attention because they were all built at the same time and all need replacement at the same time. We have a \$4 billion backlog of state of good repair in our highway network. We need to address the passenger rail bottleneck and state of good repair through replacement of the Frederick Douglass Tunnel and transit improvements in Baltimore.

As I prepared to speak with you today, I was reminded that we are just now starting our preparations for our annual CTP tour in collaboration with our counties. What we're going to hear is their needs are great. Their needs are as great as ours. But last fall, my first as Transportation Secretary, we had to break the news that only after six months into the pandemic, our trust fund revenues and bond sales were so dramatically impacted that we had to cut \$1.9 billion in capital expenditures from our program. We are still working on the updated CTP and we're hopeful that those numbers are going to be better in this one.

But just imagine compounding that need with the fact that we wouldn't be able to have a public-private partnership tool in our toolbox for something like the American Legion Bridge. We're fortunate that the American Legion Bridge and 270 do have a strong market for our public-private partnership toolbox. It attracted three competitive proposals. With this P3, we have an estimated \$6 billion in private financing that is going to help us offset \$1.2 billion

to \$1.9 billion in state of good repair needs that we would need across that system without providing any conditional relief.

Delivery options and plans are different for every piece of infrastructure. A P3 is a financially viable way to deliver these improvements in the near term and not detract from other transportation projects. The developer is going to be responsible for all the debt and equity needed to deliver the P3 improvements at no impact to Maryland's trust fund.

So let's talk about the contract for a minute. If you recall, we structured this P3 differently than other P3s. Delivered in Maryland, we used, we have used previously a fixed price approach like we did on the Purple Line. Phase one is to be delivered as a progressive P3, also known as a predevelopment agreement. The predevelopment agreement, what we call the Phase One P3 Agreement and what we seek approval of today, again, will not allow for any construction to begin. Any P3 agreement that includes construction would come back to the Board of Public Works after a 30-day review again by this Board, by DLS, the Legislature, and the public, just like was done for the phase P3 agreement that came today. We anticipate the first section of that P3 agreement for phase one to be submitted to the Board of Public Works no earlier than the summer of '22.

While new to Maryland, this type of P3 has been used to deliver similar managed lane projects across the U.S., both in Texas for the North Tarrant

Express Lanes, and in this region in Virginia for 95, 495, and 395. The predevelopment agreement will allow for MDOT and all of our stakeholders to fully collaborate with the private sector before further defining the final baked product. That includes preliminary design, pre-construction activities, and can deliver critical benefits that will minimize risks to the State and provide a more efficient pricing and schedule certainty. Predevelopment is the period of gathering information. It's about exploring options and minimizing impacts. It's about eliminating and reducing risks, and it's about making decisions across the definition of the project.

Predevelopment work also includes in large part developing a financially feasible project in collaboration with all parties and stakeholders. One that is bankable, one that can obtain debt financing, and one that can reach financial closure. As part of our initial predevelopment agreement, the phase developer will collaborate with MDOT to conduct a robust series of outreach with all stakeholders, including Montgomery County, Frederick County, all municipalities, property owners, State and federal agencies, utilities, and public to further develop the preferred alternative within the limits of phase one. This preliminary design work will then support the completion of our NEPA approval that will be in place by the time we come back to this Board for a final approval.

After completion of the NEPA process associated with phase one south and completion of the predevelopment work, we will then look forward to the section agreement.

Again, the Phase P3 Agreement we are seeking today for approval is only for predevelopment work. It only involves preliminary design and pre-construction activities. Once the exact project scope and risks are finalized and before returning to the Board of Public Works with a section P3 agreement, we will undertake a full value for money analysis and quantify a P3 delivery approach and compare it to a publicly financed approach. We'll have all those construction pricing. We'll have all those details to be able to really thoroughly do that. And you will have that before we come back to the Board.

The value for money analysis will build on MDOT's earlier due diligence activities, including the preliminary assessment of potentially viable publicly funded and publicly financed and privately financed delivery approaches. This preliminary assessment indicated that MDOT would need to invest significant amounts of capital in the \$1 billion range for phase one south over and above the amount of toll revenue that could be raised from a publicly financed project. As a result, the P3 approach was determined to be the viable option for us to pursue to solve that critical congestion and improve that issue, and the experience today is that the forecasted growth is only going to make that congestion worse.



But again, if we are fortunate enough to get approved today, the next time we will be before you we will have a lot more details and a lot more analysis to present to you as part of that.

In our solicitation process we had a competitive process, a team of diverse professionals that selected Accelerate Maryland Partners to be the phase developer based on a rigorous solicitation process authorized by the Board in January. In July of 2020, we identified a short list of highly qualified development teams eligible to receive and respond to our draft request for proposals. Then over the six-month period, MDOT and MDTA participated in approximately 30 interactive meetings, fielded over 1,500 written questions, provided clarifications to the teams, considered innovative technical solutions, and sought to optimize the commercial terms of the agreement to be acceptable to MDOT, MDTA, and the teams. Because the phase one south includes Maryland and the Virginia Capital Beltway Accord to deliver the American Legion Bridge, all short-listed teams were provided the same key assumptions regarding how the Capital Beltway Accord would be dovetailed with the developer's obligations in the P3 agreement. MDOT and SHA provided these key assumptions to the short-listed teams to ensure that we had a level and fair playing field.

In response to the RFP, technical proposals were received in December and financial proposals were received in January of 2021 from three

short-listed teams: Accelerate Maryland Express Partners, Accelerate Maryland Partners, and Capital Express Mobility Partners. The technical evaluation criteria were delivery certainty, minimizing the impacts, both in construction and with the final solution, maximizing value to the State, congestion relief, and our Opportunity MDOT program for community benefits. We applied adjectival ratings that were used for the technical rating of each sub-criteria and ultimately the overall predevelopment work proposal using exceptional, good, acceptable, and unacceptable.

For the financial criteria, we wanted to use the competitive tension of the solicitation process to maximize the financial value to the State while minimizing future negotiation points during the progressive process. The proposers were advised they needed to best manage the financial risk as they saw fit within these financial criteria and percentages as they were to be used in their final pricing between the State and the developer. In our process, the proposers knew their financial score, just not what the other scores were from the other teams in an open and transparent process.

The solicitation for the Phase One P3 Agreement for the predevelopment work was conducted in a very sound and thorough manner. All proposals were treated fairly and equitably. The evaluation was conducted in accordance with the requirements in the RFP and included the reporting agencies,

industry experts, advisors from Montgomery and Frederick Counties, and an observer from Federal Highway. As described in your materials, at the conclusion of the evaluation it was determined that CEMP's good plus technical rating was only marginally better than AMP's technical rating of good. However, CEMP had a financial proposal score of just 665 out of 791 points, whereas AMP's financial proposal received a score of 1,356 points, more than double the second team.

Based on the requirements of the RFP, the technical and financial proposals being considered approximately equal in weight, MDOT and MDTA determined that AMP's strong technical solution and best financial solution made it the most advantageous for the State and they made that recommendation from the evaluation team for the final selection.

On February 18th, MDOT announced AMP as the selected developer with the award of the Phase One P3 Agreement. In June, the MDTA board voted to approve AMP as the selected phase developer and the phase P3 agreement before you contingent of your approval.

AMP's team is made up of the following members: Transurban (USA) Operations, Inc. and Macquarie Infrastructure Developments LLC as lead project developers; Dewberry Engineers & Stantec Consulting Services as lead designers; and Bechtel Infrastructure Corporation as supporting construction manager.

The advantages to the State: AMP's proposal offers a number of advantages, including a strong understanding of the project with a well thought out approaches to manage and mitigate specific risks, and detailed solutions to further reduce property impacts and potential utility conflicts, while also providing environmental stewardship like advanced water quality improvements; a commitment to deliver all of phase one south, the American Legion Bridge to I-370, in a single section with no Maryland funding; commitments for additional improvements during phase one south construction to address Vision Zero goals by providing as much as \$5 million to improve and make bike and pedestrian connections safer; commitments over the operating term for transit improvements in Montgomery County of an estimated \$300 million; community grant programs estimated at \$50 million; grants for emerging technologies, such as connective and autonomous vehicle, is estimated at \$25 million; all of which would be further developed during the predevelopment in collaboration with local stakeholders. It included a \$145 million development rights fee for the exclusive right of phase one, which will be payable upon financial close when we are back to the Board. It included a project labor agreement and comprehensive approach to local workforce development, including small, minority, disadvantaged, and veteran owned businesses, local union and local contractor involvement, and engagement with local communities and organizations and educational institutions, an agreement

where everyone competes openly regardless of where you are today. The agreement includes commitments to hire socially and economically disadvantaged individuals locally, commitments to hire local, commitments to hire small businesses, minority, disadvantaged, and veteran owned businesses. Commitments to broad workforce development initiatives for the State's workforce and integrate local trades and unions. We have that commitment as part of their proposal.

There are multiple DBE goals the selected proposal will have to meet throughout the life of this phase one. For predevelopment work, AMP will have a 26 percent DBE participation goal and have committed to exceeding that goal. Additional goals will be established for the next section P3 agreement, which is design and construction as well as operations. There will be different goals set for that. This is just for the predevelopment work.

AMP has already begun developing partnerships. They have executed a memorandum of understanding with local organizations to collaborate on providing career training opportunities through an Academy of Success Program. The program is intended to link entry level jobs to longer term opportunities across management, construction, and operation and maintenance, and provide support services for career advancement opportunities, such as customized training and mentorship programs.

In addition, AMP has committed to offer employer incentives and also roll out an app that will be available for downloading providing real time updates for businesses, job seekers, and students looking for opportunities.

Due to the size of the project, it will undoubtedly require both Maryland's union and open shop workforces to participate and make it successful. All of the prime contractors that are part of the AMP solicitation for their design builder are committed to negotiating a labor agreement for that prime. AMP has already agreed and executed an MOU with the building trades to ensure a smooth process, but also one that protects open shop contractors and ensures Maryland companies and Maryland workers have the opportunity to deliver this critical infrastructure.

The phase P3 agreement has a duration of ten years to allow all sections to be fully developed. For the predevelopment work, the phase developer will provide \$10 million in security. MDOT will be entitled to draw on that security if the phase developer does not meet the requirements of the phase P3 agreement. The phase P3 developer will fund predevelopment work at its own cost without a contribution from the State. The phase developer's costs will be recovered upon successful financial close of the section with funds from the selected developer. If phase one does not meet financial close due to the fault of the phase developer, no predevelopment costs will be reimbursed. If phase one does not meet financial

close due to the fault of MDOT and we terminate the contract or we choose that it's not the best option for us, the phase developer will be reimbursed for its documentable allowable design and predevelopment costs up to \$50 million. This would be in exchange for all the work products that they have developed over the course of the next year that MDOT and MDTA can use to develop and further the delivery of the project.

I need to stress that this is an investment in preliminary design and pre-construction activities that MDOT would do regardless of our approach, but with the benefit of having a phase developer as a strategic partner helping us reduce impacts, risks, and costs before we are financially committed to construction for any section of this project. If MDOT and the phase developer cannot reach the terms of the section P3 agreement, the phase developer would be responsible for all the predevelopment costs incurred up to that point if we can't reach agreement. The phase developer is required to submit a committed section proposal that provides date certain delivery for phase one south with no funding to the State. In developing its committed section proposal, the phase developer through an open book process and/or competitive market pricing must provide a design build price. The same open book and competitive market pricing must be provided for other aspects of the committed section proposal, such as operating and maintenance. This will ensure that Maryland is getting value for all this work.

Finally, looking ahead it's really important that I touch briefly on what is not included as part of this phase P3 agreement and would be included in the section agreement when we come back to the Board, which will be final design, construction, financing, operations, and maintenance. That would be part of the section agreement that would come back, which I noted will require another Board approval as well as another legislative review and Board review. As part of that section agreement, the phase developer will form a section developer which must have developer control through having a minimum 51 percent interest in the section developer. The section developer will provide all necessary financing to fund this section, which may include TIFIA, private activity bonds, and their own equity, so all project debt is non-recourse to the State. If the section P3 agreement is approved by the Board of Public Works in the future, then that section developer would be responsible for the final design, construction, financing, operations, and maintenance for a 50-year term. The section P3 agreement will also articulate the performance requirements on the section developer for the final design, construction, and operations over the course of that agreement. MDOT and MDTA will be responsible to oversee the section developer and ensure that they are meeting all the requirements of the section P3 agreement and that the public function of the HOT lane system is being met. The section P3 agreement will also



include future revenue sharing operations so that the State can participate in the upside if the project outperforms expectations.

Before I conclude, I just want to acknowledge what we all know: that this process involved with the P3 project has not always been easy. It is a very complex process. It is very complicated and requires a lot of stakeholder involvement. But through these processes, we have continued to collaborate with and listened to agencies and counties and stakeholders. Just the fact that we are here talking about phase one is evidence of that.

Another marker of our collaboration is where we are with our commitments to the Board related to the P3 program. Mass transit vehicles will be able to use the managed toll lanes for free at no cost. This is included as part of the RFP, the preferred alternative in the current environmental study and the MDTA toll rate setting process, and all public hearings. Specific transit investments we have provided as part of the P3 agreement: MDOT is continuing to collaborate with Montgomery County and Frederick County and have submitted for their consideration an MOU as we work to really define what that is going to be. The monorail feasibility study was completed in February of 2021. No property acquisition has occurred before approval of the P3 agreement. MDOT remains committed to not acquiring any property prior to BPW approval of any section P3

agreement, except for option payments for the reservation and purchase of lands and mitigation and those types of things, the reservation but not actual acquisition.

Phase commitment: this phase P3 agreement is only for phase one. Upon BPW approval of the phase P3 agreement, MDOT and MDTA will work with the phase developer on predevelopment and preliminary and zoning work for phase one south involving robust collaboration and engagement with the public and other stakeholders. For any future sections or phases, MDOT and MDTA shall seek Board of Public Works approval prior to executing any agreements.

There is still a lot of work to be done. The phase one P3 agreement that I am asking you to approve today for predevelopment work is to not approve us for any construction of this phase one. It's just the predevelopment work. It is going to allow us to begin and continue collaboration with agencies and stakeholders while we have our phase developer with us as a strategic partner.

Beyond what is in the proposal, the phase developer is going to bring innovation, insights, and best practices to help us further reduce impacts, reduce risks and costs to help us further develop and design a project that will truly begin to meet the multimodal transportation needs of the people in the National Capital Region in the decades ahead with the means to pay for it. These are Marylanders who are counting on us to give them options and opportunities to travel in a way that best meets their needs on any given day, to travel on bus or by carpool or by

vanpool, or to pay a toll when they need a quicker, more certain travel choice. To continue to travel in the general purpose lanes at no cost when time is less of a concern and of greater benefit. To have improved highway access for Metrorail stations and enjoy a safer, better bike and pedestrian connection.

If that weren't enough, phase one south alone will bring more than \$3 billion of investment in our State, while all of phase one will result in a \$6 billion investment.

Governor Hogan, Comptroller Franchot, and Treasurer Kopp, thank you for your time today to discuss moving this important P3 phase development forward so that we can deliver a new American Legion Bridge and we can provide some congestion relief to Marylanders in the National Capital Region. I am now happy to hear any comment. I'll turn it back over to the Board for any questions that you may have or comments that we may have. So thank you for your time.

GOVERNOR HOGAN: Well, thank you very much, Mr. Secretary. I want to thank you and your team for all of your tireless efforts. I'm going to ask you to stay on hand in order to answer questions. We have quite a few people signed up to speak on these items. And I want to make sure that we give everyone a chance to be heard. I think we have 50-some people so we have decided to limit

the comments for each speaker to two minutes. And I know that Secretary Gontrum is going to try to keep everyone on track with that limit.

We're going to start with some of our elected officials who are here in person. So I want to at this time call Senator Cheryl Kagan from District 17. Good morning.

SENATOR KAGAN: Good morning, Governor. Thank you so much, Madam Treasurer, Mr. Comptroller. For the record, I'm Cheryl Kagan. I'm very proud to be the Senator for Rockville and Gaithersburg.

I'm going to start by telling you about my commute today. The horror stories that have been raised already do not meet with what I experienced this morning. I was driving 60-something all the way down 270, around the Beltway to get here in plenty of time to testify this morning.

We are being asked, you are being asked, to buy a pig in a poke. \$100,000 that Treasurer Kopp asked in order to study the details of the P3 that was described fairly thoroughly by Secretary Slater still has not had the legal and fiscal analysis that a fiscal watchdog would want and expect. I'm going to highlight briefly five reasons that I am most concerned about this project, and I will do it briefly.

