

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 2023

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.*

MDOT is involved in two existing P3s: the Seagirt Marine Terminal Project and the Purple Line Light Rail Transit Project and the MDTA is involved in one existing P3: the I-95 Travel Plazas Redevelopment project. In addition, the MDOT and the 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 MDOT P3s

Seagirt Marine Terminal

Overview of the Project

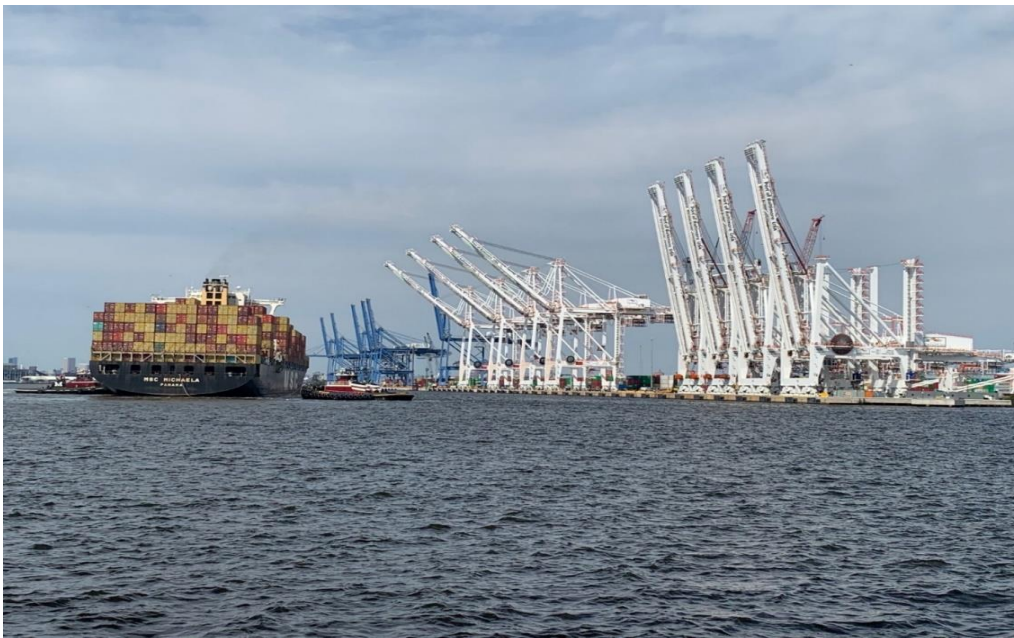
Since 1990, the Seagirt Marine Terminal was constructed and developed into the Port of Baltimore's premier container facility, owned by the MDTA, and operated by the MDOT Maryland Port Administration (MDOT MPA). In 2008, the MDOT MPA was building its vision to ensure the long-term growth of the container 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 needed a fourth 50-foot berth to remain competitive.

P3 Solicitation

The 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 Request for Quote (RFQ) in April 2009, the MDOT MPA shortlisted two terminal operators. The 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 Board of Public Works (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, Maryland'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 133 percent for an average of 11.1 percent growth per year through 2021.

In 2022, two new containers services started calling Seagirt Marine Terminal. In March 2022, ZIM Integrated Shipping Services announced the launch of the ZIM Ecommerce Baltimore Express (ZXB), offering a direct call between Vietnam and Baltimore. In June 2022, Mediterranean Shipping Company announced their Santana service from Asia will start calling Seagirt.

In CY 2017, the 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 lease that runs concurrent with the P3. This parcel will be developed by PAC to expand Seagirt Marine Terminal and provide expansion opportunities as business develops and grows. PAC also invested in a secondary gate on New Vail Street to improve access to Seagirt.

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 Seagirt Marine Terminal a much needed second 50-foot-deep berth to handle the large 11,000 to 14,000 twenty-foot equivalent unit vessels now calling Maryland's Port of Baltimore. Construction has been completed and Berth 3 is now operational.

