

**Annual Report on  
Public-Private Partnerships  
(State Finance and Procurement Article, § 10A-104(a))**

**A Report to the Maryland General Assembly  
Senate Budget and Taxation  
and  
House Appropriations Committee**

**January 2022**

Maryland Department of Transportation  
Maryland Transportation Authority

MSAR # 9952, 9953, 9728, 9891

## **Introduction**

The Maryland Department of Transportation (MDOT) and Maryland Transportation Authority (MDTA) hereby submit this *Annual Report on Public-Private Partnerships* pursuant to Section 10A-104(a) of the State Finance and Procurement Article of the Maryland Annotated Code. This report is designed to ensure that the budget committees receive sufficient and timely information regarding the status of each public-private partnership (P3) in which MDOT and MDTA are either involved or considering as required by the following statutory language from the State Finance and Procurement Article Section 10A-104(a):

*(a) (1) By January 1 of each year, each reporting agency shall submit to the budget committees, in accordance with §2-1246 of the State Government Article:*

- (i) A report concerning each public-private partnership under consideration that has not been reviewed or approved previously by the General Assembly; and*
- (ii) A status report concerning each existing public-private partnership in which the reporting agency is involved.*

This report includes status reports on MDOT's and MDTA's existing or contemplated projects that meet the following definition of a P3 provided in State Finance and Procurement Article, Section 10A-101(f):

*A method for delivering public infrastructure assets using a long-term, performance-based agreement between a reporting agency and a private entity where appropriate risks and benefits can be allocated in a cost-effective manner between the contractual partners in which:*

- 1. A private entity performs functions normally undertaken by the government, but the reporting agency remains ultimately accountable for the public infrastructure asset and its public function; and*
- 2. The State may retain ownership in the public infrastructure asset and the private entity may be given additional decision-making rights in determining how the asset is financed, developed, constructed, operated, and maintained over its life cycle.*

MDOT is involved in two existing P3s: the Purple Line Light Rail Transit Project and the Seagirt Marine Terminal Project. MDTA is involved in one existing P3: the I-95 Travel Plazas Redevelopment project. In addition, MDOT and MDTA are jointly developing Op Lanes Maryland (formerly known as the I-495 & I-270 P3 Program). Currently, there are no MDOT or MDTA P3s under consideration that have not been previously reviewed or approved by the General Assembly.

## Existing P3s: MDOT

### *Purple Line Light Rail Transit Project*



### Overview of Project

The Maryland Purple Line Light Rail Transit Project (the Purple Line) is a 16.2-mile, 21-station, east-west, light rail transitway that will extend from its western terminus at the Bethesda Metro Station in Montgomery County to its eastern terminus at the New Carrollton Metro Station in Prince George's County, just inside the I-495/Capital Beltway in the Washington, D.C. metropolitan area.

As part of the Purple Line, the MDOT Maryland Transit Administration (MDOT MTA) and its county partners remain committed to certain other improvements, such as:

- Bethesda Red Line Metro Station South Entrance;
- Silver Spring Red Line mezzanine connection;
- College Park Metro Kiss-n-Ride and Bus Loop;
- Capital Crescent Trail;
- Silver Spring Green Trail; and
- University of Maryland bicycle path.

The Purple Line will be largely at grade with one 1,000-foot tunnel in the Long Branch community of Silver Spring, three elevated sections, and several bridge structures. It will operate mainly in dedicated or exclusive lanes, serving five major activity centers just north of Washington, D.C.: Bethesda, Silver Spring, Takoma-Langley Park, College Park/University of Maryland, and New Carrollton. Major commercial and residential projects are either planned or underway in these activity centers, which are experiencing active development.

The Purple Line will serve as a major connector to other transit in the region, including the Washington, D.C. region’s Metrorail system (Metrorail), operated by the Washington Metropolitan Area Transit Authority (WMATA) at four of these major activity centers; and MARC, Maryland’s commuter rail system, at three of these major activity centers (see image below). Also, it will connect to Amtrak services along its Northeast Corridor at New Carrollton. The Purple Line will provide passenger transfer capability at each of the major activity centers; however, it will be physically and operationally independent from Metrorail and MARC operations.



### P3 Solicitation

On November 6, 2013, the BPW formally approved the MDOT MTA’s plan to deliver the Purple Line as a P3 and the proposed competitive solicitation method for selecting a private sector partner. After issuing a Request for Qualifications (RFQ) on November 8, 2013, MDOT MTA shortlisted four private concessionaire teams on January 8, 2014. MDOT MTA released a formal Request for Proposals (RFP) on July 28, 2014. Technical proposals were received from the shortlisted proposer teams on November 17, 2015, followed by financial proposals on December 8, 2015. MDOT MTA announced Purple Line Transit Partners (PLTP) as the preferred proposer in March 2016.

On April 6, 2016, the BPW voted unanimously to approve the 36-year, performance-based P3 Agreement with PLTP to design, build, finance, operate, and maintain the Purple Line. To fulfill its obligations under the P3 Agreement, PLTP procured a design-build contractor, Purple Line Transit Constructors, comprised of Fluor Enterprises, Inc. (Fluor), Traylor Brothers and Lane Construction; a light rail vehicle (LRV) supplier, CAF USA (CAF); and an operations and maintenance provider, Purple Line Transit Operators (PLTO), comprised of Fluor, Alternate Concepts, Inc., and CAF.