First is the exorbitant tolls. My constituents are not able to afford \$40 or \$50 just because they are in a bit of a hurry. It's not a choice that if they are

not in so much of a hurry they will take the other lanes, but if they are in a hurry they will just pay \$40 or \$50. In front of the MDTA, the Maryland Transportation Authority, I testified how I was speaking at a 911 National Conference and I was commuting to Northern Virginia and ended up in the wrong lane and was charged a \$67 toll. I assure you that on a senator's salary that is completely unaffordable even though I was in a hurry.

The environmental impact study is incomplete. This will have an impact on our environment and I think we need the data.

Third, mass transit, throwing \$60 million last second as a way of buying votes -- I don't want to say buying votes, sorry. As a way of persuading opinion leaders, elected officials, and the Transportation Planning Board to think this is a good idea is insufficient. The idea that we don't have a current plan and it's just sort of whatever Montgomery County thinks is good and we'll throw a few bucks at you in my opinion is insufficient and inappropriate.

Telework is the issue that people aren't talking about enough. The reason why I have such grave concerns is not that I don't believe that we need traffic solutions. We do. I agree with you, Governor. Not this project and not now. Everybody is getting, everybody who can, has been teleworking through COVID and that is continuing. What we don't know is the degree of teleworking. Two-thirds of workers have telecommuted this past week and almost half have worked

from home in this past month, and that was in an August 6th *Washington Post* piece. Telecommuting is talking about, they are talking about three to five days people will work from home. And I literally don't know anyone who is getting back in their car to commute from nine to five down 270 and around the Beltway after this pandemic hopefully will end someday.

The last thing I want to mention is the federal infrastructure bill. We know that this is a historic opportunity to get federal funding. So why would we want to engage with a private partnership with someone else getting the profits, soaking our constituents, and when we could get a piece of that for roads, bridges, and mass transit from the bill that passed 69 to 30 last night?

I'm not, it's not often that I quote former Alaska Governor Sarah Palin. But she talked about putting lipstick on a pig. This is a pig. There is no amendment that can put lipstick on this project and make it acceptable for our taxpayers, for our commuters, for our environment, or for the great State of Maryland. Thank you for your time and attention. I'm happy to take any questions.

GOVERNOR HOGAN: Thank you. Next we're going to call on County Executive Marc Elrich.

MR. ELRICH: So good morning, everyone. Congratulations on the bond rating. That's good news for all of us and Peter, you asked a lot of good

questions about housing. I'm happy to talk to you about the joys of working with the federal government.

So I'm trying to respond but it's hard to respond to what Greg said because he had so much time. But the main points are that we think it's the wrong time to do this project, at least to move forward with the financing of the project. We need to get the report that was supposed to be done for Treasurer Kopp's office and get the legislative oversight and review of this full project. If the Governor remembers, I actually praised him for being willing to take this on. But the idea of doing things like starting at the American Legion Bridge and using the ICC to avoid the Beltway and get over to the toll lanes came from me. So it's not like I'm disinterested in this and don't want a solution. I very much want a solution but I want the right solution.

When I was starting as a councilmember, we were working on the BRT. We went down and met with the federal agency (indiscernible) and we were talking and he asked me how we were going to fund it. And I said we were going to look at a P3. And he said you can use a P3, but do not use it for funding. You will pay more for the money for a P3 partner than you would if you borrowed the money yourself. It's cheaper to borrow the money yourself and you're not paying the P3 partner a profit on the money they are borrowing but you are paying back, which is really an ironic situation.

So I would definitely like to see that reviewed. And definitely, to Cheryl Kagan's point, take advantage of the federal money. This is an unprecedented amount of federal money available for major infrastructure projects. If I were a county executive and did not try to get money from you, Mr. Governor, or from the federal government for projects that I thought were eligible for funding, I would be making a serious mistake and a disservice to my residents. Anything you can bring, and I don't expect 100 percent funding, but anything you can bring would make a difference.

This project is still majorly flawed in terms of traffic relief. I don't know how people can talk about relief from Frederick to the American Legion Bridge when it stops at the ICC. If you stop at the ICC, your studies say traffic gets worse going northbound. I tried to insert at the COG meeting an amendment that would require you to do the P3 from Frederick to the bridge as one unified project so that there isn't that bottleneck. Instead, you are going to have an enormous northbound bottleneck, worse than today, that's not much relief, and southbound from 270 in Frederick to the ICC you are going to have Montgomery County residents and Upper Montgomery County residents as well as Frederick people and from the west stuck in soul-crushing traffic as it remains. So we would prefer a full on project that goes from the bridge to Frederick.



We have worked well with Secretary Slater. I actually think on the technical details of this we were not far off from getting a mutual understanding. That is the advantage of not making an agreement. People have to keep talking to each other. When you make an agreement, talking tends to stop. So we think there is a value in continuing working with the State. We think there is a way to manage this. And you should do the financial, get the financial studies done and the analyses of the contract done so you know what you are getting. This is a really important project and, you know, the Secretary has done a good job of minimizing this is only \$50 million for a preliminary step. The deeper you get, you have all been through this before, the deeper you get into a project, the harder it is to get out of it.

Peter, you were in Takoma Park when they started down that road with the rebuilding of our community center. We got a dime into it and even when wisdom said we've got to figure a way out, we didn't get out. This is too important. We all know (indiscernible) a project requires federal environmental review. The cost after environmental review is never the cost that you thought it was going to be going into the project. So you would be better off with more complete information. You would be better off with an analysis of the bonds that are the funding mechanism. You would be better off if you went to the federal government. And I can guarantee the Governor that you would have a line of

Democratic county executives behind you going to the Democratic administration saying this is an important project for the State of Maryland and we want it to be successful. Like I said in the beginning, I thought we started out on the right path. I think there is something that can be obtained. It would be good to get a win that all of us felt some ownership in and that addressed some of the environmental concerns more fully than the plan does today, but particularly because of the financial issues. But thank you very much.

GOVERNOR HOGAN: All right. Thank you. I'm going to remind everybody to stick to two minutes and Mr. Gontrum, if you could try to keep people on track, I would appreciate it. Next we're going to call on Mayor Bridget Donnell-Newton from Rockville.

MS. DONNELL-NEWTON: Good morning and thank you for the opportunity to speak today. I come with the unanimous support of the City Council to request your vote to not approve Items 10-GM and 11-GM.

Today is an opportunity for the taxpayers of the State of Maryland to learn once and for all if fiduciary responsibility and fiscal accountability will overcome the intense pressure of politics. As a survivor of the TPB vote last month, I weep at the way the conversation has been distorted. Traffic congestion on the northern part of I-270 is a problem and that's a fact. However, this is about more than traffic congestion. This is about the role of government and the future of our

world as we know it. This is about the changes brought about by COVID and what impact telework will have on commuting patterns. This is about climate change, see yesterday's *Washington Post* headline: Panel Says Pace of Climate Change is Unprecedented. The United Nations is saying that this is a code red for humanity.

This is about social justice and environmental equity. In the Governor's own words, the tolls are regressive. This is not a traffic relief plan any more than it is in the people's interest to allow a private company, and a foreign one at that, to lease public property for a dollar a year, permit them to charge tolling rates to the people, the true owners of the public property, and then hold the State, i.e. the people, responsible for any potential loss in revenue.

There are so many question still unanswered, not the least of which is why Treasurer Kopp's request to have the State's own bond counsel and financial consultant review the agreement has not been funded. Where is the cost benefit analysis showing that a P3 is a better return on investment for the Maryland taxpayer? And where is the revised EIS now that MDOT SHA have removed the 495 portion and added 270 from 370 to Frederick?

The lease term is 60 years. Who knows what fluctuations to climate, transportation, work modes, etcetera, will have to take place in more than half a century when a worldwide pandemic resulted in major fluctuations to lifestyles, community patterns, and telework in just 16 months.

SECRETARY GONTRUM: (Indiscernible).

MS. DONNELL-NEWTON: I'll finish, please. We sat here for 45 minutes listening to Mr. Secretary. The silence to our question is deafening. All the noise, and there has been a lot of it, has been paid for by firms who will profit from this blarney. Truly, what is the role of government? Is it to do what an individual alone cannot do? To provide for the public safety? To build schools, transit, bridges, and roads? Or is it to lease public land for a dollar a year and then only those who can afford to use it, get to use it. I know the answer and I hope you all do, too. Thank you.

GOVERNOR HOGAN: Thank you. Next from the City of Greenbelt we have Mayor Colin Byrd. I don't see him. He's on the list. Mayor Byrd?

VOICE: Governor, Mayor Byrd contacted us and he switched to virtual, actually.

GOVERNOR HOGAN: Okay. Well, we'll do the virtuals at the end.

VOICE: Yes.

GOVERNOR HOGAN: We're going to move on to Marilyn Balcombe, Gaithersburg-Germantown Chamber of Commerce.

MS. BALCOMBE: Good morning. My name is Marilyn Balcombe. I am the President and CEO of the Gaithersburg-Germantown Chamber Commerce. Thank you for allowing me the opportunity to speak this morning.

The chamber supports the I-495 to I-270 Public-Private Partnership for Phase One. Increased capacity of I-270 has been a top priority for businesses in Montgomery County for a very long time. We cannot really address the significant traffic burden without a comprehensive investment in real solutions on I-270 and we can't do it without a public-private partnership. This P3 project is the first real opportunity to address significant congestion along the corridor.

As our name implies, my organization represents businesses along the I-270 corridor north of Rockville, up to the Frederick County line. As we have stated in the past, a comprehensive traffic solution on I-270 requires the completion of the American Legion Bridge all the way up to I-70 in Frederick. We accept that phase one south stops at I-370 in Gaithersburg knowing that MDOT SHA will continue to advance the activities associated with the pre-NEPA requirements for phase one north.

I also want to take a moment to express support for the transit as an integral part of this project. Allowing transit buses on managed toll lanes without tolls will make transit much more agreeable and attractive to commuters.

As important as transit is on I-270, it's also important on the corridor. The State must advance the long awaited Corridor Cities Transitway. This project will allow CCT to move forward.

The chamber understands the importance of the decision that you have to make today. I hope that you will understand the impact that significant traffic on I-270 has on my community, which is the epicenter of I-270. I work in Gaithersburg on Clopper Road, which runs parallel to I-270. Every day at 5:30 I can look out my window and assess the traffic based on how far back the traffic goes on the auxiliary roads. Congestion makes our local economy much more difficult, making it harder to make deliveries, get to appointments, or find workers willing to endure that commute. Time spent in traffic, whether it's in a car or in a bus, also represents time away from families. The businesses and residents in the I-270 corridor need relief. This project provides that relief. We are asking you for a favorable report this morning. Thank you.

GOVERNOR HOGAN: Thank you very much.

TREASURER KOPP: Governor, could I ask the Secretary a clarifying question?

GOVERNOR HOGAN: Sure.

TREASURER KOPP: The, I understand that it's the CCT or the BRT. What part of the total cost of doing the CCT is included?

MR. SLATER: Sure. So there are two pieces to that. So the investment and the initial investment. So, you know, we were always investing a significant amount of transit revenue and we were working with Montgomery County in that. But the challenge ahead of us was over the course of that kind of 50-year concession, how do you make that something real today. So what we committed most recently is to invest some of that development rights fee, which is about \$60 million for all the predevelopment design and pre-construction activities, and then working with them to take that \$300 million and then seeing what the delta is in being able to address that and what are the other tools we have in our toolbox to be able to address that as part of the project.

TREASURER KOPP: So it's part of the initial --

MR. SLATER: The initial investment versus kind of waiting till the end of, or you know, a couple of million dollars a year.

TREASURER KOPP: -- the total cost of the CCT --

MR. SLATER: Is around -- I should have that in front of me. But I believe it was around \$500 million or \$600 million. Maybe around six. It has been reduced a little bit over the course, I think it was -- what? It was eight at one point and I think it's down to about six today.

GOVERNOR HOGAN: Okay.

TREASURER KOPP: Thank you, Governor.

GOVERNOR HOGAN: Thanks. Next we have Edgar Gonzalez from the Suburban Maryland Transportation Alliance.

MR. GONZALEZ: Good morning, members of the Board. My name is Edgar Gonzalez, Executive Director of the Suburban Maryland Transportation Alliance. I am here to testify in support of Items 10-GM and 11-GM.

As a former chief engineer and executive director in the Montgomery County Department of Transportation for about 30 years, I negotiated numerous public-private agreements and led the implementation of at least 300 projects. Of those, one didn't have opposition. 299 did.

The county clearly understood that it didn't have all the necessary funding or loan capacity for the construction of capital projects. So we created a capital improvements project that provided funding for the department to negotiate agreements with the private sector. The P3 under consideration by this Board is not unusual. The public and private sectors benefit from these projects and in this case the selected partner has made commitments that are extremely beneficial to the State, the county, and the community.

The State has made a wise decision in pursuing implementation of this project as a P3. The \$6 billion investment by the private sector on this project will permit the State to dedicate its limited resources to other priorities that



otherwise would go unfunded and at the same time protect its bond rating, AAA I heard.

Some will call for delaying the approval of the preliminary agreement, we are here to resist them. In my experience, the opponents will continue to find other excuses to delay the project, but procurement processes must be reliable. They have deadlines and private partners cannot wait forever as costs of construction increases by \$700 million for every month of delay. Delay will also result in more aggravation, fuel wasted, and transit and air quality improvements delayed. Real leaders, present and future, must make decisions with information that they have at hand --

SECRETARY GONTRUM: -- two minutes --

MR. GONZALEZ: -- urge you to approve the project today. 300,000 daily users of the facilities cannot wait any longer. Thank you.

GOVERNOR HOGAN: Thank you. Next we have Joshua Veverka, Northern Virginia Association of Realtors.

MR. VEVERKA: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. Josh Veverka representing the Northern Virginia Association of Realtors and our nearly 13,000 members in Northern Virginia and in and around the metro area. We urge you to support this proposal and adopt the American Legion Bridge and I-270 P3 predevelopment agreement.

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As the largest real estate advocacy organization in the metro area, we are the voice of real estate in the region. As realtors we talk to people moving to and within Northern Virginia on a daily basis. Congestion and travel time throughout the region is one of, you know, probably next to schools, the biggest concerns they have. People want to be able to get to work, to shopping, to their children's activities, without sitting in gridlock. They don't care about local or state boundaries, who is in charge of what road, they just want a highly functional regional transportation system. Without a doubt, this project will improve the efficiency of our transportation network. So we support transportation, solutions to transportation challenges that are big picture and for our region this project is a game changer. So on behalf of today's homeowners and commuters, as well as our future workforce and home buyers, we do ask you to support and approve these projects going forward and move the transportation infrastructure investments.

GOVERNOR HOGAN: Thank you. Next we have Michael Sakata from the Maryland Transportation Builder and Materials Association.

MR. SAKATA: Good morning, Governor Hogan, Comptroller Franchot, and Madam Treasurer. And thank you for the opportunity to testify today. My name is Michael Sakata, President and CEO of the Maryland Transportation Builders and Materials Association and since 1932 our organization works to promote and protect the needs of the transportation, construction, and

materials industry. We represent over 21,000 workers and business owners across the State. And I'm speaking in support of Agenda Items 10 and 11-GM today.

I want to clarify an earlier comment. Phase one includes all of I-270 to Frederick. This region desperately needs congestion relief. Opponents want us to rethink this project given the unprecedented changes we have experienced during the pandemic. While many people were forced to work from home for a time, we cannot use this model when planning infrastructure needs for the Capital Region for the next 20 to 30 years. A recent study shows an additional 1.2 million people will be added and living in the region by 2045. This project offers a scenario where everybody wins. Phase one will vastly improve the infrastructure of Maryland while providing 7,500 high paying, high quality jobs, annually, cuts down on emissions and pollution, and significantly decreases travel times. If this project is given final approval, citizens will receive, at a no net cost mind you, a new American Legion Bridge, including four new lanes on I-495, two new lanes on I-270, in addition to the \$300 million for transit.

In June, MDTA entered into an MOU with Accelerate Maryland Partners to ensure labor harmony and agreed to encourage contractors to negotiate project labor agreements for its workforces, but not to mandate a PLA. This MOU promotes competition and does not favor the use of a PLA or any other approach over another within the final scoring criteria.

This large project will require both union and open shop labor and insisting on using solely union labor would effectively cancel the project because Maryland simply does not have the workforce that is needed as more than 90 percent of Maryland contractors are open shop. For these reasons, we again ask that this project not include a PLA mandate.

SECRETARY GONTRUM: That's two minutes, Mr. Sakata. Sorry.

GOVERNOR HOGAN: Thank you.

MR. SAKATA: Let me close it right out. We need to think smarter and harder to plan for a better future for this region's congestion (indiscernible). I appreciate your giving me time to speak.

GOVERNOR HOGAN: Thank you.

MR. SAKATA: Thank you.

GOVERNOR HOGAN: That was pretty fast at the end.

(Laughter.)