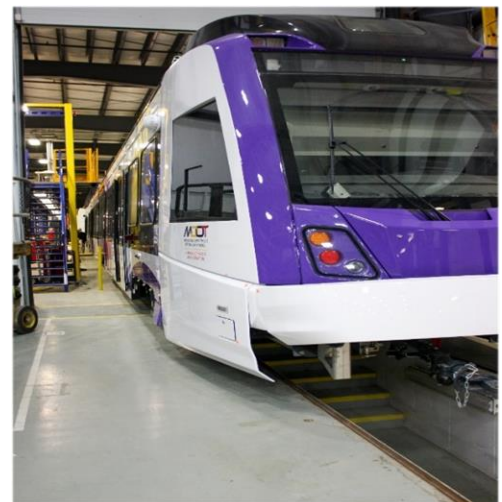
This investment includes the purchase of four additional ship-to-shore cranes, additional terminal container handling equipment, a new terminal operating computer system, and truck gate improvements to increase truck capacity and velocity. These investments programmed from 2020-2022 show PAC's commitment 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 Maryland's economy. MDOT MPA was awarded a \$6.6 million grant through the U.S. Department of Transportation's Better Utilizing Investments to Leverage Development 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.

In June 2022, MDOT MPA was awarded \$15.6 million through the Federal Railroad Administration's Consolidated Rail and Infrastructure Safety Improvements program. The grant

will allow PAC to reconstruct and update Seagirt Marine Terminal's intermodal railyard infrastructure and support the demand for double stacked trains of containerized cargo. The success of the Seagirt P3 will further be bolstered by completion of the long-awaited Howard Street Tunnel expansion project. The project will allow for double-stacked container rail cars, clearing a longtime hurdle for the Port and giving the East Coast seamless double-stack capacity from Maine to Florida. The project involves clearance improvements in the 127-year-old tunnel and at 21 other locations between Baltimore and Philadelphia. With the tunnel expansion project, Baltimore will be able to send double stacked containers by rail into the Ohio Valley and onto Chicago.

Groundbreaking on CSX's project occurred in November 2021 and the project is scheduled to be completed in 2025. The Howard Street Tunnel project benefits from public-private investment from the federal government, Maryland, CSX, and others, and is expected to increase the Port's business by about 160,000 containers annually. It will also generate about 6,550 construction jobs and an additional 7,300 jobs from the increased business.

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.

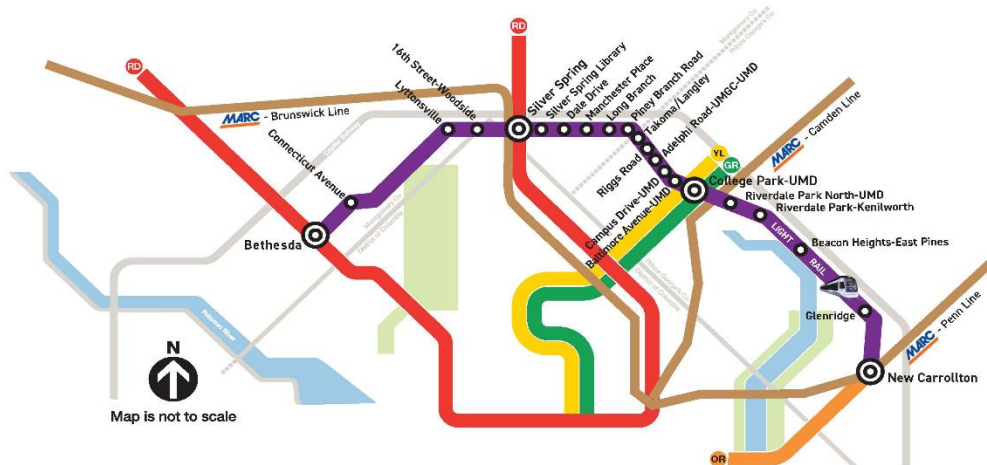
The Purple Line will be largely at grade with one 1,000-foot tunnel in the Long Branch community of Silver Spring, three elevated sections, and several bridge structures. It will operate mainly in dedicated or exclusive lanes, serving five major activity centers just north of Washington, D.C.: Bethesda, 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 service 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.

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 (completed June 2022);
- Capital Crescent Trail;
- Silver Spring Green Trail; and others.



P3 Solicitations

On November 6, 2013, the BPW approved the MDOT MTA's plan to deliver the Purple Line as a P3. Following a two-step request for qualifications (RFQ) and request for proposals (RFP) process, 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.

