

**P3
PROGRAM**



WELCOME

I-495 & I-270 P3 Program INDUSTRY FORUM



AGENDA

- Secretary's Remarks
- Traffic Relief Plan Overview
- I-495 & I-270 P3 Program Update / Phase 1 Solicitation
- Opportunities for Minority Business Enterprises (MBEs) and Disadvantaged Business Enterprises (DBEs)
- Next Steps
- Networking

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Secretary's Remarks



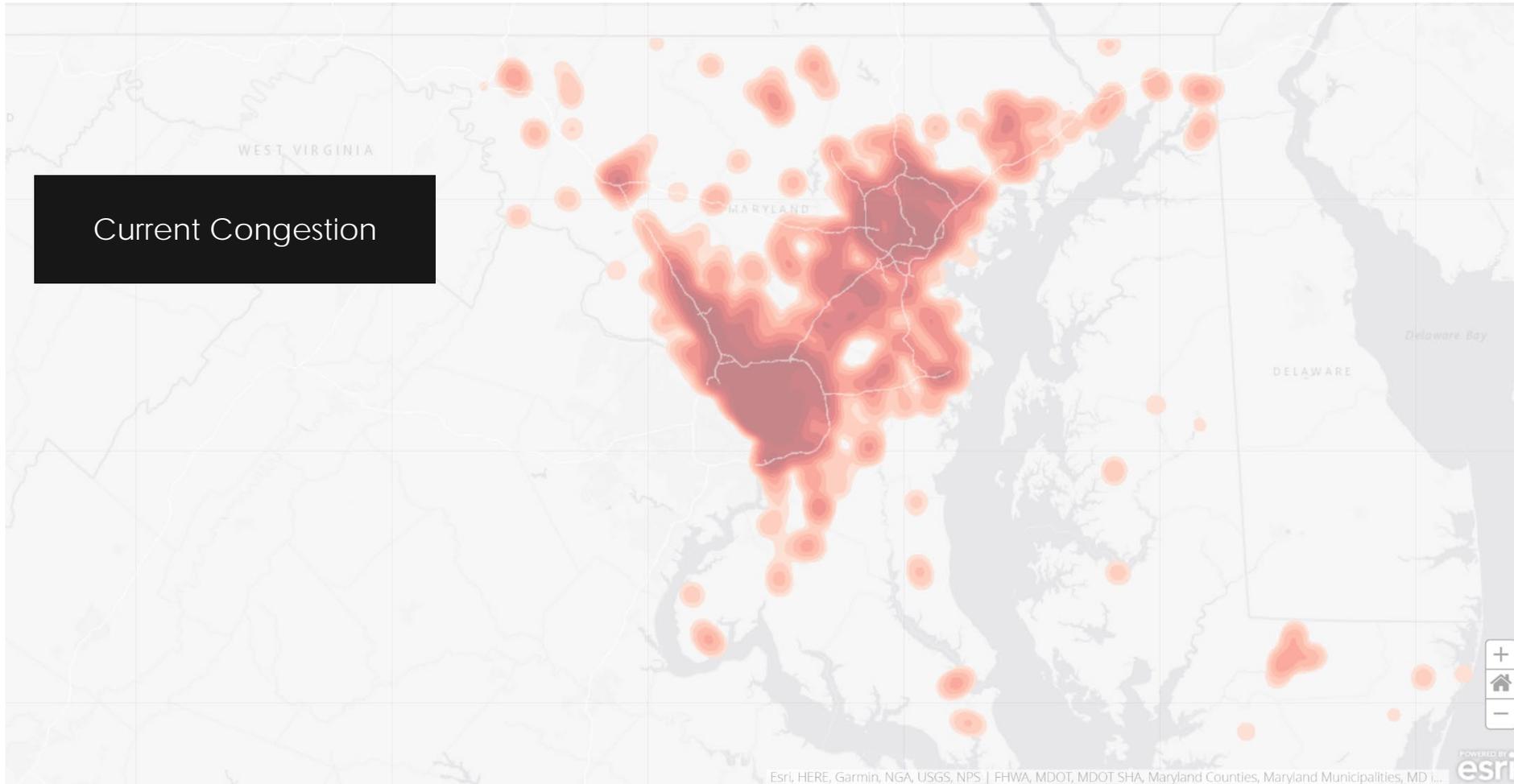
**Pete K. Rahn,
MDOT Secretary**



TODAY

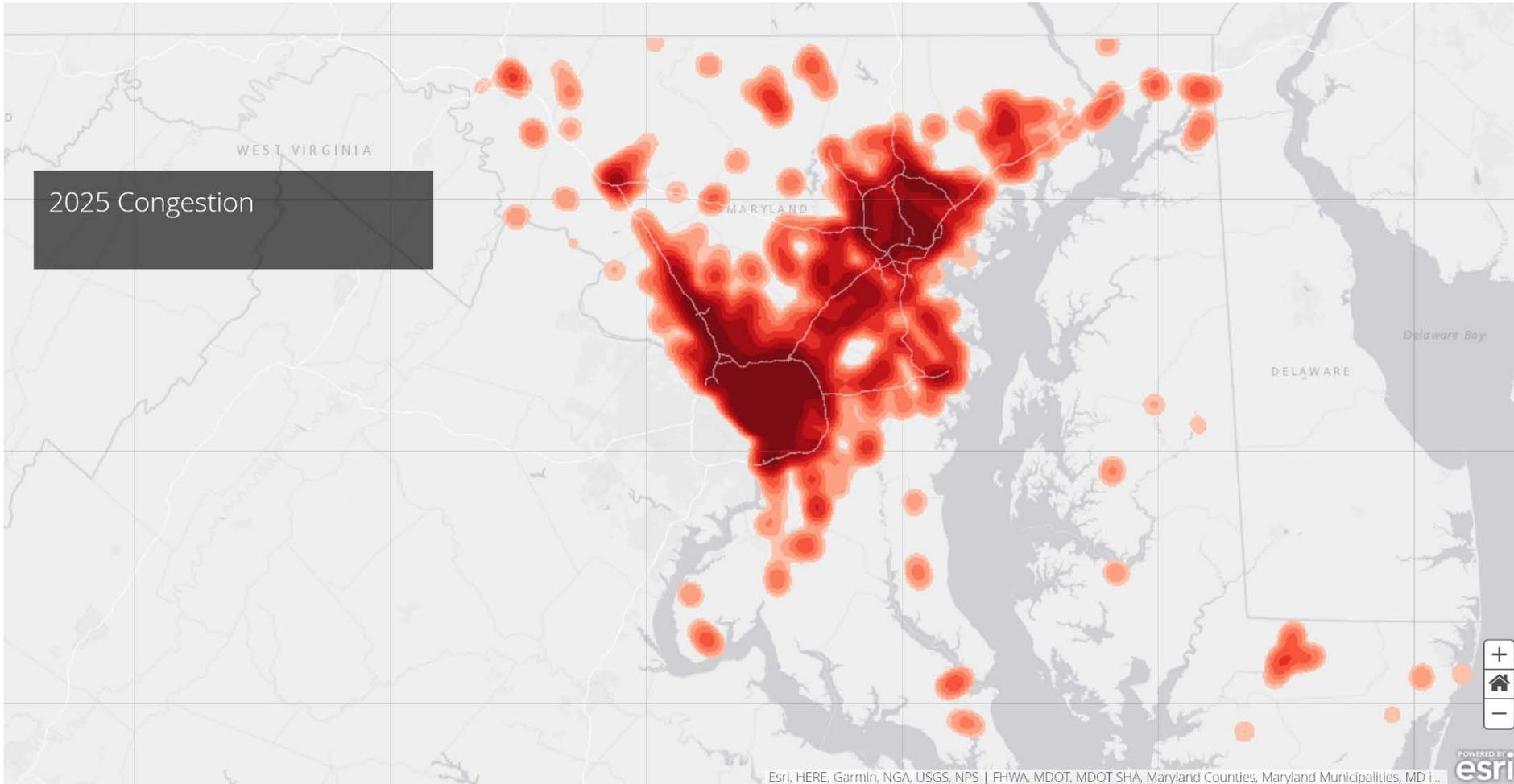


Growing congestion



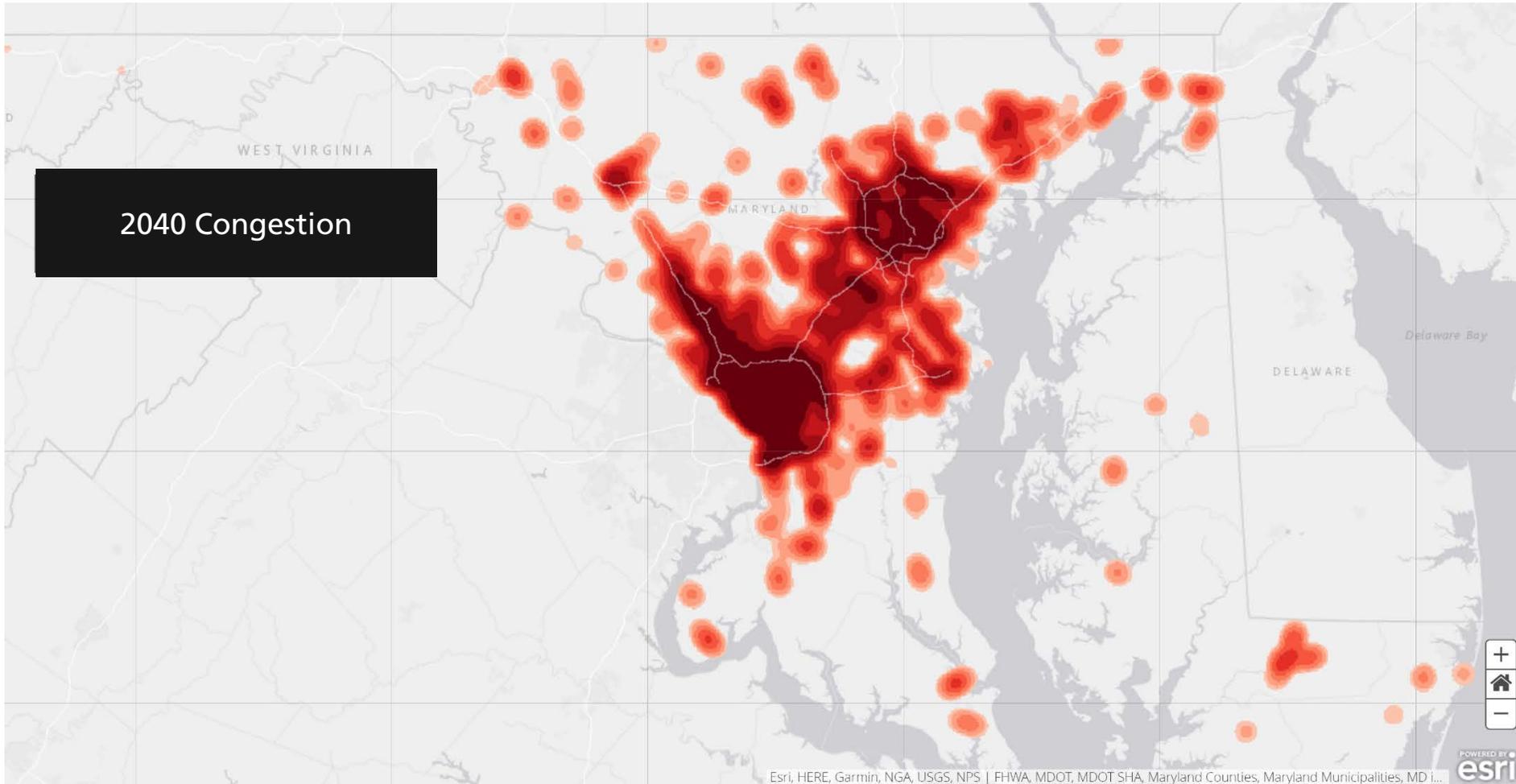


Growing congestion





Growing congestion





P3 Survey

- **84%** of respondents **always or usually experience delays** due to congestion when using I-495 and I-270

- **77%** of respondents who reported taking an **alternative route to avoid congestion** on I-495 or I-270 stated their alternative route took them through or near residential neighborhoods

- **47%** of respondents indicated that **congestion causes extra costs** besides just time, such as extra fees at daycare, missed medical appointments, or reduced quality of life

- **43%** of respondents who own or work for a business indicated they **make fewer service calls or deliveries** as a direct result of congestion on I-495 and I-270

- **88%** of respondents agree that **addressing congestion** on I-495 and I-270 in Maryland is an important priority



Transformative and Innovative Improvements

- This is a chance to address more than just traffic. It's our opportunity to improve **quality of life** for those in the region and to **enhance Maryland's economic vitality and growth**.
- Transform busy interstates from parking lots during rush hour
- Remove overflow traffic from local network and neighborhoods
- Seeking to address through **INNOVATION** with **OPEN** and **FLEXIBLE** solicitation process and **PERFORMANCE** requirements

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Bigger, Bolder, Better

The Maryland Way!