COMPTROLLER FRANCHOT: That was good.

TREASURER KOPP: Can I ask a clarifying question of the Secretary?

GOVERNOR HOGAN: Sure.

TREASURER KOPP: About PLAs. We heard from one of the labor organizations that they have changed their position because of inclusion of the PLAs. But now we hear that it's not actually inclusion of PLAs. What is it?

MR. SLATER: So there is a project labor agreement included in the proposal from Accelerated Maryland Partners (indiscernible). Oh, I'm sorry. I didn't have my mike on. So there is a project labor agreement included in the proposal from Accelerate Maryland Partners and it's our job to hold them accountable to the proposal that they have submitted. What we have done is we have worked with the labor unions to ensure that such an agreement will include the ability for union and non-union companies to compete openly and not have any competitive advantage in one way or the other. So is there a labor agreement on the contract? Yes. But it includes the agreement to have everybody at the table, union, non-union, MBEs, DBEs, small businesses, disadvantaged businesses. Everybody at the table to get those final details together and compete openly.

TREASURER KOPP: All right. So there is no obligation to have a PLA associated with building the project?

MR. SLATER: There is a project labor agreement in there to ensure harmony as part of their proposal. So yes, there is. But it does, but it includes language to be able to compete openly. So if you are a non-union shop, you can

compete for this project and not have any advantage or disadvantage. It is a level playing field for everybody.

GOVERNOR HOGAN: All right. Great. We're going to move on to now Barbara Coufal from the Citizens Against Beltway Expansion.

MS. COUFAL: I believe that means there is no guarantee that it's union labor constructing the project. My name is Barbara Coufal, Co-Chair of Citizens Against Beltway Expansion, a grassroots organization. The 495/270 agreement is a \$50 million gamble with taxpayer dollars. The Board of Public Works doesn't have the financial analyses or the environmental review needed to make a decision that safeguards taxpayers, our communities, and our environment. We urge each member of the Board to be a fiscal watchdog and a careful steward of taxpayer dollars and that the vote be delayed until you can make an informed decision.

Two years ago, MDOT agreed to provide a value for money analysis of this project through a public-private partnership rather than public financing. This comparison has not been made public. The recent report by the Treasurer's Office states that there are significant uncertainties around the costs, risks, and ultimate benefits of the agreement. The Treasurer's Office sought to address these uncertainties by engaging the State's bond counsel and financial advisor to assist in the review of the agreement. The Governor's refusal to fund this review begs

the question: what are you hiding? Given Transurban's expertise in negotiating these complex agreements, it is prudent to have the State's own experts review it and ensure that the contract does not put taxpayers at risk. It would be fiscally irresponsible to proceed with a vote today, especially since the agreement ensures that construction contracts won't be put out for competitive bidding. The Board should also wait until the final environmental impact statement has been completed. The final EIS will provide a more complete assessment of the project and its impact on taxpayers, the environment, and our communities. Thank you.

GOVERNOR HOGAN: Thank you. Next we have Sean McCone from the American Council of Engineering Companies.

MR. MCCONE: Yes, thank you. Good morning, Governor Hogan, Treasurer Kopp, Comptroller Franchot and the other Marylanders participating. My name is Sean McCone. I'm Executive Vice President of Johnson, Mirmiran & Johnson based in Hunt Valley, Maryland. I'm also the current principal of the American Council of Engineering Companies, Maryland. We represent over 90-plus firms, employing over 6,000 staff in Maryland, a third of which are smaller, minority firms, or small minority firms. On behalf of ACEC Maryland, I'm here to speak in support of Item 10-GM and 11-GM.

We appreciate the leadership of Governor Hogan and Secretary Slater, who Comptroller I think you bestowed the title magician upon him at the

last Board of Public Works meeting. So nonetheless, we appreciate their leadership and the MDOT team in tackling the most congested areas in the State, including the I-495 and I-270 areas.

ACEC Maryland has long been a supporter of a balanced, robust transportation network that enables Maryland's economic prosperity. We truly believe this approach provides tremendous benefit to the citizens of Maryland. I mentioned the 90-plus firms and over 6,000 engineers in our organization. We have amazing talent here in Maryland in the engineering community. It's our hope that this procurement continues to prioritize the use of that local talent, as Secretary Slater talked about earlier. We are familiar with the local engineering challenges, such as soil conditions, traffic modeling, and intermode dynamics. As with most industries, we were hit pretty hard during the pandemic over the past couple of years. But we are here to solve problems. We work to include the positive impacts that you have heard testimony on today, and we also work to mitigate and eliminate the negative potential impacts that you have heard and you will hear testimony on today.

Today we speak in support of 10-GM and 11-GM and look forward to helping solve the traffic congestion for the benefit of all Marylanders. And so please approve this, and maybe even let Secretary Slater and his team work a little bit of that magic.



(Laughter.)

GOVERNOR HOGAN: Thank you. Next we have Tim Bevard, Aggregate Industries US Mid-Atlantic.

MR. BEVARD: Good morning.

GOVERNOR HOGAN: Good morning.

MR. BEVARD: It's an honor to be here in front of the BPW, Governor Hogan and Comptroller Franchot and Nancy Kopp. I've testified many times, but not here.

I'm a land manager for Aggregate Industries Mid-Atlantic. Our company and its predecessors have been supplying construction materials here in the State of Maryland since back in the mid-thirties, starting with my grandfather in about 1935. Today we service counties from Baltimore out to Frederick, Montgomery, Prince George's, and all of Southern Maryland. And our office is located in Greenbelt.

I read last week, it was published by CNBC, that Maryland ranked in the nation as the best in broadband service and we also have one of the most reliable power grids in the country by this particular article. And I thought it was kind of fitting, is we do so many things right here in Maryland that we do need to take into consideration, I've been driving on the Beltway all of my adult life in Prince George's and Montgomery. And in all of my adult life, the Montgomery

County side of the Beltway has been quite congested and it's hard to get around. I now take the ICC so I don't have to go around the Temple and what have you. And I thought it was just interesting. That we're so good in so many things that we do need to take into consideration that we do need to look at and we need to put resources with Secretary Slater's proposal and do something about that part of the Beltway.

And the TRIP report released on June 22nd ranks Maryland number two, which is wild, in both worst congested urban interstates and daily interstate travel per mile lane. Of course, that has been coming out for numerous years, the TRIP report comes out every year and I'm sure you guys are actually more familiar with it than I am. But to me, that seems to be an indication that we really need to do something. And this seems to be an opportune time.

For our company, of course, we are shipping commodities all over the State for infrastructure, construction, new schools, shopping centers, and what have you. And when I'm traveling through these particular areas, you know, I see our trucks and I see all the other commerce from the State is coming through that corridor with their trucks sitting.

SECRETARY GONTRUM: That's two minutes, Mr. Bevard, thank you.

MR. BEVARD: Have a great day. Thank you.

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(Laughter.)

GOVERNOR HOGAN: Thank you very much. Next we have Daniel Flores from the Greater Washington Board of Trade.

MR. FLORES: Yes, good morning. Thank you very much for the opportunity to testify here today. And we are here today in support of the lease agreement for phase one south and the predevelopment agreement of phase one to the American Legion Bridge and I-270, Items 10-GM and 11-GM.

You have heard a lot why we should build this, and you have heard a lot why we shouldn't build this. But having lived in Montgomery County and Prince George's County for close to 40 years, I can tell you how many of us have gotten stuck in traffic. A lot of people can tell you, you know, I made great time because it only took me an hour to get to Bethesda from Gaithersburg. And I lived there for so long that it was crushing just to sit there and now that I, unfortunately, I'm sorry, I moved to Northern Virginia about three years ago. Sorry. My family still lives in Maryland, a lot of friends, and I still come to Maryland, and I still get stuck in traffic. But now that it takes me 15 minutes to get to work instead of one hour, it's like how did I do this all the time? But I had a, you know, listening to different radio stations to get to work. So it was from one hour to maybe five hours, tops, every time. And I raised a family in Montgomery County. And every time, and every other family that I met, they never said I'm teaching my daughter or my

son how to ride the train or how to ride the bus. Everybody wanted to get a car. Everybody wanted to drive. And it's something that is not going to be as cost prohibitive as people say that it's going to be. But it's also that if you have three people in your car, you're going to be able to drive it for free. And that's the idea, to get more people to do this. Because as you hear now, the environment that we are going through right now, we need this kind of work --

SECRETARY GONTRUM: That's two minutes, Mr. Flores. Thank you.

MR. FLORES: Thank you very much.

GOVERNOR HOGAN: Yes, thank you.

MR. FLORES: Thank you for the opportunity.

GOVERNOR HOGAN: Thank you very much.

MR. FLORES: Good to see you guys.

GOVERNOR HOGAN: Okay, we're going to break for the --

TREASURER KOPP: The bond sale.

GOVERNOR HOGAN: -- bond sale. We're going to make some money first.

TREASURER KOPP: Governor, you know Christian Lund, who is the Director of Debt Management for the Treasurer's Office and for the State for general obligation purposes.

MR. LUND: That's right. Thank you very much, Treasurer, and thank you members of the Board. James, are we ready to present here?

TREASURER KOPP: What are we looking at? The jagged downward line?

MR. LUND: The jagged, that's right, the downward line. We're just trying to get it up on the projector here.

Okay, well in the meantime I think we can go ahead and get started. So good morning, members of the Board. It's good to be here again. My name is Christian Lund. I'm the Director of Debt Management for the State Treasurer's Office. So we did sell some bonds today and we actually priced some bonds yesterday as well. And I'm here to report back to you on the results and ask your approval to award.

So before we get started, you know, I always think it's helpful just to put the rate environment in context a little bit. And I know it's small, but it is just a jagged line and it's going down from left to right. That just shows interest rates since the year 2000. See, over on the left side they were up above five percent for a ten-year bond. Now they are down below one percent. So from a historical perspective, it's just good to remember that we are really in a great rate environment and that it's really impossible for the State to lose with rates that low.

So with that in mind, I'll walk you through the results here. Part of this is going to look a little different than what we usually do because we sold some of those bonds on a negotiated basis yesterday. So an overview of the sale, we did \$540 million in tax-exempt new money in two bidding groups and \$75 million of taxable new money in a single bidding group. Those were sold this morning competitively. We took the bids at 10:00 to 10:30 and 11:00, and got great results on those. So if we're able to, I think we still -- four numbers. If it's okay, it's going to be difficult to sort of show on the screen the results, but I can walk you through the low bidder --

GOVERNOR HOGAN: Okay.

TREASURER KOPP: How many bids were there?

MR. LUND: So for Series A Bidding Group 1, it was \$259 million in total par. There were six bids. We got \$81 million in premium that will be available to offset capitalized interest costs and pay for additional projects. The winning bid was J.P. Morgan with an all in TIC of 0.764551. For Tax-Exempt new money Series A Bidding Group 2, a par amount of \$281 million. There were six bids, a bond premium totaling \$89 million. And the winning bid was J.P. Morgan again with 1.781272 percent TIC. Remember, those are a little bit longer date of maturity which explains the higher interest rate on the Bond Bidding Group 2.

Finally, on the taxable new money piece, it was \$75 million. Taxables are conventionally sold at par so there was no premium and the winning bid was Wells Fargo with a rate of 0.596115 percent. The lower rate there because the maturities are actually shorter dated.

So those were the results on the competitive. On the negotiated side, we actually did this yesterday. It was our first negotiated sale since 2018 (indiscernible) negotiated markets and investors and our underwriting pool. We used a tax-exempt forward delivery structure instead of the sort of conventional taxable advance refunding structure, because we found that it was consistently giving us better results as we were leading up to the sale. Because it's a little bit more complex, we needed to do it on a negotiated basis. We selected Bank of America and (indiscernible), great investor response (indiscernible) a little over \$40 million in total savings for the State. So the Series C Bonds, the total par was \$114 million. We got \$102 million in savings on Series C and an all in TIC of 0.869545 percent. On Series D we were at \$123 million par, generated another \$19 million in savings. And we got an all in TIC of 1.035934 percent.

We have done a little bit of analysis of that tax exempt forward structure compared to a hypothetical taxable advance structure. And our best estimate of the range of additional incremental savings that we picked up was somewhere between \$8 million and \$14 million, so we are very pleased.

So all in all, this sale was a win-win. We have money to support the State's capital program. We also refinanced a lot of debt at a better rate. So it was a great success. Congratulations to all of you. We should be -- I see the bond purchase agreement going around for signatures at this point. I'm happy to answer questions.

TREASURER KOPP: Well, the bottom line is we sold the bonds at a low rate benefitting the taxpayers and benefitting all of the citizens who need to invest in the schools and the public facilities of the State. And with the refunding, saved about \$41 million. Which is good for one sale, that's pretty good.

I have for the record to make a couple of motions that I would hope people would agree with, the first being that the Board ratify and approve the preliminary official statement dated August 3, 2021 and the summary notice of sale for the 2021 Second Series Bonds published in the Bond Buyer on July 30, 2021, and the resolutions adopted by the Board on July 28, 2021 with respect to the bonds. I ask for a second and a vote on that motion.

GOVERNOR HOGAN: Is there a motion?

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: There is a motion?

COMPTROLLER FRANCHOT: I second the motion, yes.

GOVERNOR HOGAN: Okay.

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TREASURER KOPP: In favor?

GOVERNOR HOGAN: Yes, aye.

TREASURER KOPP: It's unanimous. I move that JP Morgan Securities LLC be declared the successful bidder for Group 1 of the Second Series A Tax-Exempt Bonds in the aggregate principal amount of \$258,950,000 subject to resizing as provided in the official notice of sale with a net premium of \$80,499,033.29. I always love the 29 cents. And a true interest cost of 0.764551 percent. And further move that the First Group of the Second Series A Bonds be issued in the amounts and maturities and at the interest rates and prices set forth in the successful bid for those bonds. Is there a second?

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: All those in favor? Aye.

TREASURER KOPP: Aye. It's unanimous. I move that JP Morgan Securities LLC be declared the successful bidder for Group 2 of the Second Series A Tax-Exempt Bonds in the aggregate principal amount of \$281,050,000 subject to resizing as provided in the official notice of sale with a net premium of \$89,409,087.58 and a true interest cost of 1.781272 percent. And further move that the Second Group of the Second Series A Bonds be issued in the amounts and maturities and at the interest rates and prices set forth in the successful bid for the bonds. Is there a second?

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: All those in favor, say aye. Aye.

TREASURER KOPP: Aye. I move that Wells Fargo Bank National Association be declared the successful bidder for the Second Series B Taxable Bonds in the aggregate principal amount of \$75,000,000 subject to resizing as provided in the official notice of sale with a net discount of \$39,525 and a true interest cost of .596115 percent. And I further move that the Second Series B Bonds be issued in the resized amounts and at the maturities and at the interest rates set forth in the successful bid for the bonds. Is there a second?

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: All those in favor? Aye.

TREASURER KOPP: Aye. I move that the syndicate of underwriters represented by Bank of America Securities, Inc. be awarded the Second Series C Tax-Exempt Forward Refunding Bonds in the aggregate principal amount of \$113,840,000 with a net premium of \$21,232,424.06 and at a true interest cost of .869545 percent. And I further move that the Second Series C Bonds be issued in the amounts and in the maturities and at the interest rates set forth in the forward delivery bond purchase agreement for the bonds, the form of which is hereby approved. Is there a second?

COMPTROLLER FRANCHOT: Second.

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GOVERNOR HOGAN: All those in favor? Aye.

TREASURER KOPP: Aye. One more. I move that the syndicate of underwriters represented by Bank of America Securities, Inc. be awarded the Second Series D Tax-Exempt Forward Refunding Bonds in the aggregate principal amount of \$123,285,000 with a net premium of \$20,136,338.14, and at a true interest cost of 1.035924 percent. And further move that the Second Series D Bonds be issued in the amounts and in the maturities and at the interest rates set forth in the forward delivery bond purchase agreement for the bonds, the form of which is hereby approved. Is there a second?

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: All those in favor? Aye.

TREASURER KOPP: And finally, I move that the Board authorize and approve the issuance of the final official statement for the bonds. Is there a second?

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: All those in favor? Aye.

TREASURER KOPP: Aye. So Mr. Lund, you have saved us \$41,397,064.44.

MR. LUND: Well it was a team effort, it really is --

GOVERNOR HOGAN: Nice work. Congratulations to everyone involved.

(Applause.)

TREASURER KOPP: Secretary Brinkley I can see is smiling behind his mask.

(Laughter.)

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Back to our hearing. Next up is Rizwan Siddiqi from EBA Engineering, Inc.

MR. SIDDIQI: Good morning, Governor, and Comptroller, and Treasurer. Thank you so much for this opportunity. My name is Rizwan Siddiqi and I am the President and CEO for EBA Engineering. We are about 200 employee company. We are (indiscernible) locally here in Maryland. Eighty percent of our employees are in Maryland and we, this is our 40th year we are providing jobs to Marylanders and we are really proud of that.