Following a lawsuit that vacated the project's Record of Decision (ROD) for more than a year and other project delays, PLTP's design-build contractor filed a notice of termination. In the

absence of a design-build contractor, MDOT MTA assumed over 150 key contracts, subcontracts, and other agreements to enable the State to continue work on the project.

On December 26, 2020, the BPW approved a settlement agreement between the MDOT MTA and PLTP to resolve all Purple Line claims and terminate litigation related to the project. Pursuant to the Settlement Agreement, the MDOT MTA paid a \$250 million settlement payment to the departing design-build contractor, which settled all outstanding financial claims and terminated litigation. PLTP continued as the Concessionaire and remained responsible for procuring a replacement design-build contractor and for obtaining new financing to cover the remaining cost to complete the project.

PLTP utilized a two-step RFQ and RFP process to select a new design-build contractor. The RFQ was issued in January 2021 and in November 2021, PLTP announced Maryland Transit Solutions (MTS), a joint venture between Dragados and OHL USA, North American division of international construction company Obrascón Hurte Lain, S.A. (OHL), as the selected bidder. In January 2022, the BPW unanimously approved a modification to the Purple Line P3 Agreement to select MTS as the replacement design-build team to complete the Purple Line, adjust the agreement cost, and modify the start of operations to late 2026.

The modified P3 Agreement has a cost of \$9.3 billion, which includes the \$3.4 billion design-build cost for the project, debt repayment costs, and the cost to operate and maintain the facility for 30 years. Reflecting the post-pandemic market, the total project cost included rising material costs across the industry, material shortages due to supply chain challenges, a smaller labor force, increases in the insurance market and other factors. Commercial and financial close followed in April 2022.

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.

Construction

As of this report, MDOT MTA was continuing critical construction, including activities and elements such as erosion and sediment control maintenance, bridge structures, retaining walls, utility relocations, and the commissioning of the Glenridge Operation and Maintenance Facility. The Polk Street Maintenance Facility (for Prince George's County), the Paint Branch stream restoration, and the Ken-Gar wetlands mitigation projects were completed. Assembly of 26 of 28 light rail cars have been completed at CAF's facility in Elmira, New York. MDOT MTA added two vehicles through exercise of an option in the CAF contract. The additional LRVs will support better operations.



Crews completed the Seaford Road underpass in Chevy Chase, a key access point for local high school students and other pedestrians.



Work crews resumed construction near the Bethesda Shaft, which will provide access to both the Purple Line and WMATA's Red Line.



Crews pouring concrete on the bridge over Rock Creek.

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 percent for Design Services and 22 percent for Construction Services during the design-build period. As of October 31, 2022, DBE participation attainment for Design Services is at 48 percent, which exceeds the established Design Goal of 26 percent DBE participation; this represents \$50.1 million in spending with DBE-certified firms. Since the commencement of construction in August 2017, the Purple Line project has disbursed \$233 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 146 subcontract agreements with 96 different DBE firms for Construction Services. This accounts for the current commitment value of \$339 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 DBE Participation through October 31, 2022, on the Purple Line DBE Program:

DBE PARTICIPATION OCTOBER 2022

ACTIVITY	DBE GOAL	DBE COMMITMENTS (CONTRACTS AWARDED)		DBE GOAL ATTAINMENT (PAYMENTS TO DBE SUBCONTRACTORS)		DBE SUBCONTRACTOR FIRMS
	(%)	(%)	(\$)	(%)*	(\$)	
Design	26%	27.6%	\$29 M	48.0%	\$50.2 M	36
Construction	22%	11.3%	\$339 M	8.0%	\$233 M	96

* 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 percent higher than the national average; or
- at least 50 percent of the household is earning below 80 percent 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 percent 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, 2022, the Project has exceeded the established Nationally Targeted Worker overall goal by having 62 percent of its construction hours completed by members of the Nationally Targeted Worker program.

Existing MDTA P3s

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, the MDTA submitted a letter to the legislative budget committees, as 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, financing, operation, and maintenance of the two Travel Plazas located on I-95 in Maryland. The project had three goals:

- Obtain new or like-new facilities using a P3;
- Ensure that the facility design and operations will provide a positive customer experience; and
- 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 a Request for Proposal (RFP) in June 2011 and proposals were due in November 2011. In March 2012, the BPW approved a lease and concession agreement between the MDTA and Areas USA MDTP, LLC (Areas USA) for the project. The P3 Agreement includes:

- Complete replacement of the Maryland House and Chesapeake House at a combined cost of \$56 million;
- Estimated revenue payments to the 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.

