

# ANOTHER PUBLIC-PRIVATE PARTNERSHIP DISASTER

## Canada: University of Quebec at Montreal

The University of Quebec at Montreal is another 3P disaster from around the world – a disaster much like the failures (SR 91 and SR 125) that have cost California taxpayers hundreds of millions more than they should have. Because they are so profitable, it is not a surprise that multi-national companies and Wall Street investment houses want to bring more such 3Ps to the “lucrative” California market.

### ***What the experts say:***

Last month, *The Montreal Gazette* reported that a criminal investigation has been launched into two public-private partnership real estate developments at the University of Quebec at Montreal (UQAM), three months after the Quebec auditor-general delivered a scathing report zeroing in on errors, negligence and questionable practices by three senior administrators who oversaw the projects.<sup>1</sup> According to *CBC News*, the Pierre Dansereau science complex was expected to cost \$95 million but has ballooned to \$217 million. Construction on the main project, Ilot Voyageur, stopped in 2006 because the university ran out of money after costs soared almost \$200 million over budget.<sup>2</sup> Together, the two projects are expected to push UQAM’s debt load to \$500 million by 2012, prompting the university to sell off other properties, axe 30 specialized programs and boost student fees.<sup>3</sup>



### **The Public Interest Alternative**

- Require competitive bidding.
- Require public oversight, design and inspection to ensure public safety and cost controls.
- Utilize tax exempt public financing which is as much as 35 percent lower than private borrowing.
- Tolls should be reinvested in our transportation and other public infrastructure.
- Prohibit non-compete clauses and cash payments that prevent improvements to competing public roads, increasing congestion.

<sup>1</sup> *The Montreal Gazette*, “Cops to probe UQAM expenses,” August 26, 2008.

<sup>2</sup> *CBC News*, “UQAM considers legal action against former rector for debt,” June 5, 2008.

<sup>3</sup> *The Montreal Gazette*, “Cops to probe UQAM expenses,” August 26, 2008.