I just wanted to draw your attention, and I am in support of 10-GM and 11-GM Agenda items, that's what I'm saying. Just to give some relevance to this one, Atlanta and Georgia, the City of Atlanta and Georgia just recently implemented express toll lanes in their most congested area. Since the lanes have opened, rush hour speeds on the highways have doubled from 20 miles per hour to

40 miles per hour. Rush hour commutes have been reduced by about an hour. And beyond the reduction in obviously these two times, moving traffic also added significant impact on residents and wallets. The toll lanes are expected to save drivers nearly 2.9 billion gallons of fuel per year that would have been spent idling in obviously overly congested area. That is just one example here.

If you go to our next door in Virginia, the express toll lanes have decreased 23 minutes on I-495 and about an hour on I-95 during peak travel periods, and that's just, you know, next door in Virginia. So the benefits are really outpaced. I mean, I travel to Virginia because of business, my employees and colleagues travel, and they really get frustrated not only because (indiscernible) because they get, you know, sitting in the traffic, for a 30-minute commute, it takes us two hours, three hours sometimes. So a lot of idle timing. So what we think, no action is very no option. And we need to act. And that is very important. I just wanted to thank you for this opportunity and I'm looking forward to a favorable decision.

GOVERNOR HOGAN: Thank you. Next we have Jane Lyons from the Coalition for Smarter Growth.

MS. LYONS: Good morning. Thank you for the opportunity to testify. I'm speaking on behalf of the Coalition for Smarter Growth, the leading organization in D.C.'s Maryland suburbs advocating for walkable, inclusive, transit oriented communities. We are opposed to the 495-270 managed lanes P3 for

substantive and procedural reasons and urge you to not approve a predevelopment contract.

Even if you are in favor of private toll lanes, moving forward at this time without adequate due diligence is fiscally irresponsible. The Treasurer's request for three legal and financial assessments of the P3 agreement should be honored and these analyses should be completed prior to a vote to proceed. Without this information, the Board and the public do not have a full picture of the risks to Maryland taxpayers as well as toll payers.

What future road and transit investments would be foreclosed by the non-compete clause in the agreement? What are the compensation events and how much will they cost taxpayers? Are we locking ourselves into one contractor not just for 50 years now, but for subsequent projects over an extended period when other procurement approaches would provide better value for the State.

Additionally, both the supplemental environmental impact statement and the final EIS should be completed prior to locking the State into a predevelopment contract. The draft EIS lacks an adequate alternatives analysis as well as an environmental justice analysis and is based on a biased and narrow purpose and indeed flawed traffic modeling assumptions.

Finally, the deal struck with Montgomery County is weak. It doesn't compensate for the destructive impact of this project on neighborhoods,

parks, and other natural resources. If there ever was a case for pausing to evaluate the impacts, alternatives, and risks, this is it. Therefore, we strongly urge you to defer voting on the predevelopment contract to ensure adequate review and due diligence. Thank you.

GOVERNOR HOGAN: Thank you. Next we're going to go to Francesca Pasta, a citizen. Not here? Okay. James Hand from Concrete General.

MR. HAND: Hello, thank you for the time to speak today. I really do appreciate it. My name is James Hand and I am a third generation general contractor. We build roads and bridges, heavy highways. Concrete General has been around for almost 50 years now. We started with a pickup truck and a few guys, and now we have over 300 employees. Our employees are basically Maryland employees that live all over the State, Western Maryland, to P.G. County, Baltimore. We work for you guys, for the public. All our jobs are based off of certified general wages with the Department of Labor, or if it's a county job with county certified wages.

I'm here today to ask for your support not just because I'm a contractor, but for my employees, their families, my friends, my family. We have all been stuck in traffic in this State all over the place. We have all missed soccer games and appointments. I have had to tell my employees, I really do appreciate you working hard today. I'm sorry you missed that window to get home and now

you are stuck in traffic for an extra hour and a half. That's a shame. It really hurts. It hurts me, it hurts my family, it hurts my employees' families. It's hard to imagine the amount of time and money that is wasted by just sitting on the road trying to get somewhere. We have had delays on projects because concrete trucks are stuck in traffic and can't get there, or our mechanics can't get to the job site to help fix projects.

This project will invest billions of dollars into our needed infrastructure. One thing I want to end on, there is no perfect project. We've been around here for 50 years. There has been very few projects that will work unless we all work together, both sides, the employees, the owners, the State. If we work together, this project can get done and get done on time. I ask that you don't delay this project. I ask that you keep this project moving because of the waste and the delays, it's just not going to get done. We've got to keep moving. Thank you for your time. I appreciate it.

GOVERNOR HOGAN: Thank you very much. Next we're going to have Carmen Ortiz Larsen, who is with the Hispanic Chamber of Commerce in Montgomery County.

MS. ORTIZ LARSEN: Thank you for the opportunity to speak on behalf of the Hispanic businesses in Montgomery County as well as in Frederick County up to Hagerstown, and in Maryland in general.



So the Hispanic Chamber of Commerce of Montgomery County --  
is this working okay?

GOVERNOR HOGAN: Yes.

MS. ORTIZ LARSEN: Okay. We are in favor of you supporting the 10-GM and the 11-GM. Mostly because we want to get this project moving. And the way we see it, it's an issue of social and economic equity. And it has to do, and the reason is because people are looking for housing where they can afford it, young families, and they go further out. And a lot of them have gone out the 270 corridor. And then they find jobs closer in and in Virginia. And while it's true that there are a lot of people teleworking, a lot of businesses, a lot of people, a lot of workers are not and they actually have to show up to their jobs. And sometimes two or three jobs. And it's really particularly difficult because it impacts their work or their ability show up to work when they have to sit in traffic for a long time. So that's why we consider it, you know, if you are well off enough to get a home near where you work, that's great. But if you can't, then that's a problem.

We also represent an awful lot of workers in the construction trades, and different areas in the food industries. And they need the jobs. And this project is going to give them a lot of jobs for a lot of years. And we want to be there. We want to be part of that job. So we really appreciate the opportunity. A lot of our small businesses are looking for subcontracting opportunities. We need this now

while we need the economic recovery. I want to thank you for the opportunities and helping out with the economic recovery. This is going to be a big step towards that. So I really would appreciate it if you support it as well, which I think you do. So thank you very much.

GOVERNOR HOGAN: Thank you very much. Next we have a citizen, Laura Strange.

(indiscernible)

MS. STRANGE: Good morning, Governor Hogan, Comptroller Franchot, and Treasurer Kopp, and thank you for the opportunity to testify today. My name is Laura Strange and I'm an executive assistant at the Maryland Transportation Builders and Materials Association. I'm a resident of Silver Spring in Montgomery County and have lived in Maryland for about five years, previously living in New York and in Oregon. I'm speaking in support of Agenda Items 10-GM and 11-GM, which are necessary next steps in the I-495 and I-270 public-private partnership program.

Having driven up and down the West Coast, and all around the winter battered roads of upstate New York, nothing would have prepared me for the frustrating monotony that is traffic in Maryland. My experience has always been that if you want to go somewhere that's 15 miles away, it takes about 15 minutes, 20 minutes tops. In Maryland, five miles can mean 15 minutes, 20 miles

can mean an hour. The State feels much bigger than it actually is because it takes forever to get anywhere.

My first interview for a job in Maryland, I was asked if the 45-minute to an hour and 15-minute commute was going to be a deal breaker. I was 15 minutes away from that office. I drive 495 regularly and cross the American Legion Bridge at least 16 times every year. The traffic is horrendous. And I am more than willing to pay the tolls on the 95 expressway if it means I will get to my destination instead of spending a couple of additional hours gridlocked in traffic. With this project, I can travel those HOT lanes if the importance of timeliness (indiscernible). If I am traveling for pleasure with my family instead of work on my own, I can enjoy those four lanes at no cost because now I am a high occupancy vehicle. The most important thing is to take action and forward this solution for these highly congested roads. If nothing is done, the gap between the area of growth and the failing infrastructure is only going to grow wider. Eventually, people will forget why they stay and leave this area because opportunities will no longer outshine the stress, the hassle, and the hours wasted in a car going nowhere.

I appreciate you giving me the time to speak. And I respectfully ask that you vote favorably on these two Agenda items. Thank you.

GOVERNOR HOGAN: Thank you. Next we have Chris Kirsch, who is also a citizen.

MR. KIRSCH: Good morning, Governor Hogan, Comptroller Franchot, and Treasurer Kopp. Thank you for the opportunity to testify today. My name is Chris Kirsch. I'm a project manager with Concrete General. We are a Gaithersburg based construction firm who has been delivering highway and bridge projects in the State of Maryland for over 50 years now.

I was born and raised in Montgomery County. I'm currently living in Ijamsville in Frederick. I have lived the effects of our severe congestion along I-270 and the 495 corridor for 35-plus years.

On a personal level, my wife gave up her dream job about six years about in Crystal City due to the commute along this corridor when our first child was born. The burden of her commute everyday was too strenuous on our family, and she ended up taking a lesser paying job closer to home to deal with that.

On a professional level, our crews daily commute along this corridor. It has resulted in working hours increasing substantially. Year after year, our crews are starting earlier and earlier each day. Our employees are forced to spend more time away from their families to ensure they get ahead or at best mitigate their delays sitting in the traffic along this corridor. This costs everyone money, including the State, time, and it negatively impacts the environment daily.

At this stage, we ask that this project continue to move forward and would require that both union and non-union working together to deliver this

project. This project will provide for high paying, high quality jobs for all workers. Maryland taxpayers deserve the best.

I appreciate you guys giving me time today to speak and respectfully ask that you look favorably on Agenda Items 10-GM and 11-GM. Thank you and have a great rest of your day.

GOVERNOR HOGAN: Thank you very much. We're going to take a short break at this time per the request of the Comptroller. And we'll be back shortly. What do you say? Fifteen minutes?

COMPTROLLER FRANCHOT: Yeah, 15 minutes is fine. Just --

GOVERNOR HOGAN: We'll be back at 12:15.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Thank you.

(Short recess taken.)

GOVERNOR HOGAN: Welcome back, everybody. Now we're going to go back into our hearing. Next up on the list is Josh Tulkin from the Sierra Club.

MR. TULKIN: Good morning/good afternoon, Governor Hogan, Comptroller Franchot, Treasurer Kopp. I'm Josh Tulkin, the Director of the Maryland chapter of the Sierra Club. On behalf of our 70,000 members and supporters, we do urge you to delay or table this vote or to vote no.

If you don't start with the right questions, you won't get the right answers. What's the best way to reduce congestion while reducing greenhouse gas emissions and encouraging smarter growth? What's the range of multimodal solutions we can deploy to address the congestion on the American Legion Bridge, I-270, and the Beltway? What are the costs of these? These are the critical questions that must be asked. These were not the questions that drove the process that arrived at this solution. We started, MDOT started with a solution. We need four toll lanes in each direction at no cost to taxpayers. That has been the defining question of the process for the last three years, how to make this affordable to a company that will bid on it without costing the taxpayers anything. And the project has changed significantly, always going back to that particular question.

In the National Environmental Policy Act process you have to create a purpose and need, and the purpose and need of this project is toll lanes, private toll lanes. There is not a plan for innovative congestion management on the Beltway, a process that has been lauded as successful on I-270. There is not a transit plan integrated into NEPA, meaning it's not on the same parallel path for bus lanes between Montgomery County and Fairfax, studies on (indiscernible) and MARC.

I want to say to those who are concerned about delay, I share your concern. I'm here because I am equally concerned about the urgency of addressing

traffic issues in a way that also addresses our climate concerns. It is this process that we continue to push forward with its flaws and it is causing the delay. We raised concerns three years ago about the NEPA process. Those concerns were ignored. And the NEPA process has been significantly delayed because of the flaws in how it was created and the focus of it.

We believe that advancing this project with these flaws will create the delays in the traffic relief that people need and prevent us from the greenhouse gas solutions that we as a State need to advance. Thank you.

GOVERNOR HOGAN: Thank you. Next we have Stephen Courtien from the Baltimore/DC Building Trades.

MR. COURTIEN: Good afternoon. The Baltimore-DC Metro Building Trades Council is an affiliate organization for all the construction unions in Maryland. We represent over 26,000 construction workers and their families, collectively working to ensure construction workers earn family sustaining wages and provide them with health insurance and retirement, and ensure that the skilled craftspeople complete construction projects.

Over the past few years, we have worked to ensure that this project would be approved. We support this project because it provides, in the beginning it will provide over 7,500 construction jobs in the first phase. By agreeing to have this project covered under a project labor agreement, they are ensuring the project

will not be disrupted by labor disputes and will ensure the work force is earning family sustaining wages and benefits.

The proposed start of the construction will allow for many construction workers currently working on large infrastructure projects in the State to transition onto this one, providing job security in an industry that has very little. This project also allows us to work with AMP and their awarded general contractor to offer more opportunities in apprenticeship, local recruitment, and job training. Our apprenticeship program is training gradually more individuals than any other in the State. We are able to do this by budgeting over \$24 million a year and operating 23 training centers within the State.

In a recent poll, Montgomery County voters when read the statement, “this project alone would provide an estimated \$3.7 billion boost to the Maryland economy and 7,500 new well-paying jobs in construction and other industries, including union jobs with benefits,” two-thirds of them stated that they supported this plan.

Finally, our members have to travel everyday using cars, because often we start work before mass transit is open or because mass transit isn’t near the construction site. This project will help ease congestion and traffic and allow for workers to spend more time with their families and not sitting in traffic. The building trades and our affiliated unions are committed to getting this project



completed on time, on budget, and safely for the State and AMP. Thank you very much.

GOVERNOR HOGAN: Thank you. Next we have Rebecca McCollum.

MS. MCCOLLUM: Good afternoon and thank you for the opportunity to testify today. My name is Rebecca McCollum, lifelong Maryland resident and Executive Vice President of Monumental Concrete. We are an MBE ready mixed concrete producer headquartered in Southwest D.C., proudly serving the District of Columbia and Prince George's County, Maryland for 11 years.

I'm here today to show my support of the P3 project. As you are aware, Maryland has the distinct dishonor of being ranked number two in the most congested urban interstates, greatly diminishing the quality of life for working Marylanders. On a good day, I spend 55 minutes each way commuting. On a bad day, it can be an hour and a half plus each way. Three hours in a car in severe congestion to travel back and forth to a job 35 miles away is unacceptable. That is valuable time that I can't get back that should be spent with my kids, not losing my mind in traffic.

That being said, my business is also negatively impacted. Concrete is a perishable product with a short shelf life. Our roads are so congested that it often takes 30 to 40 minutes to go less than seven miles, severely limiting our

service area, setting us up to potentially lose entire loads of concrete and wasting the valuable natural resources that go into producing it. And that also drives the cost of transportation projects up.

The lack of attention to our State's commerce areas is quickly making our transportation system both impossible to navigate and obsolete. Careful thought and immense planning has gone into this project, which happens to address one of the most congested areas in the State and there is no logical reason for it not to move forward.

In closing, Board members, we need you to foster and boost Maryland commerce, facilitate job creation, reinstall confidence in our State and its economy, and put our people back to work. Most importantly, it's time to ensure we go about our daily activities on a safe and efficient transportation network. This can all be facilitated by the approval and funding of this P3 project. I appreciate you guys giving me the time to speak and respectfully ask that you vote favorably for this project. Thank you.

GOVERNOR HOGAN: Thank you. Next we have Ivan Rodriguez. Ivan? No. We're going to move to Marshall Klinefelter from the Maryland Asphalt Association.

MR. KLINEFELTER: Good afternoon, Governor, Comptroller Franchot, and Treasurer Kopp. Thank you very much for seeing us this afternoon.

My name is Marshall Klinefelter, President of the Maryland Asphalt Association. We are comprised of over 100 member companies, including most of the large asphalt producers and contractors in Maryland, as well as the engineering firms, (indiscernible) suppliers, liquid asphalt suppliers, and associated businesses. Our members are comprised of both union and non-union workforces.

We support the P3 contingent upon the exclusion of any PLA language. We are in support of Item 10-GM, the public-private partnership program phase one south lease agreement between MDOT SHA and MDTA, contingent upon the exclusion of any PLA language. We are in support of Item 11-GM, phase three agreement and award of the predevelopment work for phase one known as the American Legion Bridge I-270 to I-70 Relief Plan, contingent again upon the exclusion of any PLA language.

Maryland, as just quoted, has been recognized as having the second highest congested urban interstate in the nation. By this program, we can connect multimodal transportation systems, including transit, bicycle, and pedestrian traffic with Virginia. We can remove the traffic bottlenecks that are a contributing source of greenhouse emissions and eliminate the lost time due to traffic delays. We can enhance safety improvements and ensure the safe, efficient, and contiguous transportation along the Eastern Seaboard. This project will provide for a greener Maryland tomorrow and may help us reach our Vision Zero goals.