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Traffic Relief Plan Overview



**Greg Slater,
Administrator, MDOT SHA**



What You Will Learn Today

- Our Innovative Approach including
 - What is the Traffic Relief Plan
 - What is the I-495 & I-270 P3 Program, its goals, and Why it is Needed NOW
 - The Environmental Studies under the I-495 & I-270 P3 Program and their Status
 - The I-495 & I-270 P3 Program Structure and Team
 - Update on the Solicitation Process including Phase 1 and Timing
 - MDOT's Vision for Inclusion and Opportunity with the I-495 & I-270 P3 Program



What is the Traffic Relief Plan (TRP)?

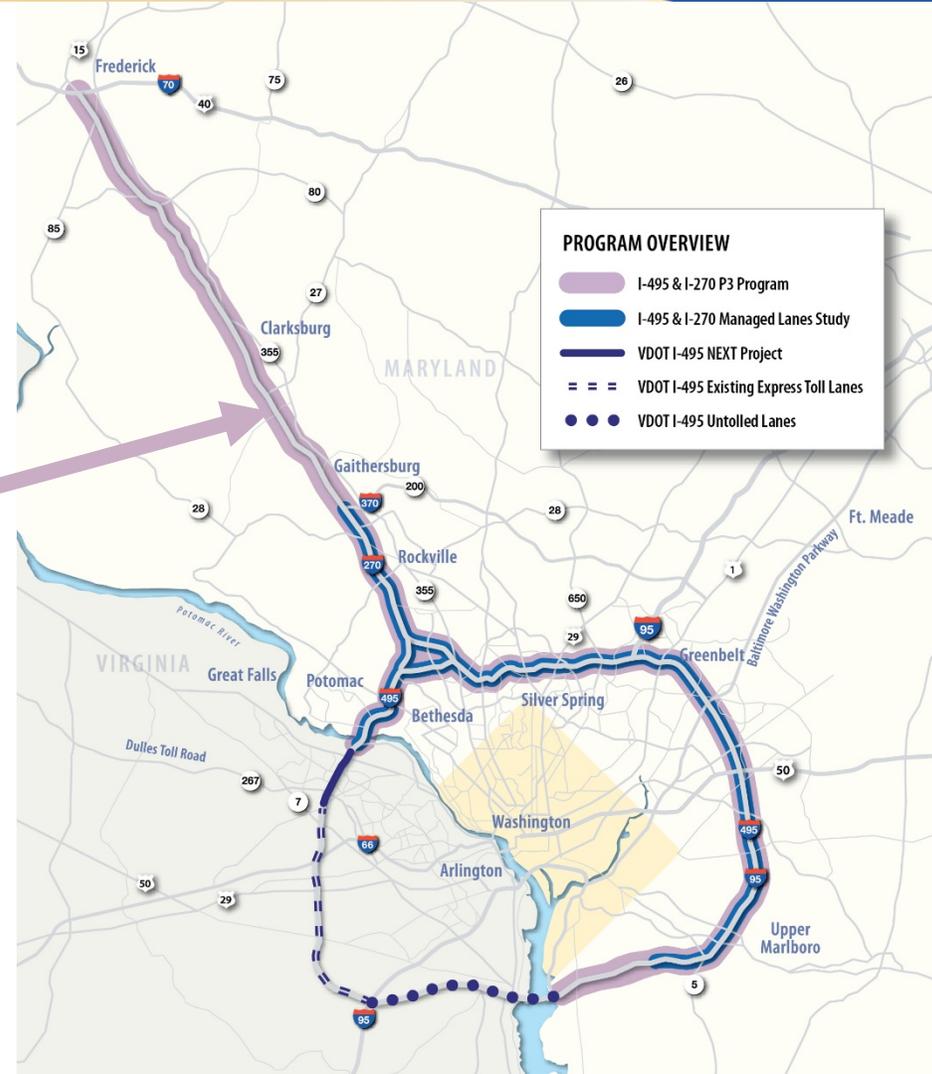
- The TRP is Governor Larry Hogan's ambitious plan to bring innovative solutions to address the transportation challenges on Maryland's most congested roads
 - Bringing a better trip to I-495, I-270, MD 295, I-695, I-95, and other major corridors
 - The I-495 and I-270 P3 Program is the largest effort of the TRP