Project Status

The redevelopment of the Travel Plazas 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.

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. Sunoco is the fuel concessionaire with an adjacent A-Plus

Convenience Store at both Travel Plazas. Both Travel Plazas offer a variety of retail options that appeal to a diverse market.



Maryland merchandise and products for sale at Deli and Co., Maryland House.



Military apparel for sale at Deli and Co., Chesapeake House.

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.

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, 2019 and 2021.

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 and then proceeds to the Pentagon Memorial site in Virginia. From there, the riders head up I-95 to the Maryland House for gas, discounted meals and beverages before traveling to the 9/11 Memorial in New York.



America's 9/11 Ride, August 21, 2021, Maryland House.

Areas USA's dedication to philanthropic activities and partnering with local organizations has remained strong. In CY 2021, Areas USA's spend with MBE firms was nearly \$51,000 and Areas has contributed nearly \$119,000 to local charities over its term. Our valued guests have been extremely generous in supporting charities. In CY 2021, customers donated nearly \$11,000 and have given nearly \$400,000 since 2012.

In 2021, the fuel station operations at both Houses were significantly upgraded. Sunoco refreshed the stations with new high-speed pumps, brighter lighting, canopy wraps, and price boards. It also remodeled the restrooms and front entrances at the convenience stores, along with coffee and soda fountain areas to a more modern and sleeker look.

Moving forward, the 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 the MDTA with a steady, reliable revenue stream. Planned improvements by Areas USA for FY 2023 include significant renovations of the restrooms, milling and paving of parking lots, ramps, and roads, replacing the beverage stations, opening of new eateries and the installation of a fountain dedicated to our nation's veterans at the Chesapeake House.

MDOT and MDTA Joint Development P3

Op Lanes Maryland

Overview of the Project

The 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 development and delivery of Op Lanes Maryland.

The project is focused on replacing the aging American Legion Bridge and relieving traffic congestion by addressing existing traffic and long-term traffic growth in the National Capital Region. It will provide new multimodal options and opportunities for carpoolers, transit riders, cyclists, and pedestrians across the interstates, both in Maryland and in Virginia, including a pedestrian and bicycle facility across the bridge. These critical improvements will better move people, goods, and services throughout the 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. The project is expected to reduce system wide delays by up to 38 percent during peak travel periods and reduce congestion-related delays on local roads by 4.8 percent daily. Phase 1 South 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, which involves I-270 between I-370 and I-70, remains in the early stages of a planning study and will consider improvements completed as part of Phase 1 South.



Congestion along the American Legion Bridge and I-270.