The P3 Agreement assigns risks between MDOT MTA and PLTP in which appropriate risks and benefits are allocated in a cost-effective manner between the contractual partners. PLTP is responsible for key aspects of final design, construction, financing, operations, and maintenance of the Purple Line over the six-year design and construction period and an operating period of 30 years. MDOT MTA retains ownership of the asset and remains ultimately accountable for the Purple Line and its public function, including setting fares and policing. The P3 Agreement includes Key Performance Indexes that PLTP will adhere to or face financial and other penalties, ensuring high quality long-term operations and maintenance standards are met. Financial close on the project was reached on June 17, 2016.

### Project Status

On August 3, 2016, the Project's Record of Decision was vacated as a result of a lawsuit filed by the Friends of the Capital Crescent Trail against the Federal Transit Administration. The Record of Decision was later reinstated through the appeals process, but more than 16 months had already been lost. PLTP filed several claims for additional time and money related to this and other project delays. While there was no disagreement that project delays had occurred, MDOT MTA and PLTP were unable to agree on the appropriate remedy and responsible party for those delays. After months of unsuccessful negotiations, PLTP sought to terminate the P3 Agreement. As PLTP began to demobilize the site, MDOT MTA assumed over 150 key contracts, subcontracts, and other agreements to enable the State to continue work on the Project.

Despite these actions, both MDOT MTA and PLTP remained firmly committed to successful completion of the Purple Line and continued their negotiations. On November 24, 2020, MDOT MTA and PLTP announced that they had reached an agreement to settle all Purple Line claims and terminate litigation related to the Purple Line. The BPW approved the settlement agreement on December 16, 2020 (the Settlement Agreement). Pursuant to the Settlement Agreement, MDOT MTA paid a \$250 million settlement payment to the departing design-build contractor, which settled all outstanding financial claims and terminated ongoing litigation. PLTP continued as the Concessionaire, was required to procure a replacement design-build contractor, and agreed to obtain new financing to cover the remaining cost to complete the Project.

PLTP issued a RFQ soliciting statements of qualifications (SOQs) on January 8, 2021. On February 18, 2021, five SOQs were submitted, of which three were responsive and evaluated by PLTP and MDOT MTA. PLTP recommended, and MDOT MTA agreed, to short list all three responsive proposers for the role of replacement design-build contractor. The shortlisted candidates were: 1) Halmar International; 2) Maryland Transit Solutions, a team of Dragados

USA and OHL USA (MTS); and 3) a joint venture of Tutor Perini and Lunda Construction Co. On March 8, 2021, PLTP issued a RFP to the short-listed bidders. Two compliant proposals were submitted on October 15, 2021. After an intensive and thorough evaluation process, PLTP, with concurrence from MDOT MTA, selected the MTS proposal as having the strongest technical proposal and the lowest price, thus providing the best value for the project.

MTS is a joint venture between Dragados and OHLA. Dragados is the managing partner of the team, with 60% ownership and OHLA holds the remaining 40%. Dragados, a wholly owned subsidiary of Dragados S.A., is a leading construction firm with unmatched capabilities in large scale civil infrastructure and engineering projects. As of 2020, Dragados is ranked No. 6 on both the Engineering News Record's (ENR) Top 20 Transportation Firms and Top 50 Domestic Heavy Contractors lists. Over the past eight decades, Dragados has built a reputation as a recognized leader in alternative project delivery, having constructed over 200 design-build and more than 100 P3 projects worldwide. Dragados excels in the transportation sector having built over 1,600 miles of rail and transit projects. Among their notable projects are the \$2.4 billion Los Angeles International Airport Automated People Mover and three light rail projects in Canada with a combined value of \$5.5 billion.

OHLA is the North American division of international construction company Obrascon Huarte Lain, S.A. (OHL). OHL has a 100-year history of successful project deliveries. The firm's U.S. operations provide general contracting, at-risk construction management, design-build, and P3 services for public and private sector clients. OHL ranks No. 3 on ENR's list of Top 10 Transportation Contractors in New York and New Jersey, and No. 15 on the Top 50 Domestic Heavy Contractors list. OHL has owned multiple concessions globally and is well-versed in Design-Build and P3 project administration, financing, and delivery.

On November 5, 2021, PLTP announced MTS as the selected bidder. MDOT anticipates bringing an amendment to the P3 Agreement and approval of a replacement design-build contract to BPW in early 2022. If these items are approved by BPW, PLTP will work to finalize the replacement design-build contract and achieve financial close. Additional information about project financing and schedule will be available upon financial close in early 2022.

### Construction

Upon the departure of the previous design-build contractor, MDOT MTA assumed over 150 key contracts to continue critical construction activities during the selection of a replacement design-build contractor. Limited construction work continued over the past year, including activities and elements such as erosion and sediment control maintenance, bridge structures, retaining walls, the Glenridge Operation and Maintenance Facility, and utility relocations. The Polk Street Maintenance Facility (for Prince George's County), the Paint Branch stream restoration, and the Ken-Gar wetlands mitigation projects are essentially complete. The Polk Street Maintenance Facility has been completed and turned over to Prince George's County has occurred. The Ken-Gar wetlands mitigation project has conducted final inspection and completed final non-native plant treatments. The Paint Branch stream restoration is complete, with removal of erosion and sediment control measures awaiting plant growth coverage.