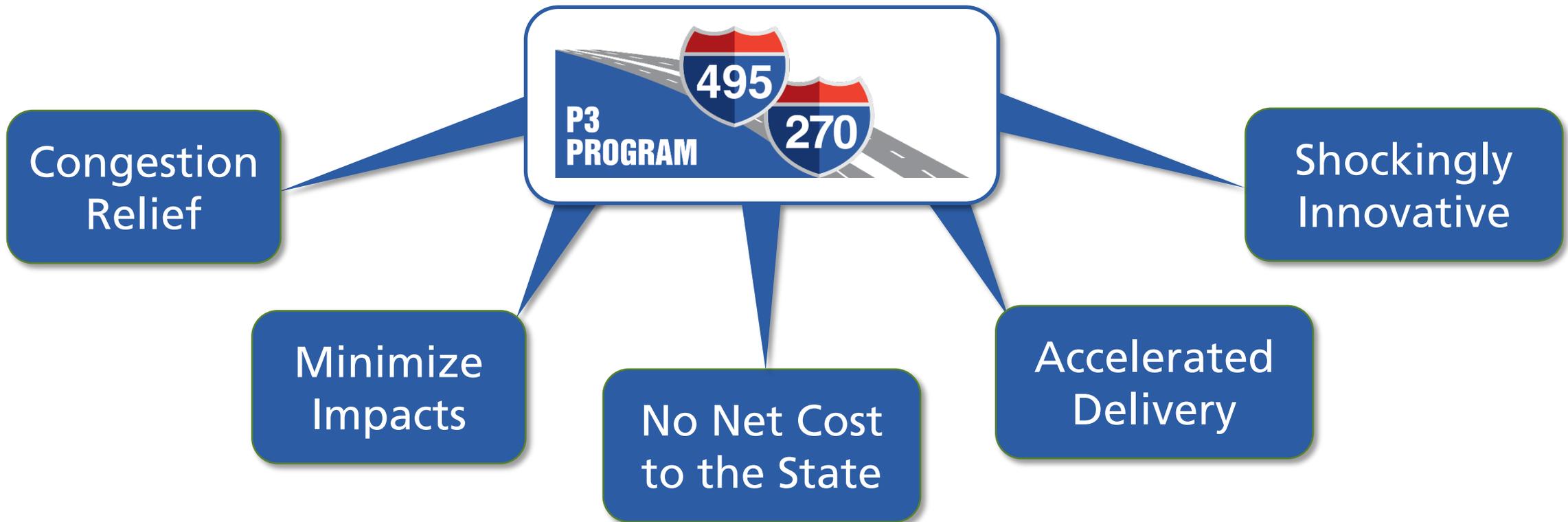
I-495 & I-270 P3 Program

- I-495 (Capital Beltway) from south of the American Legion Bridge (ALB) to east of the Woodrow Wilson Bridge (WWB)
- I-270 from I-495 to I-70, including the east and west I-270 spurs
- Over 70 miles of interstate improvements in Maryland