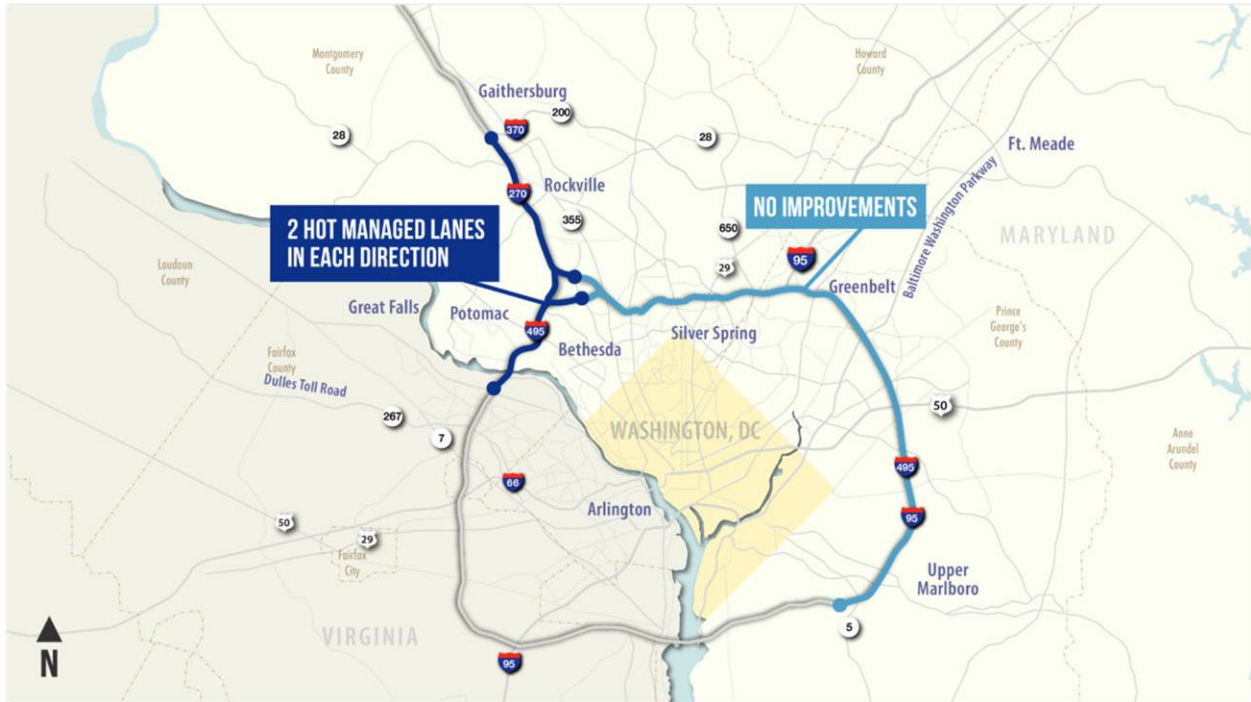
I-495 & I-270 Managed Lanes Study

On July 10, 2020, the Federal Highway Administration (FHWA) and the 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, the 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.

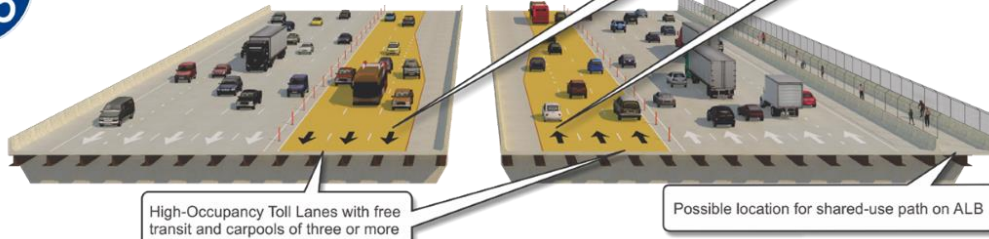
As a result, the FHWA and MDOT SHA identified a new Recommended Preferred Alternative: Alternative 9 – Phase 1 South. Alternative 9 – Phase 1 South includes the same improvements proposed as part of Alternative 9 but limited to the Phase 1 South limits only. This Preferred Alternative was identified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

A Supplemental DEIS for Alternative 9 – Phase 1 South was published on October 1, 2021, and identified Alternative 9 – Phase 1 South as the Preferred Alternative. The Preferred Alternative includes a two-lane, 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.

In June 2022, the MDOT SHA and FHWA published the Final Environmental Impact Statement (FEIS). The FEIS provided responses to more than 5,000 comments received on the DEIS and the Supplemental DEIS, as well as final traffic, engineering and environmental analyses related to Alternative 9 – Phase 1 South.



American Legion Bridge



View of ALB from Virginia looking north towards Maryland



Convert existing HOV lane to HOT lane and add one HOT lane in each direction on I-270 between I-495 and I-370 and the I-270 East Spur from MD 187 to I-270



In August 2022, the MDOT SHA and FHWA announced the Record of Decision (ROD) and Selected Alternative for the I-495 & I-270 Managed Lanes Study (MLS). The ROD marked the final milestone in a NEPA process that spanned more than four years and included 16 public workshops and seven public hearings with an extended public comment period totaling more than six months. Additionally, more than 200 stakeholder, community, elected official and business meetings were held to present study information and hear concerns and feedback.

In addition to the HOT managed lanes, the Selected Alternative includes new or upgraded pedestrian and bicycle improvements within the area of Phase 1 South and creates new transportation options with a shared-use bicycle and pedestrian path on the east side of the American Legion Bridge across the Potomac River, connecting miles of existing trail networks in Maryland and Virginia. A direct connection of the shared-use path from the bridge to the Chesapeake and Ohio Canal towpath is included in the alternative.