Assembly of 130 light rail car shell segments has been completed in Spain. Of those 130 car shells, 107 have been delivered to CAF's facility in Elmira, New York, where final assembly of the vehicles is being performed. Thirteen vehicles are in static testing and eight are in various manufacturing stations for fit-up in preparation for static testing. MTA has added two vehicles through exercise of an option in the CAF contract. The additional LRVs will support better operations during early operations.

As of this report, MDOT MTA has approximately 550 sub-contract workers engaged in design and construction activities, roughly 300 fewer than in 2019. This is to be expected due to the departure of the previous design-build contractor and the advent of the COVID-19 pandemic. MDOT MTA expects the number of staff supporting the project to continue to increase in the coming months as more work commences. Ultimately, over 6,300 jobs will be directly created over the course of Purple Line construction. That includes an estimated 4,800 construction jobs, 1,500 professional, scientific, and technical service jobs, and 425 jobs in operations and maintenance.



**Retaining wall installation on Campus Drive in College Park**



**Formwork being finished at Connecticut Avenue in Chevy Chase Lakes**



**The Northwest Branch Bridge under reconstruction on University Boulevard in Adelphi**



Disadvantaged Business Enterprises, Workforce Goals and Compliance

The MDOT MTA’s Purple Line contract established strong Disadvantaged Business Enterprise (DBE) and Nationally Targeted Worker goals for the project. The P3 Agreement established a goal of 26% for Design Services and 22% for Construction Services during the design-build period. Thus far, DBE participation attainment for Design Services is at 47%, which exceeds the established Design Goal of 26% DBE participation; this represents \$49.3 million in spending with DBE-certified firms. Since the commencement of construction in August 2017, the Purple Line project has disbursed \$191 million in payments to DBE firms, which will be counted towards the DBE Participation Goal for Construction Services. Additionally, the project has procured a total of 133 subcontract agreements with 107 different DBE firms for Construction Services. This accounts for the current commitment value of \$348 million towards DBE participation for the construction phase. The MDOT MTA will continue to implement good faith efforts to procure contracts with DBE firms to ensure that all DBE goals are achieved.

The chart below represents commitments to date to the Purple Line DBE Program:

<b>Disadvantaged Business Enterprise Program</b>					
<b>Activities &amp; Goals</b>	<b>Commitments to Date</b>		<b>Paid thru 10/31/2021</b>	<b>DBE Attainment % (Payments vs Contract Value)*</b>	<b>DBE Subcontractor Firms to Date</b>
Design 26%	27.6%	\$29.0M	\$49,304,242	47%	36
Construction 22%	20.9%	\$348M	\$191,305,950	11.7%	107

\* DBE Attainment (payments) value represents the current percentage of DBE Participation in regard to the value of the contract.

Nationally Targeted Workers are persons that reside in Economically Disadvantaged Areas, further defined as a zip code that includes a census tract or portion thereof in which:

- the unemployment rate is at least 1% higher than the national average; or
- at least 50% of the household is earning below 80% of Area Median Income.

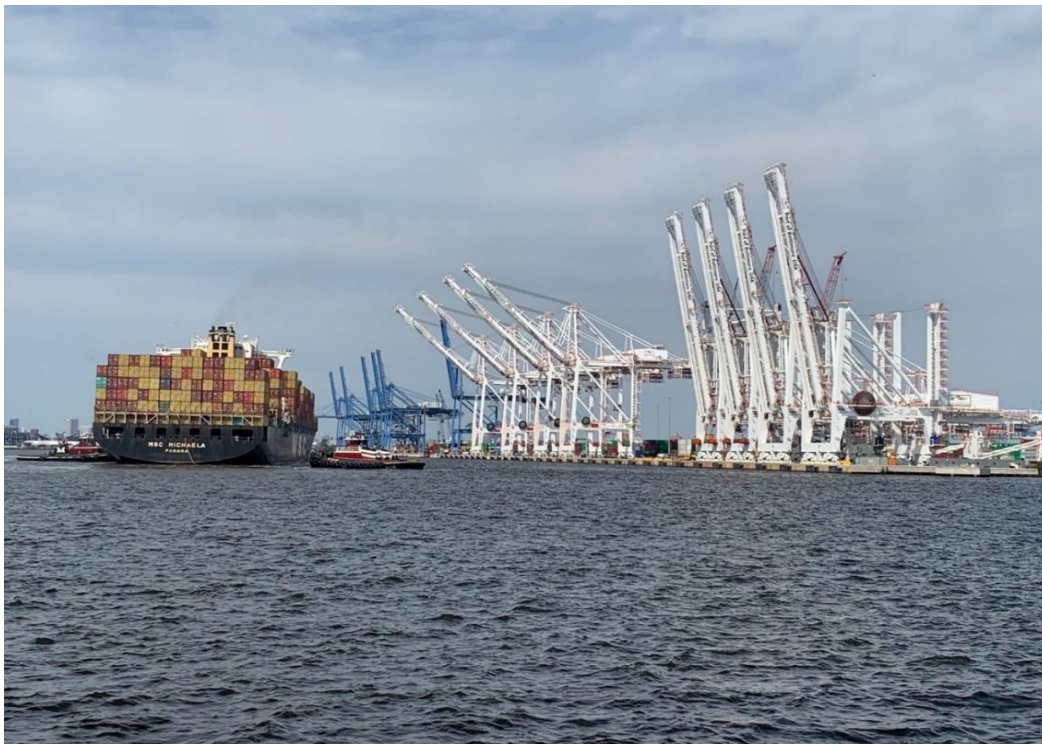
Nationally Targeted Workers of Social Disadvantage face at least one of the following barriers to employment:

- being homeless;
- being a veteran of the armed forces;
- lacking a GED or high school diploma;
- being an apprentice with less than 15% of the apprenticeship hours required for

- journeyman level;
- receiving public assistance;
- suffering from chronic unemployment;
- having a criminal record/ex-felon; and
- emancipated from the foster care system.