At this late stage, though, we are disappointed that the politics have entered into the transportation and congestion relief program. We have been acting in good faith and want the Board to know that the members of the Maryland Asphalt Association and MTBMA are comprised of both union and non-union workforce.

SECRETARY GONTRUM: That's two minutes, Mr. Klinefelter.  
Thank you.

MR. KLINEFELTER: Okay. Thank you very much.

GOVERNOR HOGAN: Thank you very much. Next we have --

TREASURER KOPP: Mister, Governor, could I just ask the Secretary again to clarify, I thought you said there was PLA language already in -- I'm confused.

MR. SLATER: Let me clarify. So Accelerate Maryland Partners included a commitment to a project labor agreement in their proposal. So it's our job as the State to hold them accountable --

TREASURER KOPP: To it.

MR. SLATER: -- to what they have submitted. But what we have done is we have worked with everybody involved and got it to a way where to be able to do that, we have a project labor agreement that allows union and non-union companies to be able to compete in an open and even playing field along with the MBEs and DBEs and everyone. So yes, as part of their submission there was a

labor agreement included. But it does allow for union and non-union companies to compete openly.

TREASURER KOPP: And that's what you were --

MR. KLINEFELTER: (Indiscernible).

GOVERNOR HOGAN: Okay. Thank you. Thank you. Next we have Ben Ross.

MR. ROSS: Good afternoon. The toll lane P3 contract that is before you awards the Transurban lead team rights to a toll lane concession in two states. It runs from the George Washington Parkway in Virginia to I-70 in Frederick. According to the Washington Post, Transurban already had the rights to the Virginia part of this project before Maryland began its procurement. Transurban's disclosures to its investors are consistent with that again and again. Yet Maryland held a competition for the entire concession, including the part in Virginia. How can this be? How can this be?

In January of 2019, Virginia and Transurban amended the contract that governs Transurban's toll lanes on the Virginia Beltway. The text of the amendment was kept entirely secret until June and large parts are still secret. The Capital Beltway Accord is part of the contract, referenced in several places. But when it was announced it was not written down. As far as I know and is publicly

known, it is still not written down. How can the BPW approve a contract with unwritten clauses?

My 11 pages of written testimony document these discrepancies, along with other discrepancies in the public record. The complete explanation of all of this is required to demonstrate that the award was a fair and open competition. This must begin with full public release of all relevant documents and all agreements written and unwritten. Until there is full transparency, this contract should not be approved. Thank you.

GOVERNOR HOGAN: Thank you. Next we have Chris Lunsford.

MR. LUNSFORD: Good afternoon, Governor Hogan, Comptroller Franchot, Treasurer Kopp. Thank you for this opportunity to speak before you today. My name is Chris Lunsford. I'm a senior account manager at York Building Products. But I'm not here today to speak to you in my professional capacity, even though I may be involved in this project. As such, I am here to speak to you as an ordinary citizen and a resident of Montgomery and Frederick Counties for 54 years.

I spent ten of those years commuting up and down 270 from Urbana, Maryland to Bethesda. Typically that, it was a 31-mile trip. Typically that consisted of about an hour and a half each way traveling up and down that highway. So I believe that gives me some qualification to speak on this project.

So I know well the congestion, the safety issues that come with that congestion. I also know that the addition of an express lane will not solve all of those problems. But they are a huge step forward in minimizing them. While not everyone will utilize them, those that do, and even those that don't, will experience improved travel, safer travel, and improved environmental quality.

I also worked for a time in Northern Virginia and have experienced the benefit of the HOT lanes on Route 495 there, as well as in my current capacity utilizing the express lanes on I-95 north in Baltimore. As you well know, I-270 being a major tech corridor, it will only continue to grow in traffic volume and population.

I am also very happy to hear that the PLA that is involved in this project will allow for both union and non-union participation.

In closing, I appreciate you giving me the time and respectfully request that you vote favorably on Agenda Items 10-GM and 11-GM. Thank you very much for your time.

GOVERNOR HOGAN: Thank you. Amy Connerton. No? Kevin Mullen from McLean Contracting in Maryland.

MR. MULLEN: Good afternoon, Governor Hogan, Comptroller Franchot, and Treasurer Kopp. Thank you for the opportunity to testify today. As you mentioned, my name is Kevin Mullen. I am the Director of pre-construction

services for McLean Contracting Company. It is headquartered in Glen Burnie, Maryland and has been in business in Maryland since 1903. We are a 100 percent employee owned firm. I'm here to speak on behalf of my co employee owners at McLean. Briefly, McLean has been involved in several signature projects for Maryland. Most recently, we are engaged in the replacement of the Harry Nice Bridge over the Potomac River. We operate in Central Maryland, Southern Maryland, and of course the Eastern Shore.

McLean supports Agenda Items 10-GM and 11-GM, and most importantly we support the use of the progressive P3 as procurement model for this project. Personally, I've been involved in Maryland transportation procurement and bidding for over 30 years. I think this is a unique approach to the long term problem that needs to be solved to relieve congestion on the west side of the Capital Beltway, and get people back to their homes or to their jobs in a more efficient manner. I think one thing we've learned over the course of the last year and a half is the importance of a work life balance, and if they can get people to their destination sooner that improves the quality of life for everybody.

So as a, again, representing the McLean family, I hope that you will support this Agenda item and thank you for the opportunity to speak today.



GOVERNOR HOGAN: Thank you. Next we have Francis Oudah. No. We're going to move to Vicky Leonard, Political Director for the Baltimore Washington Construction and Public Employees Laborers' Council.

MS. LEONARD: Thank you all for the opportunity to speak today. My name is Victoria Leonard and I am the Political and Legislative Director for the Baltimore Washington Laborers' District Council, an affiliate of the Laborers' International Union of North America or LIUNA for short.

Replacing the American Legion Bridge is critical to the D.C. metro area, and on behalf of LIUNA we are proud to support this much needed investment. In particular, we are gratified that steps have been taken to ensure a community workforce agreement. This agreement will safeguard fair wages with benefits for workers. It will also guarantee an adequate supply of labor to complete the project safely and successfully, despite the difficult labor market caused by the current pandemic.

The track record for community workforce agreements, also called PLAs, is absolutely outstanding in this region. The first three phases of the HOT lanes, the Memorial Bridge, and the South Capitol Street Bridge, and every phase of D.C. Water's Clean Rivers Project, all of these have been built under PLAs and all have come in either on time and on budget, or delivered early and below budget. And we have seen what happens when labor is taken for granted and PLAs are

disregarded. We have seen this on phase two of the Silver Line and we have seen this on the current HOT lanes expansion project on I-66. Neither of these have PLAs and both are far behind schedule, among other things.

All of these factors combined justify the decision to ensure a PLA that will cover both the prime contractor and subcontractors. We also look forward to the project meeting or exceeding its MBE targets. Some of LIUNA's best contractors are MBEs, which proves that no conflict exists between MBE targets and having PLAs.

SECRETARY GONTRUM: That's two minutes, Ms. Leonard.  
Thank you.

MS. LEONARD: And in closing, I thank you all for your support. Governor Hogan, Secretary Slater, Comptroller Franchot, and Accelerate Maryland Partners, we are happy at LIUNA to support this project. Thank you.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Governor, could I just say for the record with the Secretary, I'm still confused about the PLA issue. Since LIUNA now says it covers subcontractors, I just --

MR. SLATER: Let me try again to clarify. So yes, Accelerate Maryland Partners committed to a PLA as part of their proposal. The reason that this is probably so confusing is because of where we are in the process. So we have

a project labor agreement on the Purple Line, for instance. But it wasn't part of that submittal. It wasn't part of any requirement. The reason it's there is because they were coming before the Board, they knew who the contractor was and the labor unions had negotiated that with the contractor. That's not where we are today. We have multiple contractors competing for this.

So when they submitted that as part of their project proposal, we have to make sure that we hold them accountable for all of the pieces of that. And so what we did was we worked with them and we let AMP know that they have to be held accountable for what they have submitted, and we want to ensure, but we want to ensure that both union, non-union, MBEs, DBEs, and small businesses and disadvantaged businesses can all be at the table and compete openly as part of that. So we have created it in a way so that it, regardless of where your collective bargaining status is as part of your company, you can still compete for this project.

GOVERNOR HOGAN: Which is critically important because 85 to 95 percent of all of our minority contractors are not union --

MR. SLATER: That's correct.

GOVERNOR HOGAN: -- and LIUNA understands that.

TREASURER KOPP: Right. I understand that. But can you translate to me what LIUNA just said? They are comfortable because the construction is covered by --

MR. SLATER: So LIUNA is one of the larger labor unions --

TREASURER KOPP: Right. I understand.

MR. SLATER: -- we have the building trades, all of that.

TREASURER KOPP: Yes.

MR. SLATER: And so I think they were, as they always have been, critically concerned about having a union presence on the labor force.

TREASURER KOPP: Right.

MR. SLATER: And so in working with them, we said to them, we said, look, you know, AMP submitted a project labor agreement as part of this. We know for a fact, based on the makeup of the companies in this State and based on the makeup of the MBEs and DBEs, that we have to have union and non-union companies. But as part of that labor agreement, it will allow for the inclusion of all of that. There is still, I think part of the confusion you have is there is still a lot to work out as part of that. So the labor agreement will be essentially between the contractor and the labor union, not necessarily us.

TREASURER KOPP: Right.

MR. SLATER: So we have to, you know, we have to make sure that happens --

TREASURER KOPP: -- a lot of trust me involved, these are surprisingly trusting.

MR. SLATER: No, no --

GOVERNOR HOGAN: We don't have the contractors yet so they don't --

MR. SLATER: Right. Right.

TREASURER KOPP: Right. Exactly. Yes.

MR. SLATER: But we have that requirement for them. They have to do that because they have submitted that as part of their proposal.

TREASURER KOPP: They have to allow --

MR. SLATER: When that comes back to the Board, that has got to be in compliance with their proposal.

GOVERNOR HOGAN: Next we have Michael Higgins.

MR. HIGGINS: Good afternoon, Governor Hogan, Comptroller Franchot, and Treasurer Kopp. Thank you for the opportunity to testify today. We're one of those other contractors. I hate to say that, but we are. My name is Mike Higgins. I'm the General Manager of Concrete General. I'm speaking in support of Agenda Items 10-GM and 11-GM, which are the necessary next steps on the I-495 and I-270 public-private partnership program and deals specifically with phase one of the project, the American Legion Bridge, I-270 to I-70 Relief Plan. We're a Gaithersburg based construction company. We have been delivering highway and bridge projects here in the State of Maryland for nearly 50 years. We

maintain our infrastructure plus 300 employees and their families use the roads here in the State to not only get to work on a day to day basis but also in their normal daily lives.

Sitting in traffic, as many workers do, getting to the projects only increases the costs not only to our company but also to our main client, which is MDOT SHA and MDOT MDTA. So the congestion in our regional experience is a huge impact to our families and their quality of life as well.

Maryland does not have the capital funds or the bonding capacity to do this project without cutting other programs to the bone. And that won't help other critical areas in our State that also need improvements. Going forward, as the Biden administration is, we're seeing in D.C. right now, is a bipartisan support that also has P3 funding in it. I would like to kind of wrap up a little bit is we're kind of concerned also with the politics in the transportation discussion that we've seen. So as Chairman of MTBMA, we have 21,000 workers here in the State. We're made up of union and non-union. If we're going to build this job, we're going to need everybody working together. It's a big project here for the State. It can't just be one or the other, it has to be both. That pays for, the project will provide for high paying, high quality jobs for all workers and Maryland taxpayers deserve that kind of deal.

SECRETARY GONTRUM: That's two minutes, Mr. Higgins.

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MR. HIGGINS: I appreciate the time today to speak and respectfully ask that you vote favorably on the Agenda items 10-GM and 11-GM. Thank you.

GOVERNOR HOGAN: Thank you. Barret Tucker from Allen Myers. Michael Conner, the Eastern Atlantic States Regional Council of Carpenters.

MR. TUCKER: Good afternoon. Thank you for providing me the time to talk about this important infrastructure project and what it means to the working men and women of the State of Maryland. I am speaking as a representative from the Eastern Atlantic States Regional Council of Carpenters, who represents the best trained and the most skilled construction workers in Maryland.

Infrastructure investment is in dire need. The plans put in place to expand 270 would go a long way in improving our economy and the daily lives of the hardworking families of Maryland. It would decrease congestion, cut down on commute times, and allow more working families the time and safe conditions necessary to travel for work and provide for their families.

As I said, I am a union pile driver, a carpenter and I am a veteran. I have served on the front lines as an Army Ranger, and I have served my community in many heavy highway projects in the State of Maryland.

When you invest in these projects, you invest in workers like me. You are getting the best trained and most skilled construction workers in the country an opportunity to put in a full day's work and receive good wages that we can use to provide for our families to build up the local economy. In the wake of the unprecedented COVID-19 pandemic and the uncertainty of what will come next, we need leaders to look at how they can help people get back to work with good paying jobs. Maryland needs these projects and the opportunity that it will provide across the Board.

I support this project, the working families of Maryland support this project, and we ask that you do the same. Thank you.

GOVERNOR HOGAN: Thank you. Naumaan Nasir from Nasir and Associates. Hopefully I got your name right.

MR. NASIR: Close enough.

Good afternoon to you. I would like to thank you all for the opportunity to testify here today. My name is Naumaan Nasir, President and CEO of Nasir and Associates. We are an AES certified highway and bridge component manufacturer with locations in both Baltimore, Maryland and Northern Virginia. We have been operating for over ten years, primarily serving the Mid-Atlantic highway and commercial construction markets.



For us, traffic construction is not only a nightmare for personal travel, but also creates a drag on the economy and increases our business costs. As a business owner, it is more cost effective to pay a toll to keep operations moving instead of having employees sitting in travel. Timeliness in materials arriving on a project site is becoming increasingly difficult for us to estimate. And today we simply don't know if it will take five minutes, 15 minutes, 45 minutes to get across the American Legion Bridge. That wasted time is expensive and drivers should have an option to pay extra (indiscernible).

For many, including myself, this also hits home personally. Working 50 to 60 hours a week, rarely do I get time to spend with my family. It hurts when that Sunday afternoon trip to Tysons Corner and Washington, D.C. ends up taking 60 minutes instead of 30 minutes each way. That wasted time could easily be fixed by promoting projects like this.

At this stage<sup>1</sup>, we are also disappointed that politics has entered transportation congestion relief. MTBMA is for union and non-union workers and we support both and we are pro competition.

Based on that, I appreciate you giving me the time to speak and I respectfully ask that you vote favorably on Agenda Item 10 and 11-GM.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Governor, could I just say for the record, this is the third time someone has referred to politics. And I honestly, candidly, don't know what you're referring to, other than the fact that the labor organizations want a PLA. Is that --

MR. NASIR: That's --

TREASURER KOPP: -- the politics that you --

MR. NASIR: -- that's the politics --

TREASURER KOPP: Okay. Thank you.

GOVERNOR HOGAN: Next we have Baruch Feigenbaum from the Reason Foundation.

MR. FEIGENBAUM: Good afternoon and thank you for allowing me to speak before you today. Governor Hogan, Comptroller Franchot, and Treasurer Kopp, for years Maryland residents on I-270 and I-495 have been plagued by the twin problems of severe traffic congestion from a lack of transit between Montgomery County, Maryland and Fairfax County, Virginia. The proposal in front of the Board of Public Works will solve both problems.

Requiring no tax revenue, the project provides a reliable, congestion free travel option for automobiles and a virtual exclusive busway for transit. Further, the high occupancy toll lanes incentivize carpool use by providing free passage to vehicles with three or more people. Secretary Slater and Governor

Hogan have worked to address the concerns of area residents and businesses by amending the project and providing additional funding for transit elsewhere in the region, such as the Corridor Cities Transitway.

Yet project opponents are trying to block this common sense compromise by offering solutions that are as real as unicorns. They suggest the State should build light rail transit instead. Yet Maryland has neither the money nor the ridership to build rail from Rockville to Virginia, and given that Virginia's Democratic leadership has no interest in building rail in this corridor, what are riders to do when they get to Virginia? Walk to Tysons Corner?

Opponents suggest everybody can work from home remotely. When is the last time your leaky sink or short circuited electric outlet was fixed remotely?

As the Washington region grows, more roadway capacity will be needed. In my job, I research public-private partnerships across the country and this corridor's combination of traffic congestion, demographics, and the deal that Secretary Slater has outlined today with Accelerated Maryland Partners make it one of the best P3s I have ever seen. It's time to stop the delays and move forward on this project. Thank you.