The Selected Alternative also creates new opportunities for regional transit bus service through a reliable trip in the HOT managed lanes and would support carpooling by allowing HOV3+ vehicles and transit vehicles to travel in the HOT managed lanes toll free. Other multimodal benefits identified in the FEIS and ROD include commitments to increase the number of bus bays at WMATA Shady Grove Metrorail Station and parking capacity at Westfield Montgomery Mall Transit Center.



Public Hearings

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

In 2019, the MDOT SHA began preliminary planning or “Pre-NEPA” activities for potential congestion-relief improvements on I-270 from I-370 in Gaithersburg to I-70 in Frederick. These activities were intended to identify the purpose and need, develop a range of alternatives, review existing and future traffic volumes, inventory existing environmental conditions, and engage the public in the Pre-NEPA planning activities. The 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.

The Pre-NEPA activities have identified four key need elements that will be utilized to screen alternatives in Pre-NEPA and in the future NEPA effort. These elements include:

- Reducing congestion;
- Improving trip reliability;
- Enhancing Multimodal Connectivity; and
- Ensuring the proposed alternatives are financially viable.

A range of transit improvements between Frederick and Shady Grove could be examined as part of a Phase 1 North NEPA study. Additional planning and preliminary design work is anticipated to start in 2023 and take approximately three years to complete.

Phase 1 P3 Solicitation and Predevelopment Work

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 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, the MDOT and MDTA announced the selection of Accelerate Maryland Partners, LLC, (AM Partners) as the developer responsible for overseeing predevelopment work on the project. The AM Partners 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. On September 21, 2022, AM Partners announced Tutor Perini as the design and construction (D&C) contractor for Phase 1 South.

Ongoing predevelopment work has included conceptual design for highways, stormwater management, structures, and utilities; due diligence activities such as environmental and topographic surveys, soil borings, hazardous materials investigations, and utility designations; development of cost and financial models; and development of tolling and operations and maintenance plans. The predevelopment work for Phase 1 South is expected to result in a Committed Section Proposal from AM Partners for the final design, construction, operation, and maintenance of the Phase 1 South. If approved by the 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.

Phase 1 South Toll Rate Range Setting Process

In May 2021, the MDTA initiated the toll rate range setting process for Phase 1 South: New American Legion Bridge I-270 to I-370 Traffic Relief Plan, 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 HOV 3+ and motorcycles.

In June 2021, the MDTA announced public hearings for the Phase 1 South: American Legion Bridge I-270 to I-370 Traffic Relief Plan tolling proposal. Public hearings were held in July 2021 and the public comment period extended through August 2021. In September 2021, the MDTA staff presented the Recommended Action (recommended toll rate ranges) for Phase 1 South: American Legion Bridge I-270 to I-370 Traffic Relief Plan to the MDTA Board and received approval to seek public comment on the recommendation. This approval vote initiated the second public comment period, which lasted through October 2021. In November 2021, 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 considered nearly 5,000 comments submitted via email, phone, online and hard copy comment forms, and public testimony. Public comments were considered at each stage and engagement opportunities will continue throughout the development of Op Lanes Maryland. This includes the comments received on the Supplemental DEIS from October 1, 2021, to November 30, 2021, which were considered in developing the FEIS. Other community engagement in 2022 included participation in 14 events ranging from the Urbana Latino Celebration to the Bethesda Arts Festival, Bike to Work Day and the Pike Central Farmers Market.



Community engagement at pop-up events

Opportunity MDOT

In addition to providing travelers with congestion relief, Op Lanes Maryland includes Opportunity MDOT, which is intended to provide new potential economic opportunities for Marylanders. Maryland businesses and workforce will benefit from the estimated \$3.75 to \$4.25 billion 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 AM Partners invited small, minority and women-owned businesses to attend a virtual DBE Networking & Matchmaking Event to meet the AM Partners 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.

Throughout 2022, Opportunity MDOT continued its outreach through participation in more than a dozen events designed to engage the small and minority business community. The activities included The Mega Maryland Conference; 7th Annual Maryland Small & Minority Business Opportunities & Entrepreneurial Training Summit and the Maryland Hispanic Business Conference – Job Expo.