As of October 31, 2021, the project has exceeded the established Nationally Targeted Worker overall goal by having 62% of its construction hours completed by members of the Nationally Targeted Worker program.

### *Seagirt Marine Terminal*



### Overview of the Project

Since 1990, the Seagirt Marine Terminal was constructed and developed into the Port of Baltimore's premier container facility, owned by the MDTA and operated by the MDOT Maryland Port Administration (MDOT MPA). In 2008, MDOT MPA was building its vision to ensure the long-term growth of the container business at the Port of Baltimore. With the evolution of larger container vessels and the new expanded Panama Canal due to open in 2014, Seagirt Marine Terminal had outgrown its three 45-foot depth berths and was in need of a fourth 50-foot berth to remain competitive.

## P3 Solicitation

MDOT MPA pursued a P3 for Seagirt Marine Terminal with four primary goals:

- Fund construction of Seagirt Berth IV with 50-foot depth and four supersized cranes;
- Provide ongoing revenues to MDOT MPA for administrative and other port purposes;
- Repay MDTA's investment in Seagirt Marine Terminal; and
- Retain responsibility for terminal security.

After issuing a RFQ in April 2009, MDOT MPA shortlisted two terminal operators. MDOT MPA released a confidential Request for Offers in June 2009 and subsequently received an offer from Ports America Chesapeake, Inc. (PAC) in September 2009. In December 2009, the BPW voted to approve the 50-year lease and concession agreement. On January 12, 2010, PAC assumed operational control of Seagirt Marine Terminal.

## Project Status

PAC performed better than its contractual commitment relative to the new berth. The berth construction was completed in the summer of 2012, two years ahead of the required completion date. Four new, state-of-the-art super Post-Panamax container cranes were purchased and delivered in early fall of 2012. Thus, the State's Port of Baltimore now has a deep, state-of-the-art container berth in place. This ensures a strong competitive position for the Port in the container market. MDOT MPA and PAC jointly market the container business and maintain a strong collaborative working relationship. The P3 Agreement is performing well by all measures. PAC has proven itself to be an excellent tenant, a successful local employer, and a strong community partner.

MDOT MPA continually monitors Seagirt Marine Terminal's key performance indicators, and since the transition, operational efficiency has remained high while cargo throughput has increased. Since the start of 2010, Seagirt Marine Terminal's containerized cargo has increased 159% for an average of 14.4% growth per year through 2020.

Container volumes at Seagirt Marine Terminal have recovered from the negative effects initially brought about by the COVID-19 pandemic. In February 2020, 6,000 containers were handled from the Maersk Edinburgh – a record number for a single ship at the Port of Baltimore. In addition, two new weekly container services started calling Seagirt Marine Terminal in September 2021. Maersk Lines started the first direct service from Vietnam while Mediterranean Shipping Company started a direct service from India.

In CY 2017, MDOT MPA acquired 70 acres of the Point Breeze Industrial Park, located adjacent to Seagirt Marine Terminal. Approximately 36 acres have been leased to PAC on a long-term basis and runs concurrent with the P3. This parcel will be developed by PAC in a manner that will expand Seagirt Marine Terminal and provide expansion opportunities as business develops and grows. PAC has also invested in a secondary gate on New Vail Street to improve access to Seagirt Marine Terminal.

PAC, through a joint venture with Marine Repair Services, opened a dedicated near-dock chassis depot to enhance service levels to the trucker community and the beneficial cargo owners that use Seagirt Marine Terminal. This depot opened December 3, 2018 and provides needed capacity at Seagirt Marine Terminal to handle growing container volumes and to grow jobs.

The Canton Warehouse property was developed by PAC in early 2019 to provide empty container storage. This project increased Seagirt Marine Terminal’s capacity to handle loaded containers and provides truckers with anew gate to access the terminal via the new empty yard.

PAC has committed significant additional capital funds to rehabilitate the existing Berth 3 to provide SMT a much needed second 50-foot-deep berth to handle the large 11,000 to 14,000 twenty-foot equivalent unit vessels now calling the Port of Baltimore. Construction started in August 2020 and is currently underway to deepen Berth 3.

This investment includes the purchase of four additional ship-to-shore cranes, which arrived in September 2021, additional terminal container handling equipment, a new terminal operating computer system, and truck gate improvements to increase truck capacity and velocity. These investments programmed from 2020-2022 show PAC’s commitment to Baltimore and will greatly increase service levels and expand the capacity of the facility to further grow jobs and have a positive impact on our State economy. MDOT MPA was awarded a \$6.6 million grant through the U.S. Department of Transportation’s Better Utilizing Investments to Leverage Development (BUILD) program to contribute to the Berth 3 project, which provided the last piece of funding for this second 50-foot-deep container berth at Seagirt Marine Terminal.