GOVERNOR HOGAN: Thank you. That concludes all of our people who are in person here to testify so we're going to move to some folks that

are going to be joining us virtually. We're going to start with Delegate Julian Ivey from District 47A.

SECRETARY GONTRUM: Delegate Ivey is not --

GOVERNOR HOGAN: Okay. We're going to move to Mayor Patrick Wojahn from College Park.

MR. WOJAHN: Hello, can you hear me?

SECRETARY GONTRUM: Mayor, can you try again please?

MR. WOJAHN: Yes, can you hear me.

SECRETARY GONTRUM: Very faintly. If you could turn up your audio, please, if possible? Or speak a little closer to the microphone?

MR. WOJAHN: Is that better?

SECRETARY GONTRUM: A little bit better, yes sir.

MR. WOJAHN: Okay. Thank you. I appreciate the opportunity to testify before the Board. Let me see. Let me give you an invitation to share my webcam. Okay. Good morning, or afternoon, rather. I appreciate the opportunity to testify virtually. And I'll just note, start by saying that the City of College Park has consistently raised concern about this project and we continue to have concerns and voted unanimously to maintain our position in opposition to this project. And the lack of understanding and the lack of awareness of all the facts behind this, what will happen with this project continues to raise our concern.

Let me just be clear that we're not, we do understand that there is congestion in the region and we do want to take steps to address that congestion. However, this project is not yet ready for primetime and because of that I want to testify against both the predevelopment agreement and both of these items before us.

The impacts that we continue to be concerned about, in particular, are the impacts that this project will have on taxpayers, on natural areas, and on our transportation system. The risk about the project in particular about the, and I want to say I appreciate Madam Treasurer's request to provide funding to request, to study this project more thoroughly so that we could fully understand the risks that this provides to taxpayers. But in particular we're concerned about the fact that taxpayers may be on the hook for any decline in toll revenue. We really need to be looking at the full range of alternatives in this project. The pandemic has changed the world and everybody seems to have gotten that memo except for our State Highway Administration. And while I do appreciate that there are, that there have been additions for bicycle and pedestrian connections, and that we are looking at transit, we really need to fully analyze other alternatives here, such as the MARC Cornerstone Plan and how recent changes in commuting patterns will impact congestion in our region.

So I do encourage you to vote no on this and really take a step back and study fully what the impacts of this would have on taxpayers as well as recent changes in our transportation network. Thank you for the opportunity today.

GOVERNOR HOGAN: Thank you. Next we're going to go to Mayor Colin Byrd from Greenbelt.

SECRETARY GONTRUM: -- Mayor Byrd is not with us --

GOVERNOR HOGAN: Okay. Art Barrett.

SECRETARY GONTRUM: Mr. Barrett is not with us.

GOVERNOR HOGAN: Tony Hausner. Kyle Hart.

VOICE: Tony Hausner is here.

GOVERNOR HOGAN: Okay. Well --

VOICE: My apologies.

GOVERNOR HOGAN: Let's get him on.

MR. HAUSNER: Hi, this is Tony Hausner. I am ready to talk.

GOVERNOR HOGAN: We can't really hear him.

SECRETARY GONTRUM: Mr. Hausner, can you maybe move away from your microphone a little bit? Or --

MR. HAUSNER: -- okay, can you hear me?

TREASURER KOPP: No.

SECRETARY GONTRUM: Not very clearly, sir.

MR. HAUSNER: I'll try and belt as loud as I can, does that help?

GOVERNOR HOGAN: Sorry, we're not -- unable to hear you.

We're going to move on to Kyle Hart from the National Parks Conservation Association. Patrick Fitzgerald.

TREASURER KOPP: How do these people know that they are being --

SECRETARY GONTRUM: When they hear the Governor say their name. We enable their microphone. We enable them to turn on their microphone and --

GOVERNOR HOGAN: I think because it has been three hours already, some of them just gave up. John Townsend from AAA Mid-Atlantic.

MR. TOWNSEND: Good afternoon. Can you hear me?

GOVERNOR HOGAN: Yes.

SECRETARY GONTRUM: Mr. Townsend, it appears you are muted. If you could unmute your microphone, you can address the Board.

COMPTROLLER FRANCHOT: He sounds very far away.

GOVERNOR HOGAN: We heard him, but now we can't hear him.

MR. TOWNSEND: It's unmuted. Can you hear me?

GOVERNOR HOGAN: Yes.

MR. TOWNSEND: Okay. Good afternoon, everyone. I apologize for these glitches. I'm John Townsend from AAA Mid-Atlantic. Good afternoon, Governor, Comptroller, and Madam Kopp.

AAA supports increased investments in transportation infrastructure. And this project is of critical importance because it is the most important construction project or infrastructure project not only in the Washington metro area and the National Capital area, but in the entire East Coast of the United States. This project is long overdue and you would hear a lot of words from naysayers today who will say things such as now is not the time to do it because of the pandemic. They will say that it's not financially feasible or viable. None of this is true.

In fact, in terms of the pandemic changing the paradigm for transportation, the fact is that regional traffic volumes had recovered to 80 percent of pre-pandemic volumes by the middle of last year. And the State itself just released a study a few weeks ago that shows what the capacity was on the American Legion Bridge in the week leading into the Fourth of July, when record breaking numbers of Marylanders traveled for the Fourth of July. In fact, the TPB, the Transportation Planning Board, was showing that traffic volumes are near pre-pandemic levels in the National Capital Area. And if there is anything we need to know it is what the Senate did yesterday in passing the infrastructure bill should be



a template for us all. This is a time to invest in infrastructure and that Senate bill was called the Infrastructure Investment Bill or Act. By approving this project, you are investing in infrastructure in Maryland and also investing in our future. Thank you, Governor, thank you members of the panel and the Board.

GOVERNOR HOGAN: Thank you. David Blockstein.

COMPTROLLER FRANCHOT: That's a neighbor of mine. Where are you, David?

MR. BLOCKSTEIN: Muted, sorry. I'm David Blockstein. I am a Ph.D. ecologist and I appreciate the opportunity. I'm representing the Washington Biologists Field Club, an organization of professional biologists.

We request that you reject the proposed predevelopment contract for expansion of the American Legion Bridge and I-270. We have standing on this issue because since 1908, we were the owners of Plummers Island, immediately downstream of the American Legion Bridge. In 1959, we donated the island to the National Park Service where it is now part of the C&O Canal National Historic Park. We are a consulting party to the National Historic Preservation Act Section 106 process. We have a written agreement with the federal government and the State of Maryland where we can continue to use the island for biological and ecological research, as our members have done for 120 years. We have published more than 400 scientific papers documenting over 4,000 species and gathering data

and long term trends, making Plummer's Island the most thoroughly studied island in North America.

Plummer's Island is especially important as a relatively pristine ecological reference point in this time of unprecedented environmental destruction. There are globally and State listed rare species and ecosystems on the island, many known only from the island or the Mather Gorge of the Potomac River.

Disturbance from construction and expansion of the American Legion Bridge would irreversibly devastate the island and cripple our research. We have submitted lengthy comments, 49 pages, on the DEIS. We respectfully request that the Board of Public Works not issue a predevelopment contract before the final EIS is issued. The report Monday from the Intergovernmental Panel on Climate Change raising the alarm level on our planet to code red shows the importance of places like Plummer's Island and tells us clearly that continuing to build highways and other aspects of business as usual is a road to disaster for humanity. Thank you for your time and consideration.

GOVERNOR HOGAN: Thank you. Alice Murphy.

MS. MURPHY: Can you hear me?

GOVERNOR HOGAN: Yes.

MS. MURPHY: Wonderful. Good afternoon. My name is Alice Murphy and I am a senior at University of Maryland College Park and daughter of

two long time Maryland residents. I am also the Mid-Atlantic Community Outreach Research and Engagement Intern for the National Parks Conservation Association, NPCA, and I'm speaking on behalf of the association today. We comment today on behalf of our 1.6 million members and supporters nationwide and our 31,836 members and supporters in Maryland.

NPCA is the only national membership organization dedicated to advocacy on behalf of our country's national parks. Today, I urge you to vote against Item 11-GM, the predevelopment contract for the disastrous P3 project being trumpeted by the Hogan administration. According to the first draft EIS, the original proposed expansion of 495 and 270 would have harmed over 100 acres of National Park sites and another 30 acres of regional and local parks. However, as you know, the State recently walked back this massive proposal, working instead in phases. The new supplemental DEIS for phase one, which is before you today, still hasn't been released to the public. We are months away from knowing the full scope of this proposal. The State should complete the environmental review process to fully understand the impacts of the highway expansion first and foremost. It is standard practice to complete this required review before deciding whether to sign a contract, especially a contract that would lock the State into a 50-year multibillion deal.

This vote will make a statement to Maryland students, students who will eventually sit in your seats a few decades from now. Does Maryland prioritize the expansion of a highway and the monetary gain from entering into a public-private partnership? Or does it prioritize the health of the environment that your children, the future of Maryland, will reside in? Please vote against the contract. Thank you for your time.

GOVERNOR HOGAN: Thank you. Arthur Katz.

MR. KATZ: Can you hear me?

GOVERNOR HOGAN: Yes.

MR. KATZ: Okay. Thank you. Sorry, I had to turn on my video. Thank you for the opportunity to speak today. I urge the Board to delay any action on the 495-270 predevelopment agreement and lease agreement. This project does not and will not work as a transportation strategy. It is a mess, ironically made more unacceptable with the removal of the toll lanes east of the I-270 spurs.

There is a credible alternative that can relieve traffic now, allowing time to understand the outlines of our transportation future. MDOT has implemented on I-270 to the Urbana exit a traffic management project that will reduce travel times by up to 40 percent from any I-270 and I-270/Beltway trips today and through 2040. In contrast, the revised 495-270 projects creates a choke point between the east and west I-270 spurs where six lanes of toll road must

squeeze into four. Resulting Beltway trips from west of the spurs to points east will be soul crushing on the inner loop during the evening and even morning rush hours. In addition, the choke points will certainly drive congestion into the I-495-270 split, wiping out any I-270 travel time advantage for the toll road alternative. All interchanges and bridges on I-270 in the project area will have to be reconstructed, resulting in years of construction chaos for I-270 commuters.

The Board should delay action until, one, MDOT submits six months of travel time data for traffic management trips, comparing them to the pre-pandemic travel times; and two, MDOT completes the revised final EIS. Thank you for your attention.

GOVERNOR HOGAN: Thank you. Jason Stanford from the Northern Virginia Transportation Alliance.

MR. STANFORD: Can you hear me?

GOVERNOR HOGAN: Yes.

MR. STANFORD: Great. Thank you. Thank you for the opportunity to comment today on approval of the predevelopment agreement for phase one of the Maryland Traffic Relief Plan, including long overdue improvements to the American Legion Bridge and I-270 to Frederick, Maryland. Let's be clear about why our region needs this project.

Our community is forecast to gain 1.2 million new people, one million new jobs, and 3.7 million new daily trips by 2045. This project is the only way for us to meet that growing demand for the 80 percent of trips in the D.C. area that are taken via automobile. That's because express lanes encourage carpooling and transit usage by providing a significant time savings for both modes. Virginia's I-495 express lanes have seen a 550 percent increase in carpool travel since opening, and Virginia's I-95 express lanes move more than twice as many people per lane, per hour during the morning rush. To paraphrase the Virginia Chief of Public Transportation, congestion managed lanes are what support good transit in this corridor.

At the same time, nearly two-thirds of the people in our community with household incomes of less than \$60,000 drive to work alone. These residents will save on average 40 hours per year using the free travel lanes after this project is built.

Finally, daily greenhouse gas emissions in this corridor will decrease 18.5 percent in 2040 with this project compared to current day emissions.

Therefore, because this project will improve the efficiency of our transportation network to meet future demand, encourage more HOV and transit usage, help the 80 percent of people who rely on automobile travel, including two-thirds of low income residents trying to get to work, and facilitate the continued

reduction of regional greenhouse gas emissions, I hope you will approve the predevelopment agreement for this game-changing regional project. Thank you.

GOVERNOR HOGAN: Thank you. Denisse Guitarra from the Audubon Naturalist Society.

MS. GUITARRA: Hello, can you hear and see me?

SECRETARY GONTRUM: Yes.

MS. GUITARRA: Great. Good afternoon, Board of Public Works. I am Denisse Guitarra, Maryland Conservation Advocate for Audubon Naturalist Society. For 124 years, Audubon Naturalist Society, ANS, has inspired people to enjoy, learn about, and protect nature. Today, ANS demands that the Board of Public works votes against Items 10-GM and 11-GM, which seek to approve the I-495-I-270 highway expansion predevelopment contract with Transurban before the Board of Public Works has a final environmental impact statement at hand.

The United Nations IPCC report released earlier this week makes it clear: we have no time left to get ourselves off of fossil fuels and save as much of our planet as possible. Board of Public Works, Marylanders need you to act and lead responsibly now. We need a more equitable transit and climate friendly solution to solve our traffic congestion problems. We need excellent transit and not an inch more of car coating pavement.

Governor Hogan, Comptroller Franchot, and MDOT have repeatedly deceived Marylanders about the real truth behind the highway expansion project. Back in 2019 the Board of Public Works and MDOT had all promised more transit alternatives and services to the people living and working around the Beltway and I-270, even stating that the project will not be approved until the final EIS is released. However, since 2019 the Board of Public Works and MDOT have repeatedly eroded away such transit promises. Furthermore, in today's Board of Public Works meeting Agenda Items 10 and 11, there is not a single mention about halting the predevelopment contract before the final EIS is released, again breaking one of the June 2019 promises. Without transparency, financial review, and the final EIS at hand, the Board lacks the critical information it needs to approve the highway expansion project. And we request that the Board does not approve line items 10 and 11 today. Thank you.

GOVERNOR HOGAN: Thank you. Next we have Janet Gallant from Don't Widen 270.Org.

SECRETARY GONTRUM: You are muted, Ms. Gallant.

MS. GALLANT: The project you are about to vote on has become a zero sum proposition. It no longer has even the veneer of being about the public good. It is solely about who wins and who loses. Who is winning? Not taxpayers. The P3 agreement has cost caps that can be exceeded or renegotiated, undefined



costs, non-competitive awards, and on and on. Treasurer Kopp wanted to engage P3 experts in a full independent analysis. The Hogan administration hobbled her efforts. Inexplicably, the Comptroller has not yet used his leverage to demand a delay of vote until an independent analysis is completed. This is not some abstract tug of war. Real people will be enormously harmed if the Board approves this contract without full knowledge of what it contains.

The vast majority of drivers aren't winning either. The project benefits only those who stand to profit from it and the wealthy few who can afford the outrageous tolls. Everyone else will be congestion fodder, filling the reduced number of free lanes and enduring deliberately worsened bottlenecks. The toll lanes will literally stand as a concrete wealth and privilege divide. They will lock in this project's degradation of social and economic justice for generations.

Also not winning, everyone who cares about the failure of government to operate in the public interest. The Governor and maybe the Comptroller would put transportation policy taxpayer dollars and our highways in the hands of an Australian conglomerate that wants only profit and to increase its grasp on public infrastructure.

Mr. Franchot, delay your vote at least until you have a full financial and legal picture of what you are on the brink of giving away. Thank you.

GOVERNOR HOGAN: Next we have Jennifer Russel from Citizens for Traffic Relief.

MS. RUSSEL: Hello?

GOVERNOR HOGAN: Hello.

MS. RUSSEL: Okay. I'm trying to -- one second. I'm just trying to -- okay. I'll forget about the camera. Good afternoon. I'm Jennifer Russel, representing Citizens for Traffic Relief, a nonprofit advocacy coalition of Maryland citizens and businesses aimed at investing in Maryland's transportation network. We have long endorsed and supported the State's plan to use private funding to add managed lanes to I-270 and the American Legion Bridge. With our sister organization, SMTA, we support both roads and transit given that the region needs infusion of capital to implement both to move forward economically. It has never been an either/or situation.

New lane capacity coupled with enhanced transit is the key to any chance of Montgomery County and the region's successful entree into the competition for signature corporations seeking location changes. At present, the county cannot hope to join the big boys, as evidenced by the unsuccessful efforts to lure Amazon. Phase one of the 495-270 P3 program is vital to this region.

Montgomery County has long been touted as the economic engine of Maryland, but without a revamped ALB, which is the lynchpin of this project,

the region is bottlenecked and the engine has no power. The economic impact of phase one south alone is estimated to be over \$3 billion, creating 7,500 new jobs, a benefit that cannot be ignored. Amongst regional voters, the P3 has a 61 percent approval rating with almost certain higher support in Montgomery County's beleaguered up-county where residents have few transit options. These voters must and still need to drive their cars. We can't continue to ignore that reality. They are waiting for relief, which the P3 affords them. Indeed, by 2040 the region's population will increase by another 1.2 million people so congestion will remain an issue. Remember, positive action by the Board today on Items 10-GM and 11-GM would allow a \$6 billion investment in our aging infrastructure and tens of thousands of new jobs.