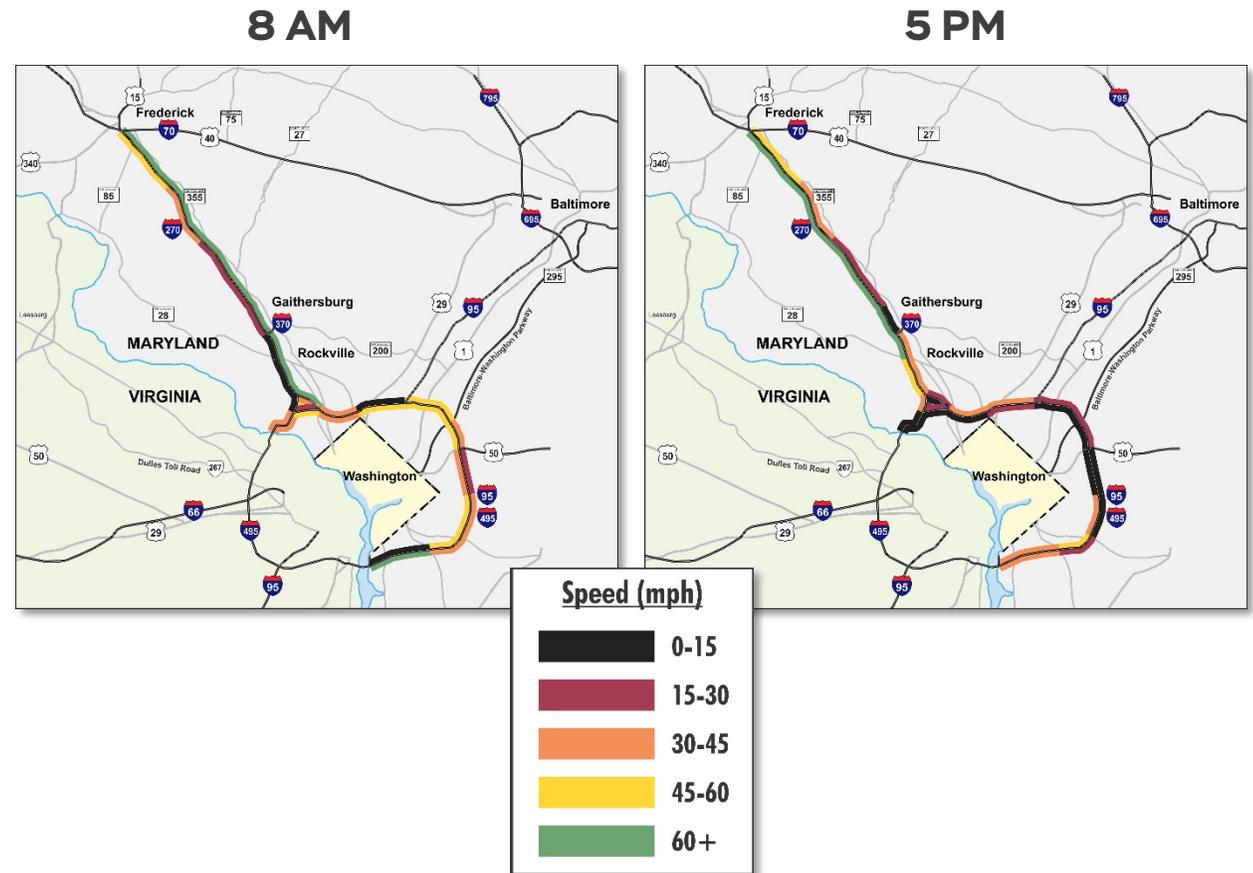


P3 Program Delivery Goals



Our Impetus for Innovation: Existing Traffic Conditions

- Top 5 highest volume freeway sections in Maryland are within program area
- Today, on average, severe congestion lasts for 7 hours each day on I-270 and 10 hours each day on I-495
- Program area includes several of the most unreliable freeway sections in Maryland (highly variable travel times day to day)
- Many sections experience speeds less than 15 mph under existing conditions and traffic is expected to deteriorate