### **Existing P3s: MDOT**

#### ***I-95 Travel Plazas Redevelopment***



**Exterior, Maryland House**



**Exterior, Chesapeake House**

## Overview of the Project

At its opening in 1963, the original John F. Kennedy Memorial Highway (Interstate 95) included the Maryland House Travel Plaza in Harford County, which provided a restaurant and two automotive service stations for highway travelers. The second travel plaza, the Chesapeake House, opened in 1975 north of the Susquehanna River in Cecil County. Since their opening, the facilities have been operated by third-party vendors under revenue-generating contracts with the State. Engineering studies conducted in 2004 and 2005 identified a need for full redevelopment of both locations. Traffic volumes had increased significantly since the original design concept was developed and overcrowding was a problem during peak interstate travel periods, especially on holidays and summer weekends. The facilities were at the end of their design life and the changing nature of highway-oriented food and beverage business required an updated interior and site layout.

## P3 Solicitation

On March 11, 2011, MDTA submitted a letter to the legislative budget committees, as then required under Section 4-406(c)(1) of the Transportation Article of the Annotated Code of Maryland (later repealed), notifying them of the intent to issue a public notice of solicitation for a P3 for the redevelopment and subsequent operation and maintenance of the two travel plazas located on I-95 in Maryland. The project had three goals:

- to obtain new or like-new facilities using a P3;
- to ensure that the facility design and operations will provide a positive customer experience; and
- to provide a fair return to the State and to provide for transfer of the facilities in satisfactory condition at the end of the term.

The MDTA issued an RFP on June 27, 2011. Three proposals were received on November 10, 2011 in response to the RFP. In March 2012, the BPW approved a lease and concession agreement between MDTA and Areas USA MDTP, LLC (Areas USA) to undertake the redevelopment (including financing) and long-term operations and maintenance under MDTA's oversight for a period of 35 years. The P3 Agreement included:

- complete replacement of the Maryland House and Chesapeake House at a combined cost of \$56 million;
- estimated revenue payments to MDTA exceeding \$400 million;
- capital reinvestment in the travel plazas in the range of \$44 - 48 million; and
- operation and maintenance of the travel plazas in a manner that provides a positive customer experience and protects valuable State assets for the next 35 years.

Areas Worldwide is third in the restaurateur industry for travelers worldwide. For 50 years, Areas Worldwide has been providing food, beverage, and retail services to the travel industry and currently maintains a presence in more than 90 airports and 170 service plazas around the world, encompassing 2,100 locations with 23,000 employees. Areas USA began operations in the United States in 2006 and is now servicing 12 airports (including Chicago, Atlanta, and Los Angeles) and 10 service plazas on the Florida Turnpike. Areas USA is ranked second in travel catering in the United States.

### Project Status

The redevelopment of the travel plazas has resulted in appropriately sized primary service facilities accommodating all functional requirements and a separate fuel service station with a canopy, an adequate number of fueling positions, and a convenience store at each location. The primary service facility includes spacious modern restrooms, food service facilities, indoor and outdoor seating, retail space, tourism information, and administrative offices. Areas USA assembled a team to redevelop and operate the travel plazas consisting of nationally known companies and Maryland-based businesses including minority business enterprise (MBE)/ DBE firms.

Sunoco is the fuel concessionaire with an adjacent A-Plus Convenience Store at both travel plazas. At the Maryland House Travel Plaza, Areas USA features food and beverages from Wendy's, Phillips Seafood, Dunkin' Donuts, Jerry's Subs & Pizza, Currito, Nathan's Famous, Auntie Anne's, Carvel, Deli & Co and Elevation Burger inside the Sunoco A-Plus store. Food options at the Chesapeake House include Earl of Sandwich, Pizza Hut, Kentucky Fried Chicken, Wendy's, Peet's Coffee and Tea, Auntie Anne's, and Deli & Co. The latter concept was repurposed in 2020 to feature Maryland and military products, including locally known brands and products from local farms, and is scheduled to reopen in 2021. Both travel plazas offer a variety of retail options that appeal to a diverse market.

In 2015, the Maryland House and Chesapeake House Travel Plazas were awarded with the Leadership in Energy & Environmental Design (LEED) "Silver" Certification Award from the U.S. Green Building Council and the Green Building Certification Institute. Additionally, both travel plazas received the 2015 Maryland Excellence in Design Award from the American Institute of Architects. Areas USA has continued its focus on energy conservation. In 2019, Areas USA replaced less efficient high-mast lighting and interior plaza lighting with LED at the Chesapeake House. In 2020, high-mast lighting improvements were completed at the Maryland House and contribute to a safer and more welcoming environment.

In April 2016, during National Distracted Driving Awareness Month, MDOT officials joined representatives from the Maryland State Police, MDTA Police, AAA, and AT&T to launch a coordinated statewide effort to save lives by unveiling new highway signs designating rest areas as safe texting and calling zones. The official unveiling of the "It Can Wait" highway signs took place at the Maryland House Travel Plaza. Both the Maryland House and Chesapeake House Travel Plazas are designated areas for this important program in the Northern region of I-95.

Both Sunoco gas stations at the travel plazas received awards during a Customer Service Contest in 2016 by the Service Station & Automotive Repair Association in recognition of Excellence in Customer Needs and Appearance. Additionally, Sunoco was awarded the Washington / Maryland / Delaware Dealer Association Supplier Best and Customer Service awards in 2016, 2017, 2018, and 2019. No survey was conducted in 2020 due to COVID-19.

In 2017, electric vehicle charging capability was made available at the travel plazas. The Maryland House and the Chesapeake House Travel Plazas each have six universal charging stations plus one more station in a handicapped-accessible parking space. The Maryland House Travel Plaza has eight Tesla charging stations, and the Chesapeake House Travel Plaza has ten Tesla charging stations (only for use with Tesla vehicles).