As we emerge from the pandemic economic crisis, we must put people back to work. The ability for Maryland to compete on the national economic stage is in your hands if you support this long studied improvement to the region's transportation system. Vote yes. Thank you.

GOVERNOR HOGAN: Thank you. Last on our list is Eric Norton from the Central Maryland Transportation Alliance.

MR. NORTON: Good afternoon. Can you hear me?

GOVERNOR HOGAN: Yes.

MR. NORTON: My name is Eric Norton. I am the Director of Policy and Programs for the Central Maryland Transportation Alliance. We're already on the record with written opposition to this project and I have testified before this body before so I won't go into that. Obviously, since I am last you have all heard the case for and against ad nauseam and we're all exhausted. And I think it's not just because of this project in particular. We've been having this fight over highways for decades. It seems obvious to think that if a road is crowded, making it bigger will solve the problem. And Governor Hogan and proponents have always promised more lanes and more roads will offer traffic relief. But they have failed to deliver on that promise over and over again.

My organization crunched the numbers from the Texas Transportation Institute Congestion Report. It gets a lot of attention for ranking like who is the most congested city or region in the country. And using their data, we found that over a 30-year period in greater Baltimore, which is where our work focuses, highway lanes have doubled. Over that same period, the population increased by less than half. So adding more lanes than people should mean traffic was relieved, right? That's the Governor's case here. The Governor said, "we simply cannot relieve traffic congestion without increasing capacity on our roads." But despite adding lanes faster than people, every single measure of congestion has gotten worse. Congestion lane miles increased, annual hours of delay per

commuter quadrupled from nine hours a year to 41 hours a year. Annual cost of congestion increased from \$96 million per year to \$1.5 billion per year. More time spent in traffic, longer commutes, higher costs, that's the great irony here. Governor Hogan likes to label those who disapprove of his plan as pro-traffic activists. But the fact is, there is nothing more pro-traffic than his plan. The project does not relieve traffic, it requires traffic. The cost of creating traffic is too high. It contributes to our climate crisis, it is making racial disparities in health and access to economic opportunity worse.

Comptroller Franchot, the times call for leaders who can chart a bold new direction for transportation, not just plowing ahead doing the same thing we have always done and hoping for different results. Thank you.

GOVERNOR HOGAN: Thank you. I want to thank everyone who testified today. We truly appreciate all of your input. With that, I will open it up to any questions or comments. Comptroller Franchot?

COMPTROLLER FRANCHOT: Yes, Governor, thank you. And I also want to thank everybody who testified in person and virtually. Obviously their thoughts and input are much appreciated and I think we all listened very closely.

I do have a few questions to ask Secretary Slater. Secretary, thank you for being here. Thank you for being on the hot seat. And you may have already addressed a lot of these questions in your long remarks but it has been a long day

so I just want to make sure we're all on the same page, if I could, before the vote is called.

I'd like to do a quick status check on previous commitments. And I know some of these you did mention. I personally am very grateful that you did the monorail feasibility study, which is the first time any government entity in the United States has conducted such a study about monorail. Thank you for that and I appreciate it.

In June 2019, the department committed to setting aside a portion of toll revenue to be directly invested into local transit programs for Montgomery and Frederick. I heard your testimony but could you just confirm once again that we are on track with that commitment?

MR. SLATER: We absolutely are, sir.

COMPTROLLER FRANCHOT: And I remember in your testimony you saying the department committed that no property would be acquired prior to the construction contract being awarded next year and obviously without Board of Public Works approval. So I just want to confirm that no private property has been acquired or will be acquired prior to the construction contract being awarded?

MR. SLATER: That is correct, sir.

COMPTROLLER FRANCHOT: And in June 2019, the department committed that carpools and buses would be able to use the express toll lanes for

free. I assume that is still the case. Do you foresee any changes to that commitment?

MR. SLATER: I do not, sir.

COMPTROLLER FRANCHOT: And let me just talk about the diversified work pool for a moment that you have -- I share the Treasurer's confusion a little bit about what exactly we are doing here. But can you confirm that the building trades, LIUNA, minority owned, women owned, and disadvantaged businesses as well as non-union shops will all have an opportunity to compete and be awarded contracts as part of this project?

MR. SLATER: Yes, sir.

COMPTROLLER FRANCHOT: With respect to the labor commitment, can you confirm for the record that the request for proposals for any construction award for this project will include language that will require project labor agreements to be negotiated and agreed upon at, listen very closely, prime contractor and subcontractor levels of this project between the contract awardees and labor stakeholders, such as Baltimore/DC Building Trades Council and LIUNA prior to the construction award being brought to the Board of Public Works for approval?

MR. SLATER: Yes.

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: Could you repeat that?

COMPTROLLER FRANCHOT: Thank you. And I think none of us are labor experts. But this is, this is something that allows open competition, but it insists upon labor being part of the bargaining table. And the reason for that is there is a lot of distrust with the prime developer here, from Virginia experience. So we need to have this clear. If it's not clear, I'm going to ask for a recess.

MR. SLATER: It is clear, sir. So yes, it includes the prime and the subcontractors. We have reiterated that to the phase developer, that that will be required of them when they bring that contract back to us as part of the construction bids. So we will be requiring that to be in place and then we will have to concur and make sure that, we'll hold them accountable to the proposal that they put in.

COMPTROLLER FRANCHOT: Thank you. If I could just continue through, and I'll turn it over to the Treasurer then. But environmental safeguards, can you confirm that the NEPA review and all the requisite environmental reviews and permits associated with the NEPA process are going to be completed and finalized before the construction award is brought before the Board of Public Works? Does that work with your schedule, do you think?

MR. SLATER: Yes, sir. But there is one small component to that. Some of the stormwater management permits require final engineering. I mean, like the Purple Line for instance, we don't have all those permits in place because



they require that final engineering. But all the permits associated with the NEPA process and all of those environmental permits will be in place as part of our NEPA process. It's just stormwater management, those types of things that require final engineering --

COMPTROLLER FRANCHOT: But other than those --

MR. SLATER: -- would come after that --

COMPTROLLER FRANCHOT: -- right. But there's not going to be shovels in the ground until we vote on the construction award?

MR. SLATER: That is absolutely correct, sir.

COMPTROLLER FRANCHOT: And can you just discuss what Accelerate Maryland Partners did to minimize environmental impact? Or --

MR. SLATER: Absolutely. Let me kind of talk about their environmental commitment and the project a little bit first. But so they committed to work with the resources agencies collaboratively to continue to further avoid and minimize those impacts. In addition, they have committed in their proposal to go above and beyond the minimum stormwater mitigation requirements and doubling the required water quality mitigation requirements and kind of giving that back to the county.

An important kind of component here is the entire interstate system was built before the Clean Water Act. So when we reconstruct that, it will have to be built to today's standards.

COMPTROLLER FRANCHOT: Thank you. And you know the Governor and the Treasurer and I are all obviously principal fiscal officers. And I think I can speak for the Board when I say that each of us have fervently committed to protecting the State's financial interests. But I know you have already discussed financial protections in previous meetings of the Board, but can you briefly summarize very quickly what those protections are for the State's Treasury?

MR. SLATER: Sure. Absolutely. So first let me kind of reiterate the fact that the predevelopment agreement is only for design and preconstruction work. So if the State decides that we do not want to move forward with the construction with our partner, we would reimburse the documented design costs not to exceed \$50 million in exchange for that work product. If we do advance to the construction phase, Accelerated Maryland Partners will take the construction cost risk of delivering the work at the agreed upon fixed price later on. They will also have the toll revenue risk. So if toll revenues don't come to fruition, that risk is on them, not us. We have no revenue risk in this project.

Until the construction is complete, they cannot receive toll revenue. So if toll revenues are not what is expected, they are fully at their risk to repay their lenders and bond holders and it is no recourse to the State for that toll revenue.

COMPTROLLER FRANCHOT: Okay. And then the department apparently committed to the General Assembly that a value for money analysis would be conducted and in a recent legislative hearing you committed that this analysis would be done before the construction award meeting of the Board of Public Works. Is that still on track?

MR. SLATER: That is correct, sir. So to do that value for money analysis you have to really fully understand all the exact construction costs. So as we get those more details, that will be part of the award that comes back through here today. We did a high level one, kind of looking at how we would approach that. But as we come back to the Board, we will have that full value for money analysis submitted to the Board as part of our package for review.

COMPTROLLER FRANCHOT: And can you see any possibility that the State is going to have to forfeit the \$50 million that we are providing I guess as an insurance policy to AMP? You know, the \$50 million that at some point we, obviously we don't pay it up front.

MR. SLATER: Sure.

COMPTROLLER FRANCHOT: At some point, we may be liable. What's the likelihood of that?

MR. SLATER: Well I mean, I think it's extremely unlikely. But in the event that we have to pay up to \$50 million, it would be for the work product that they have developed over the course of the next year that we would then be able to in turn utilize for a replacement of the American Legion Bridge. Because that has got to be done regardless.

TREASURER KOPP: Could I just add, this work product would then be usable for --

MR. SLATER: Yes.

TREASURER KOPP: -- improving the situation some other way?

MR. SLATER: Yes, ma'am.

COMPTROLLER FRANCHOT: Okay. And then I want to just mention on the much, much articulated opposition to tolls, concerning the high toll rates. Maryland Transportation Authority is going to retain the final authority on the tolls, correct?

MR. SLATER: Absolutely. Under Maryland law, the Maryland Transportation Authority Board is the only entity in the State that can set toll rates.

COMPTROLLER FRANCHOT: And that is in place for the whole 50 years, I take it?

MR. SLATER: That is correct.

COMPTROLLER FRANCHOT: And so if the toll rates, are they going to be determined on any given hour of the day once the project is completed? In other words, the concessionaire is not going to have a lot of flexibility here, I assume.

MR. SLATER: No. In fact, sir, we have, so we have our toll rate structure out for public comment today. We have a ceiling on that, a cap on that. Some of the other states around the country have not had a cap. We put a cap on that. We put a soft cap and a hard cap. Soft cap meaning, you know, they have to have our authority to go above a certain dollar threshold, and then a hard cap where no matter what the conditions are they can't go above that. So the toll is going to be set dynamically, based on the traffic in a particular segment. So it may be under one gantry, it may be much less in the next gantry. So when you look at that, it's tolls can vary between that minimum toll and that soft cap rate to keep the traffic moving, kind of a market supply and demand type of a thing. But the soft cap only, you can only go to the soft cap if it deteriorates below that 50 miles an hour or too many vehicles are in that lane jeopardizing the traffic flow. In that type of a situation, that cap can be exceeded by the pre-determined thresholds and the kind of formulas that we have out for comment now.

It is important to know, and that's why I was kind of looking in my notes here, the structure, there's a lot of discussion about kind of high tolls. But when we looked at our structure compared to the other structures across the country, you know, so for instance, US-36 in Denver, the average trip price is \$5.84. On 495 express lanes, same thing. Length, average trip is \$5.40, 14-mile type of a trip. If you look down in North Tarrant in Texas, that's about \$5.65. It's a little bit more on I-72 in North Carolina, it's about \$7.02. The 95 express lanes is a little bit more. It's about \$8.45 is the average toll. For our phase one south, we have our average trip length we see is about 12 miles and the average toll price being about \$3.95. And again, that would be something not used every day.

COMPTROLLER FRANCHOT: Okay. If I could just ask a couple of quick questions about the American Legion Bridge. The deck is due for replacement, I believe, in any event.

MR. SLATER: Within the next ten years, sir.

COMPTROLLER FRANCHOT: So if we do the design and planning now, what advantage does the State benefit from as far as that early planning and early design as far as the bridge?

MR. SLATER: Yes. The earlier the better on projects especially of that magnitude to get started and start being able to financially plan for a project, you know, \$1 billion, \$1.5 billion type of a project, to be able to get that design out

early, through the process that we have today and early planning, being able to design that deck and that bridge replacement and get it out there.

You know, so the challenge we have faced in front of us is we either have to replace the deck within ten years or replace the entire structure within 15. But the pain in traffic for replacing the deck and replacing the bridge is essentially the same. So we'd love to be able to kind of get in there and do it all at one time. So we want to plan for that full replacement.

COMPTROLLER FRANCHOT: Okay. And if, also on the bridge, if future Virginia and Maryland governors, or Maryland and Virginia legislatures, would like to examine the idea of a rail transit line across the American Legion Bridge, are you, can you confirm that the design for the new bridge will not preclude that option?

MR. SLATER: Absolutely. We are committed to making sure that the design of that American Legion Bridge does not preclude any kind of transit improvement in the future. At the same time, we did a joint study with Virginia to look at transit across the American Legion Bridge and found tremendous opportunities for bus service and commuter bus service across the bridge within those HOT lanes.

COMPTROLLER FRANCHOT: Exactly. And there is a lot of conversation, your nickname, the Magician, is because of your ability to converse

with everybody on this issue. I particularly want to make sure my home county of Montgomery continues to be consulted and that you have had productive conversations with folks, as difficult as that may be sometimes.

MR. SLATER: I have. And you know, I mean, I just kind of share privately, you know, I had a discussion with the County Executive before this meeting. I said, no matter what the outcome of this meeting, I'm continuing to be committed to have a productive dialogue and figure out how we can make this project or any replacement of the American Legion Bridge as best as it can be.

COMPTROLLER FRANCHOT: Okay. There also is concern about the historic burial and church grounds of several African American cemeteries, Cabin John and Gibson Grove, AME Zion Church. Are you in touch with them and somehow trying to figure out how their concerns can be allayed?

MR. SLATER: I am, sir. And that's a really important kind of story in our project. It's important to note that, you know, we're still really early in this predevelopment piece. But we have made tremendous progress at the Morning Star Tabernacle No. 88, it's Moses Hall and Cemetery since our draft environmental impact statement that was published 13 months ago.

So in early 2020, we began consultation, we have a super talented group of archaeologists within our department. And they began consultation with the stakeholders, including leadership from the First Agape African American



Methodist Episcopal Zion Church and Friends of Moses Hall, along with the (indiscernible) and Maryland Historic Trust and brought in all the historic groups. And what we did is through these conversations we learned more about the property and how to best preserve and protect it. And so part of our collaboration, we actually officially documented the Moses Hall Cemetery and submitted it for eligibility for the National Register of Historic Places to be able to protect it and have those protections in place. And that was accepted. So over this past year we have been in there and we have removed some invasive bamboo. We have worked with the property to really use some remote sensing technology and survey and carry out kind of what is on that property. The final results are still being worked on, but all of this work is being done in very close consultation with the Friends of Moses Hall. To be responsive to some additional feedback from them, we installed a metal gate to keep people out of the area and then we cleaned up, we spent some time and cleaned up litter and some infrastructure to stop some of the trespassing there. And so we're continuing to work with them. But we're adding native plantings on the property and we'll continue to work with them.

But it is important to note that successfully developed new design options to avoid any ground disturbance within the cemetery boundary. And that's where we are today.

COMPTROLLER FRANCHOT: Okay. And then my staff met with the Greater Farmland Civic Association, which is a group of 981 homes in Montgomery County along 270. They are very concerned about permanent partial property takings and incursions south of the Montrose Road along 270. I hope that you are going to be in continuing conversations with them about their fear of further expansion of the highway going into their backyards, I guess.

MR. SLATER: Absolutely, sir. And so they are an important part. In any community, we are going to continue to further minimize and reduce and eliminate impacts as part of this project.

COMPTROLLER FRANCHOT: And then I understand the Carderock Springs Community, I mean, there are a lot of people who are very interested in this project. But they are very particularly concerned about noise barriers. I'm not sure what the state of the conversation with them is.

MR. SLATER: Absolutely, sir. And I know there is a kind of long history with the Carderock community and trying to get a noise barrier. I understand, you know, a few decades ago there was one committed and it never came to fruition. But we have studied the community as part of this project, and it meets the eligibility requirement for a north barrier. And we will provide that north barrier with the construction of the highway improvements.

COMPTROLLER FRANCHOT: Excellent. And then a lot of conversation obviously has been held as I referenced with the Montgomery County Council, a group of wonderful people, and the County Executive. I just want to check on a couple of things and make sure these are memorialized. I think you said that you are committed to identifying additional transit investments that will be fully developed through ongoing coordination with the affected counties, including Montgomery.

MR. SLATER: Yes, sir.

COMPTROLLER FRANCHOT: And that you are going to fund not less than \$60 million from the development rights fee for design and permitting of high priority transit investments in Montgomery County, such as the phase one of the Corridor Cities Transitway, bus rapid transit, and MD-355 corridor, and other high priority projects. And you are going to work with the county to further develop --

MR. SLATER: Yes, sir.

