

April 28, 2021

Proponent Testimony on HB 91
House Infrastructure and Rural Development Committee

Representative Stotzlfus, Ranking Member Brown and fellow Committee members,

Thank you for allowing me to speak in support of HB 91 which would authorize public private initiatives for public facilities in Ohio. My name is Mike Popa and I am with Johnson Controls.

Public private partnerships or P3 arrangements allow creation or improvements to public facilities by leveraging the best practices of both the public and private sectors. In particular, the private sector has the ability to provide guaranteed costs and schedules for the construction *and* operations periods of the facility life. This commitment includes a guaranteed condition of the facility throughout the term of the contract and allows the public sector entity to levy deductions if the building doesn't operate as promised. I have seen these PPPs provide much needed infrastructure improvements first hand. I would like to briefly share several examples of PPP success stories:

- The George Deukmejian (a.k.a. Long Beach) Court Building in California. This courthouse was delivered to the citizens of California approximately two years faster than a normal Design Bid Build process. Now, in the eighth year of operations, this courthouse continues to be a great example of a project that provides budget integrity to the state, offers an excellent working environment for employees and exemplifies a working model of how the public and private sectors can develop infrastructure that is built and maintained to last.
- The City of Long Beach, California, viewed the Deukmejian Court Building as a great success and endeavored to create a civic plaza with a new City Hall building, library, and a city park. Long Beach challenged the private sector to work within the current operating budget for these existing facilities. Although this was a tall order, the project was able to be built with minimal impact to the Long Beach taxpayer and helped the city address a major facilities infrastructure issue.
- The University of Kansas redeveloped a section of campus to serve as research corridor on the campus. This development included a new 48 lab science building to be used for the dual purposes of being a research facility for scientists of today and an education facility for scientists of the future. In addition to replacing some aged infrastructure, the PPP methodology led to a shorter construction cycle with long term sustainability incorporated into all aspects of the project.

These projects not only improved the public sector assets, but served as an economic stimulus through local job creation. In terms of cost efficiencies, value for money analyses have documented that a PPP approach can typically save a public agency between 10-25% of a facilities costs over the period of the contract as compared to a traditionally delivered building.

Johnson Controls is in full support of HB 91 and we urge you to pass it as a new tool for public agencies to rebuild their critical public infrastructure. Public-private partnerships have proven to deliver projects faster, more cost efficiently, and with greater performance over the long-term. Thank you.