Each year, the Maryland House hosts the participants of the annual 9/11 Memorial Motorcycle Ride who are riding in honor of, and to raise money for, the survivors of 9/11. The ride begins at the Flight 93 Memorial in Pennsylvania, then proceeds to the Pentagon Memorial site in Virginia. The riders then head up I-95 to the Maryland House for gas and discounted meals and beverages before they travel to the 9/11 Memorial in New York.

At the Chesapeake House, there are annual wreath laying ceremonies during the Memorial Day and Veteran's Day weekends for the disabled veterans of the Armed Forces, and for the women of Maryland who have served in the military. This event was postponed to CY 2021 due to COVID-19.

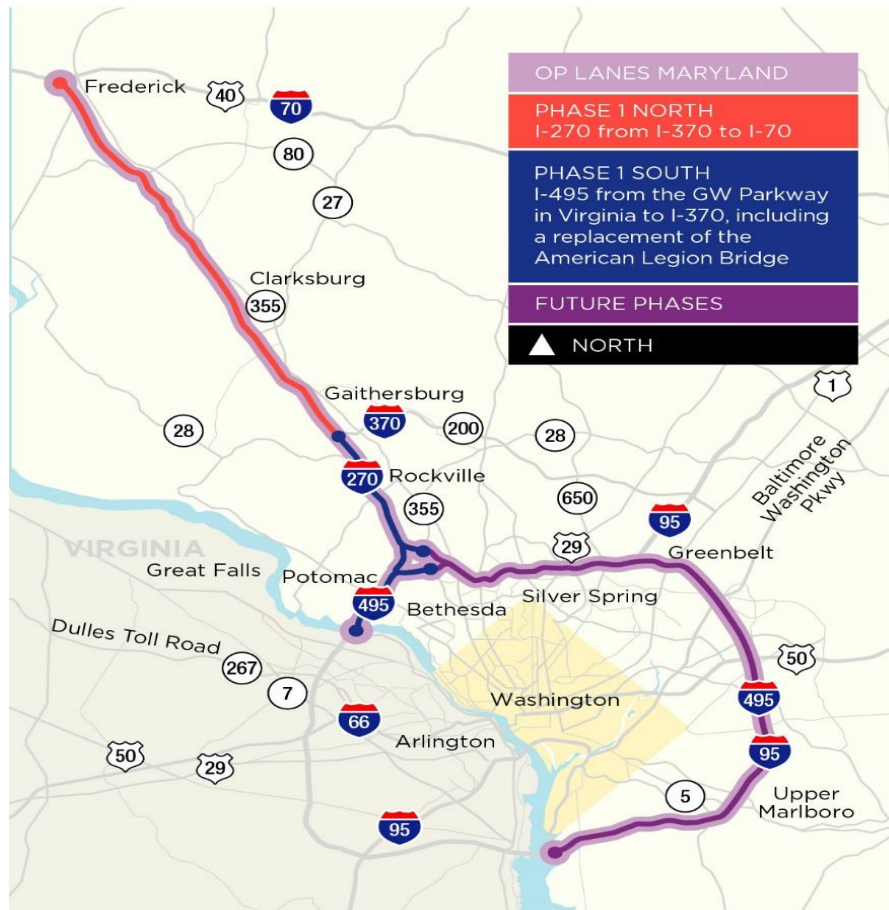
Areas USA's dedication to philanthropic activities and partnering with local organizations has stayed strong. In CY 2020, Areas USA's spend with MBE firms was nearly \$66,000 and Areas has contributed nearly \$81,000 to local charities over its term. Our valued guests have been extremely generous in supporting charities. In a COVID-19-challenged CY 2020, customers donated nearly \$11,000 and have given over \$433,000 since 2014.

In 2020, COVID-19 greatly challenged Areas USA, along with the restaurateur industry due to drops in leisure traffic and a labor shortage that severely impacted the service and hospitality sector. A total of 12 self-order kiosks were operational at both Travel Plazas to improve order time and enhance revenue per ticket.

Moving forward, MDTA anticipates that Areas USA will continue to successfully operate both travel plazas, providing motorists with a safe and welcoming oasis that offers rest and refreshment, while providing MDTA with a steady, reliable revenue stream. Planned improvements include extensive upgrades at the Sunoco fueling stations at both Travel Plazas. These enhancements comprise new high-speed pumps, canopy wraps, price boards, and refreshes to restrooms and front entrances at the convenience stores.

## MDOT and MDTA Joint Development P3s

### *I-495 & I-270 P3 Program*



### Overview of the Project

MDOT and MDTA are jointly developing Op Lanes Maryland (formerly known as the I-495 & I-270 P3 Program) to relieve traffic congestion in the National Capital Region. The MDOT State Highway Administration (MDOT SHA), acting as MDTA's agent, is leading the solicitation and delivery of Op Lanes Maryland.

The project is focused on replacing the aging American Legion Bridge and relieving traffic congestion at one of the nation's biggest bottlenecks. It will provide new options and opportunities for carpoolers, transit riders, cyclists and pedestrians across the interstates, both in Maryland and in Virginia. These critical improvements will better move people, goods and services throughout the National Capital Region for the expected growth in people and jobs coming to Maryland, while still being adaptable to changing travel patterns and demands.