COMPTROLLER FRANCHOT: -- the details of those --

MR. SLATER: Yes, sir. County DOT, County Council as well as County Executive, sir.

COMPTROLLER FRANCHOT: And following up on what the Treasurer mentioned, the \$300 million of additional transit investment funding is something that you are going to keep us informed about?

MR. SLATER: Absolutely, sir.

COMPTROLLER FRANCHOT: And then I would like to confirm this commitment, that as mitigation, as part of phase one south highway improvements end up or construct new, well you mentioned this, bus bays at Shady Grove, parking capacity at Westfield, provide the necessary bus fleet, construct and equip the Metropolitan Grove Bus Operations and Maintenance Facility.

MR. SLATER: Yes, sir.

COMPTROLLER FRANCHOT: And lastly, appropriately scaled transit investments will be made by MDOT to fulfill its commitment to complete major transit improvements concurrent with all sections of phase one, and I take it that's something you will continue to work with them on?

MR. SLATER: Absolutely. As we go forward north, it's just as important a part as it is on the south. You know, what we found on that system from a traffic perspective first is the bridge really breaks the bottleneck on the south part, and once the bottleneck is broken on the south part then the traffic improves on the north part. It's all kind of connected together. But we know with the growth

in that region that we need both highway and transit improvements that are adaptable and smart and integrated to be able to meet those needs.

COMPTROLLER FRANCHOT: Great. And with the permission of my colleagues, I'd like to enter into the record a letter dated August 10, 2021 between you and Accelerate Maryland Partners, LLC, and the sample language that was included that reads, "bind all contractors and subcontractors," very important, "engaged in construction on the project to comply with the project labor agreement that all parties are going to be involved" --

MR. SLATER: Right.

COMPTROLLER FRANCHOT: -- so I think puts to rest the concern or ambiguity. There is no ambiguity. This is something that is very high priority for myself.

MR. SLATER: Absolutely, sir. And I certainly understand that. And that memorializes the fact that there will be a project labor agreement on this project for primes and subs, but it will also include a process that involves the competition of union and non-union and MBEs and DBEs and everybody out there competing openly.

COMPTROLLER FRANCHOT: Thank you. But they are going to know what they are competing for.

MR. SLATER: Absolutely.

COMPTROLLER FRANCHOT: And who do I give this to? Mr. Secretary, please put that in the record and give copies to everybody. Thank you.

GOVERNOR HOGAN: Thank you. Madam Treasurer, any comments or questions?

TREASURER KOPP: That was a good photo op just then.

(Laughter.)

COMPTROLLER FRANCHOT: Just crossing Ts and dotting Is.

TREASURER KOPP: Yes. Thank you. I think that that was very helpful, your conversation with the Comptroller, following up on a number of points that the Comptroller has been making for a couple of years now, particularly regarding transit.

Governor, I'd just like to say for the record that a number of people have mentioned the State Treasurer's Office obligation under the law to do an analysis of this project in consultation with the Comptroller's Office. I just want to make it clear that that report was made and it was sent to the Legislature and the Governor and is a public document. In that document, the Treasurer's Office said that especially in light of our experience with the Purple Line, which was a much more traditional and clearer type of contract and yet in the end has incurred more cost than we anticipated, that we believed it was appropriate and necessary to bring in the State's bond counsel and financial counsel to look at this and requested an

appropriation of \$100,000 to do so. That was denied, as you have heard. So we did the legal report, but we noticed in that legal report that there were questions that are left unanswered and those questions basically go to the ultimate cost of using this P3 type of agreement rather than the traditionally funded construction.

No one has questioned the need to alleviate congestion. Governor, I don't know if you realize but I think the Comptroller does and many people do, I live within about five miles of the American Legion Bridge. I have driven that route almost five days a week for 50 years. I understand the problems. I also understand when 270 was widened what a benefit that was for a little while, and I am among those who are skeptical about simply widening highways and assuming that they are a long term solution to a problem. But I understand there is a problem and it must be addressed.

The American Legion Bridge is a chokepoint, there is no question about it. It is going to have to be improved within the next ten years or replaced within the next 15 years. No question about that. I do believe we may be unintentionally creating another checkpoint at 370, because we are widening south of 370. And the traffic is going to back up. It's hard to understand how it could not.

Mr. Secretary, I think that the work that you have done since you became Secretary has been outstanding. I don't think it's magic.

MR. SLATER: No.

TREASURER KOPP: I think it's great intelligence and very hard work and true leadership and I appreciate that very much. We did all read the -- about. We haven't read yet, but we have read about the IPCC report that came out yesterday that makes it clear what a crisis climate change is, bordering between crisis and catastrophe. We have to change the way we do things. While I appreciate the fact that the concrete manufacturers and the aggregate manufacturers support this plan strongly, I think we can't just look at more concrete and more aggregates. We have to look at things differently. And we have not yet completed a final environmental impact statement. And even then, the traditional EIS did not address all the problems caused by climate change. It was written for another era.

Because I believe we do not have all the full information on, that went into your decision or your predecessor's decision that we have to do the P3 rather than traditional finance, I have asked for the numbers, we have yet to see them. Because we have not looked at this within the context of a total integrated transportation program within the constraints placed by us, by climate change and global warming, I don't think that we should be committed now to 60 years of this P3 project. And for that reason, and those reasons alone, I am not supportive right now. But I do think we have to address the problem. We have to start, and start soon. I recognize that this concrete pouring is going to go forward. I do recognize



it and I have great faith. You are a planner and I have great faith that this will be planned to the extent possible. But I think it's a mistake not to be doing it on the full information both on the fiscal impact, the environmental impact, and public discussion.

MR. SLATER: Madam Treasurer, thank you. You know, always thoughtful comments. And I'm going to continue to collaborate. And for us, and it's my hope that if we're successful here today that when we come back to you with that 50-year contract, although this one is the predevelopment --

TREASURER KOPP: Right.

MR. SLATER: -- that we're going to have all the information that you are seeking.

TREASURER KOPP: It's very hard for me to believe that we're going to go down this route for the \$50 million and not continue.

GOVERNOR HOGAN: Thank you, Madam Treasurer.

COMPTROLLER FRANCHOT: Thank you, Governor. If I could just also compliment the Secretary, but also yourself and your team and your administration, because it --

TREASURER KOPP: And the Governor who appointed Secretary Slater.

GOVERNOR HOGAN: Still one good thing I did.

COMPTROLLER FRANCHOT: Yeah, I don't want to get the guy fired for crying out loud. So yeah, no, I absolutely agree with the Treasurer that it has been a first rate presentation and I personally appreciate it. I have heard from tens of thousands, literally, tens of thousands of people have emailed our office on this issue, both for and against. I walk down my street in Takoma Park, Sycamore Avenue, half my neighbors come out of their houses with strong opinions about this. And sometimes they are confused and think that it's the original proposal, which was a little more dramatic as far as its impact. But in Takoma Park, if it happens, it gets debated. And I actually personally really appreciate it, and I get some pleasure out of interacting with my neighbors. And as the Treasurer mentioned, we're both long-time residents of Montgomery County and we both know what the traffic congestion is like. And the problem has to be, at least have some interim solution to the ultimate, I'm not sure quite how we are going to handle it down the road.

But I have tried as both Delegate and Comptroller to be a strong proponent and advocate and supporter of mass transit. Nobody was a bigger supporter of the Purple Line. I salute the Governor for his team also looking at that very important mass transit project in Montgomery and Prince George's.

I am concerned about the impact of climate change. My wife is terrified. I mean, the whole thing is just, looks with this U.N. report as if it has to

be moved to a new status. And I understand there are a lot of pragmatic solutions that Montgomery County elected officials have come up with to address traffic congestion. I think we also have to, you know, realize that cars sitting idle on highways waiting for congestion to clear is not a good thing for the environment.

So I actually think the State should continue to invest and expand even more in public transit programs, but we don't have unlimited financial resources like the federal government. So I think we have to identify what is available in front of us. Kicking the can down a highly congested road is no longer an option. We just have to, we can't maintain the status quo and anticipate a worsening of a situation that quite frankly will be too late to solve if we wait another ten or 15 years.

So maintaining the status quo obviously keeps giving Northern Virginia a leg up as far as economic advantage. We can't do that. We need to pay attention to the economy on our side of the river. And we need to make sure that we are going to address the congestion problem or at least attempt to at the American Legion Bridge.

How best to address the problem of course we can debate for a long time. Even with the promise of billions of dollars from the federal infrastructure plan, which a lot of my neighbors think we should wait for and not use the private sector money. Unfortunately that means three, four, five years of review, my

understanding of the federal dollars. So even if those dollars could come down the road, I think we would have a long wait. Many of those dollars have been dedicated to projects like the B&P Douglass Tunnel in Baltimore, to aging bridges and roads elsewhere in the State. So I happen to think this may be a pragmatic solution which with total review we can overcome some of the monumental challenges. I know that this is a \$6 billion, \$7 billion project, so it's a big, expensive project. As the Treasurer was saying, we all seem to have a lot of confidence in our Transportation Secretary to make it happen smoothly. And I actually think that some of the pre-planning is going to be a blessing, because you know, we are building these big, new, fancy, complicated, expensive projects, and if we don't do the planning up front, we can incur a lot of built in design flaws that will cost us a lot more money down the road.

So we are dealing with the choke point at the American Legion Bridge. I kid the Governor and tell him that someday I hope I can maybe name part of the bridge after him because he has put a lot of energy into this project. And it wouldn't be here without him. I believe that the local transit programs are going to benefit. I think we are going to have good paying, family supporting jobs in the trades and industries. I think thanks to the recent announcement from President Biden and America's car manufacturers like General Motors, this actually is going to be good in a way for the environment. All these cars are going to be electric

power, much different from today. And if we are headed towards a net zero emissions as a State sometime in the future, having a lot of electric cars, you know, in fact this could be a lot better than the current situation and it could actually reduce carbon emissions on our roadways.

So I'm in favor of an all hands on deck to relieve the crippling traffic congestion in the area. That means more rail transit, more bus rapid, and whatever appropriate construction and expansion of roadways and highways there is. I have a great deal of faith in the Purple Line project and also in the technology breakthroughs that we're going to see as far as environmental transportation. And I'm very, very pleased with Secretary Slater's very long, very boring, but very informative comments. I mean, this is important for our people to understand, that a lot of thought has gone into this.

Obviously, the Treasurer is going to be very vigilant in monitoring the progress of development of the project, as will I and as will the Governor. But we really want to hold MDOT and their selected vendors accountable and I think that right now the need for action, we need to match our words with action, I guess, and I'd like to make a motion that we move forward with this item and move into the future by taking action today. We're advancing this project to begin the design and planning stages with significant environmental and financial safeguards in place. There are either going to be more studies required because we need to further

this option and moving forward with design and planning. Not doing that, I think, going back to square one, I think we would regret that down the road, given the population growth and the economic growth that we're anticipating. And we need to get some relief to the traffic congestion. And I will just conclude by saying, as I have stated, Governor, I am happy to make the motion to approve this, albeit I have great respect for the Treasurer's position. Because there are a lot of unknowns here. But I want to thank all the stakeholders on both sides of the debate for the thoughtful arguments and discussions that we've had over the last year, frankly. And would move approval of both items.

GOVERNOR HOGAN: Thank you, Mr. Comptroller. I'll second the motion. All those in favor, say aye. Aye.

COMPTROLLER FRANCHOT: Aye.

GOVERNOR HOGAN: All those opposed?

TREASURER KOPP: No.

GOVERNOR HOGAN: The motion carries. Any other questions on the remainder of the Transportation Agenda? Is there a motion for the rest of the Transportation Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second? Three-nothing. And now we're going to move on to, four hours later, but we're going to move to the

Secretary's Agenda. We're going to go to the rest of the Agenda items. So Mr. Secretary?

SECRETARY GONTRUM: Good afternoon, Governor, Madam Treasurer, and Mr. Comptroller. There are 13 items on the Secretary's Agenda. The Board has already approved the substance of Item 1, which was the bond sale. There are five reports of emergency procurements. I'm happy to assist with answering any questions.

GOVERNOR HOGAN: Thank you, John. Are there any questions on the Secretary's Agenda?

TREASURER KOPP: I actually wonder, Mr. Secretary, we didn't actually approve Item 1 yet. So it should be included in the Agenda.

GOVERNOR HOGAN: Yes. Questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Is Webster here?

GOVERNOR HOGAN: Yes, he is.

COMPTROLLER FRANCHOT: I hate to sound like a broken record, but I'm doing it again. Here you've got a contract that is asking for \$16.8 million to extend the base period of the contract by seven months. Is this an emergency request?

MR. YE: It is, Mr. Comptroller. Webster Ye, Assistant Secretary of the Maryland Department of Health.

COMPTROLLER FRANCHOT: Give my best wishes to the Secretary. I am glad you are here, though, because you always know the answers. Why are we doing an emergency procurement extension when we could just bid this out?

MR. YE: Sure. As the Governor announced last week, Delta is hitting our State now. Thanks again to millions of Marylanders who have been vaccinated, it is hitting our State less hard than other states. However, we are still taking very vigilant efforts to protect Marylanders. And very simply, this was a contract that was supposed to end in November of this year. And we modified the contract in July, reported it as an emergency to the Board a day later, and it was originally designed to coincide with the mobile vaccine procurements at the last meeting. And the basic idea is with the call center, we are using that as our central backbone to provide mobile vaccine clinics, provide test results for folks, and do all sorts of extremely important things so that we can deal with and protect Marylanders from delta in the fall.

COMPTROLLER FRANCHOT: So this starts in November.

MR. YE: No, sir. This starts, this started effective August 1st.

COMPTROLLER FRANCHOT: Okay. And it goes until what day?



MR. YE: I believe June 30, 2022.

COMPTROLLER FRANCHOT: Okay. Thank you for that. It's very important, obviously, with delta and God knows what other variants coming along. We need people vaccinated. But you get my drift. And give it to the, please, give my best to the Secretary and tell him to try to get back to normal business.

MR. YE: I will do so. Thank you, Mr. Comptroller.

GOVERNOR HOGAN: Thank you. Is there, are there any other questions or a motion on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-nothing. We're going to move to DNR Real Property. Good morning.

MS. HADDAWAY-RICCIO: Good afternoon, Governor --

GOVERNOR HOGAN: Good afternoon. I said good morning. I think it's good afternoon, Madam Secretary.

MS. HADDAWAY-RICCIO: -- one long morning. Good afternoon to you, and Madam Treasurer and Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources. We have seven items on our Real Property Agenda today for which we are seeking approval and we're happy to answer any questions that you have.

GOVERNOR HOGAN: Thank you, Madam Secretary. Any questions?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. We're going to move to the University System Agenda.

MR. HICKEY: Good afternoon, Governor, Madam Treasurer, Mr. Comptroller. Tom Hickey representing the University System of Maryland. We have two items for your consideration and I'm happy to answer any questions you have.

GOVERNOR HOGAN: Thank you, Tom. Any questions on the University System? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second? Three-nothing. We're going to move on to, last but not least, if he is still awake there, the Department of General Services, Secretary Churchill.

MR. CHURCHILL: Good afternoon, Governor and Madam Treasurer and Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary of the Maryland Department of General Services. We are presenting 41 items on our Agenda today, including one supplemental. Just for the record, we are featuring

\$1.7 million in capital grants and loans, \$6.2 million for education initiatives, and we're making recommendations for awards to four small businesses and four minority businesses as well. And we stand ready to take any questions you may have.

GOVERNOR HOGAN: Thank you, Mr. Secretary. Any questions for DGS?

COMPTROLLER FRANCHOT: I'll defer to the Treasurer, but Item 29 is an old chestnut, this NICUSA contract. The audit is what we are looking for. And I guess what is the status of that and the timing, etcetera?

MR. CHURCHILL: Sure. Thank you for the question, Mr. Comptroller. Concerning the NICUSA audit services, we had issued a (indiscernible) master contractors out on July 21st. We had a pre-proposal conference on this item this month. We expect proposals will be due at the end of August and we would be making a recommendation for the award by October. And we had (indiscernible) during our pre-proposal conference.

COMPTROLLER FRANCHOT: I defer to the Treasurer. This is really something you have led on for --

TREASURER KOPP: Yeah. I have nothing to add.

GOVERNOR HOGAN: We wore her down after four hours, I think.

TREASURER KOPP: But four hours, it's been like four years.

(Laughter.)

COMPTROLLER FRANCHOT: Okay, good. Well, keep us informed.

GOVERNOR HOGAN: Thank you very much. Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three to nothing. Thank you all very much. That concludes the Board of Public Works.

(Whereupon, at 2:00 p.m., the meeting was concluded.)