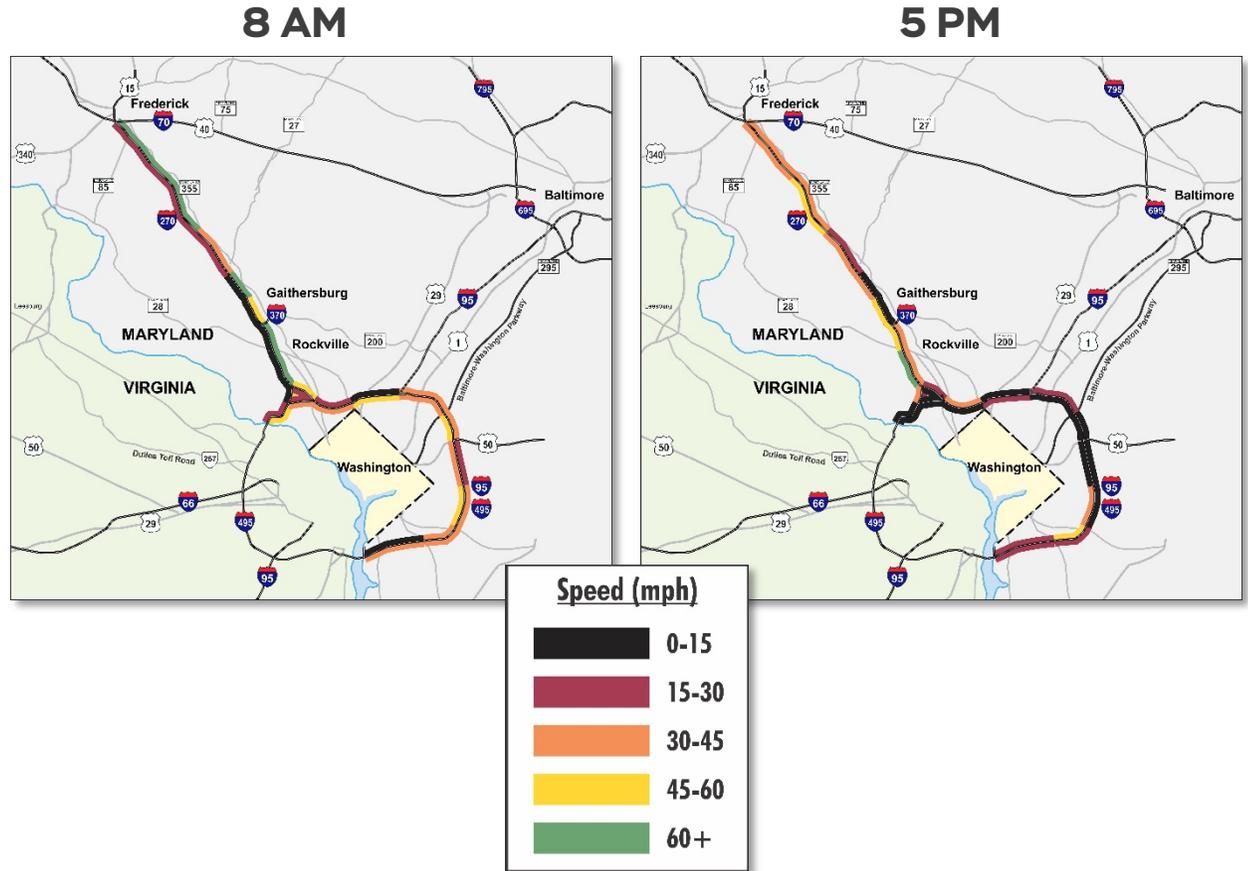




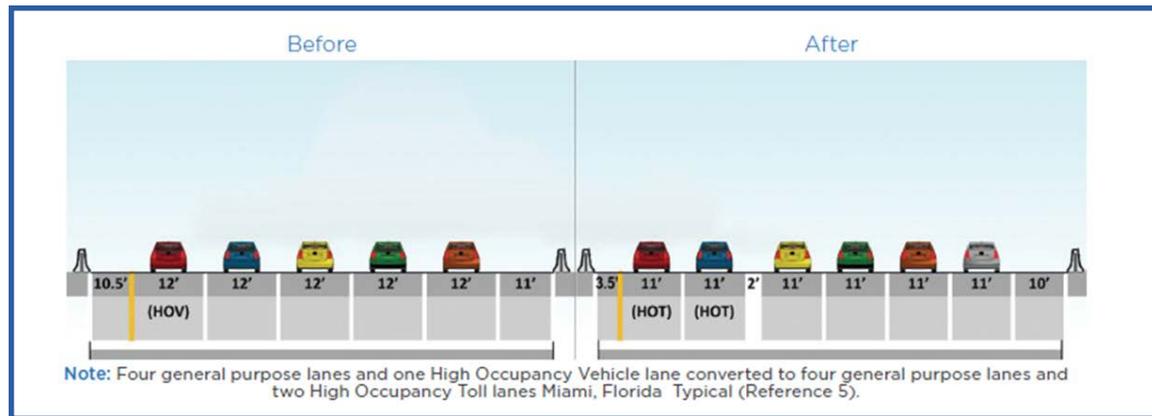
The Need for Bold Change: Traffic Conditions – Now Versus 2040

Average Annual Daily Traffic (AADT)

Location	2018	2040
I-270: I-370 to I-495	259,000	299,000
I-495: VA Line to I-270	253,000	282,000
I-495: I-270 to I-95	235,000	252,000
I-495: I-95 to MD 4	230,000	245,000



Challenge to the Industry – The Next Innovation



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I-495 & I-270 P3 Program Update