Phase 1 South will provide significant improvement to travel in the National Capital Region by improving travel times and reducing delay, moving more people on the interstates, improving the movement of goods and services, and taking traffic off local roads in Montgomery County, Prince George's County and Washington D.C. It includes adding two new High Occupancy Toll (HOT) managed lanes in each direction on I-495 within the limits of Phase 1 South, converting the existing High Occupancy Vehicle (HOV) managed lane on I-270 into a HOT lane, and adding one additional HOT lane to I-270, giving motorists a consistent, two-HOT-lane option throughout the entire area. Phase 1 North is currently in the early stages of a planning study. Improvements are needed to Phase 1 North with or without the improvements for Phase 1 South.

### *I-495 & I-270 Managed Lanes Study*

On July 10, 2020, the Federal Highway Administration and MDOT SHA published the Draft Environmental Impact Statement (DEIS), and in January 2021, identified Alternative 9 as the MDOT SHA Recommended Preferred Alternative based on results of traffic, engineering, financial, and environmental analyses, as well as public comment. After several months of further coordinating with and listening to agencies and stakeholders regarding Alternative 9 as the Recommended Preferred Alternative, MDOT SHA decided to align the Study to be consistent with the previously determined phased delivery and permitting approach which focused on Phase 1 South only.

As a result, FHWA and MDOT SHA identified a new Recommended Preferred Alternative: Alternative 9 – Phase 1 South. Alternative 9 – Phase 1 South includes the same improvements proposed as part of Alternative 9 but limited to the Phase 1 South limits only. This Preferred Alternative was identified after coordination with resource agencies, the public and stakeholders to respond directly to feedback received on the DEIS, and to align the NEPA approval with the Op Lanes Maryland's planned project phased delivery and permitting approach.

The Preferred Alternative includes a two-lane, High Occupancy Toll (HOT) managed lanes network on I-495 and I-270 within the limits of Phase 1 South only. On I-495, the Preferred Alternative consists of adding two, new HOT managed lanes in each direction from the George Washington Memorial Parkway to the vicinity of MD 187. On I-270, the Preferred Alternative consists of converting the one existing HOV lane in each direction to a HOT managed lane and adding one new HOT managed lane in each direction on I-270 from I-495 to north of I-370 and on the I-270 east and west spurs. There is no action, or no improvements included at this time on I-495 east of the I-270 east spur to MD 5. Transit buses and HOV 3+ vehicles would be permitted to use the managed lanes toll-free.

The comment period for the SDEIS began on October 1, 2021, with a virtual public hearing on November 1, 2021, and continued until November 30, 2021. To review the SDEIS, please refer to [oplanesmd.com/SDEIS/](https://oplanesmd.com/SDEIS/).

### *Pre-NEPA Activities Underway on I-270 from I-370 to I-70*

In 2019, MDOT SHA began preliminary planning or “Pre-NEPA” activities for potential congestion-reliefimprovements on I-270 from I-370 in Gaithersburg to I-70 in Frederick. These activities are intended to identify the purpose and need, develop a range of alternatives, review existing and future traffic volumes, existing environmental conditions, and engage the public in the Pre-NEPA planning activities. MDOT SHA hosted four public workshops in November 2019 to provide an overview of the Pre-NEPA activities and discuss the transportation needs of the corridor and receive feedback from the public on potential solutions. These preliminary activities are still underway in coordination with Frederick and Montgomery counties.

### P3 Solicitation of Phase 1

On June 5, 2019, and later amended on January 8, 2020, the BPW formally approved the MDOT and MDTA’s plan to deliver the project as a P3 and the proposed competitive solicitation method for selecting a private sector partner. After issuing a RFQ in February 2020, MDOT and MDTA shortlisted four teams in July 2020. MDOT and MDTA issued a final RFP in December 2020 to the short-listed teams. Three technical and financial proposals were received from the shortlisted teams in December 2020 and January 2021. A comprehensive evaluation process, including MDOT, MDTA, industry experts, advisors from Montgomery and Frederick counties and an observer from the Federal Highway Administration (FHWA), was conducted to select a partner committed to collaborating with community stakeholders and other partners in advancing the American Legion Bridge and I-270 improvements.

In February 2021, MDOT and MDTA announced the selection of Accelerate Maryland Partners, LLC, (AMP) as the developer responsible for overseeing predevelopment work on the project. The AMP team is composed of the following members: Transurban (USA) Operations, Inc. as Lead Project Developer and Lead Contractor; Macquarie Infrastructure Developments LLC as Lead Project Developer and Lead Contractor; Dewberry Engineers Inc. & Stantec Consulting Services Inc. as Lead Designers; and Bechtel Infrastructure Corporation as Supporting Construction Manager. AMP’s strong predevelopment work proposal demonstrated a strong understanding of the Project and offered well thought-out approaches to manage and mitigate Phase 1 risks. Their proposal also identified detailed solutions to further reduce property impacts, reduce potential utility conflicts, and provide environmental stewardship.

AMP’s predevelopment work proposal outlines potential solutions to provide funding for transit services, community grants, Vision Zero, and an innovation alliance for Phase 1 South. They are estimating that they could provide \$5 million for Vision Zero to improve pedestrian and bicyclist safety along the corridor during construction. Over the 50-year term of the Section P3 Agreement for Phase 1 South, AMP estimated investing \$300 million in transit services, \$50 million in community grants and \$25 million to support emerging technologies through an innovation alliance. Ultimately, the exact investments will be determined as part of the Section P3 Agreement along with the other components to advance final design, construction, financing, operations, and maintenance of the section for 50 years.

On August 11, 2021, the BPW approved the Phase 1 P3 Agreement for predevelopment work. The predevelopment work for Phase 1 South will end with a Committed Section Proposal from AMP for the final design, construction, operation, and maintenance of the Phase 1 South. If approved by MDOT and MDTA, the Committed Section Proposal will form the basis of the agreement for the delivery of the first section (“the Section P3 Agreement”) and will be submitted for review to the Comptroller, the Treasurer, certain legislative committees, the Department of Legislative Services, and the public prior to seeking BPW approval and before any construction may begin.

## Project Status

### *Phase 1 South Toll Rate Range Setting Process*

In May 2021, the MDTA initiated the toll rate range setting process for Phase 1 South: American Legion Bridge I-270 to I-370, and the MDTA Board approved MDTA staff to seek public comment on the tolling proposal. The MDTA staff tolling proposal included:

- *Minimum and Maximum Toll Rate Ranges:* The lowest and highest per-mile toll rates that may be charged within any tolling segment. The minimum toll rate also refers to the lowest total toll (not per mile) that may be charged, regardless of how far a vehicle travels, to ensure short HOT lanes trips are charged a flat minimum toll to cover toll collection costs.
- *Soft Rate Cap:* A per-mile toll rate within each toll rate range that can only be exceeded when vehicle speed is reduced, or traffic volumes increase, to predetermined speed and throughput thresholds. The caps protect our customers by ensuring that the Section Developer may only exceed a specific per-mile toll rate (within the approved ranges) for the impacted tolling segment as specified by the predetermined thresholds. This will provide drivers choosing to use the HOT lanes a faster and more reliable trip.
- *Escalation Factors:* The approved toll rate ranges are intended for the duration of the Phase 1 South agreement (anticipated to be 50 years). For the toll rates to effectively manage demand and ensure reliability for users of the HOT lanes into the future, the maximum toll rate range, soft rate cap and unregistered video surcharge will escalate over time to account for inflation, population employment, and income growth. The minimum toll rate range and minimum toll are subject to escalation for inflation only.
- *Discounts:* To provide opportunities for faster, more reliable carpooling, vanpooling and transit options, free passage will be granted in the HOT lanes for High Occupancy Vehicles (HOV) 3+ (all vehicles carrying three or more passengers) and buses, as well as for motorcycles.

On June 4, 2021, the MDTA announced public hearings for the Phase 1 South: American Legion Bridge I-270 to I-370 tolling proposal. The MDTA held an in-person testimony hearing on Monday, July 12, and a call-in testimony hearing on Wednesday, July 14, 2021. An option to provide either one-on-one or public testimony was given at the in-person hearing. Registration was required to provide testimony at the in-person or call-in public hearings. A quorum of the MDTA Board Members (a minimum of five MDTA Board Members) and the MDTA Chairman or his designee were present for both in-person and call-in testimony public hearings. The MDTA continued to accept voicemail testimony, as well as online and written comments, from the public until 5:00 PM on August 12, 2021 for inclusion in the official record. May 20, 2021 through August 12, 2021 served as the first of three public comment periods included in the Phase 1 South: American Legion Bridge I-270 to I-370 toll rate range setting process. On August 26, 2021, the MDTA staff presented a summary and analysis of comments received during the first public comment period to the MDTA Board via a livestreamed meeting open to the public. The comment summary and analysis, and raw comment database, were also posted to the MDTA webpage on August 26.

On September 30, 2021, the MDTA staff presented the Recommended Action (recommended toll rate ranges) for Phase 1 South: American Legion Bridge I-270 to I-370 to the MDTA Board via a livestreamed meeting open to the public, and received approval to seek public comment on the recommendation. This approval vote initiated the second public comment period, which spanned from September 30, 2021 through 5:00 PM on October 28, 2021. September 30, 2021, through October 28, 2021, served as the second of three public comment periods included in the Phase 1 South: American Legion Bridge I-270 to I-370 toll rate range setting process. In November, MDTA staff posted a summary and analysis of comments received during the second public comment period to MDTA's web site. The toll rate range was approved by the MDTA Board on November 18, 2021.

### *Continued Community and Stakeholder Engagement*

As part of Op Lanes Maryland, MDOT SHA has been involved in extensive community outreach. Following the publication of the DEIS in July 2020, MDOT SHA has considered nearly 3,000 comments submitted via email, phone, online and hard copy comment forms, and public testimony. Public comments have been, and will continue to be, considered at each stage and engagement opportunities will continue throughout the development of Op Lanes Maryland. This includes the comments received on the SDEIS from October 1, 2021 to November 30, 2021 which are being considered in developing the Final Environmental Impact Statement.

### *Opportunity MDOT*

In addition to providing travelers with congestion relief, the P3 Program has initiated Opportunity MDOT, which is intended to provide new potential economic opportunities for Marylanders. Maryland businesses and workforce will benefit from the estimated \$3 to \$3.5 billion economic investment in Phase 1 South; these funds will assist Maryland's businesses, workforce, and economy in recovering from the COVID-19 pandemic, as well as allow them to further strengthen and grow. In October 2021, Opportunity MDOT and AMP invited small-,

minority- and women- owned businesses to attend a virtual DBE Networking & Matchmaking Event to meet the AMP team, learn about the project, understand the Design & Construction procurement process, and meet the Design & Construction shortlisted contractors. The event included one-on-one meetings with the Design & Construction shortlisted teams for matchmaking sessions.