Lisa B. Choplin
Director, I-495 & I-270 P3 Office

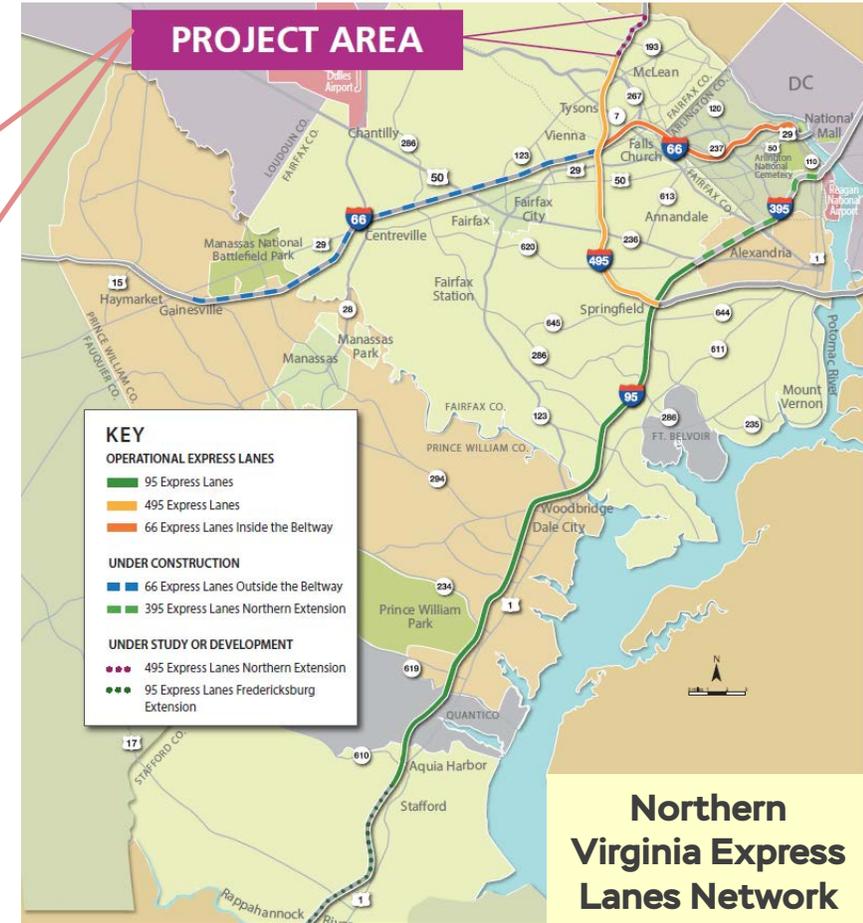
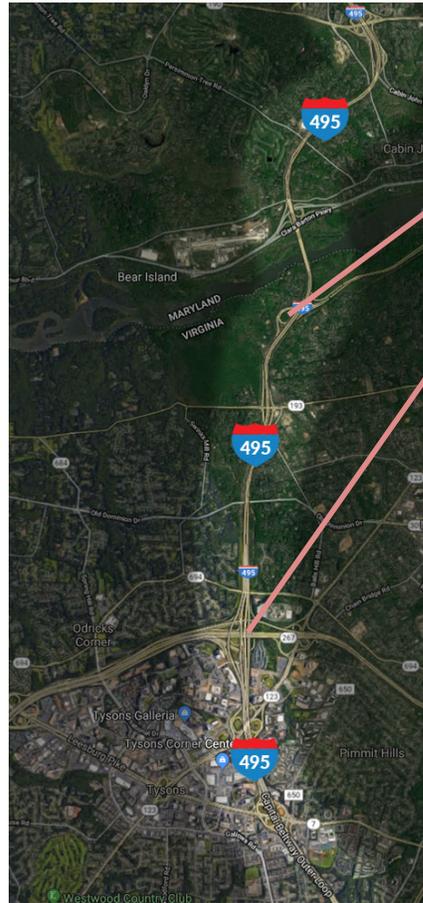


Jeffrey T. Folden
Deputy Director, I-495 & I-270 P3 Office



Virginia Department of Transportation (VDOT) I-495 NEXT Partnership

- VDOT is developing separate study to extend their Express Lanes from the Dulles Toll Road to near the American Legion Bridge
- VDOT and MDOT are closely coordinating our independent studies for compatibility





Purpose & Need

The purpose of the I-495 & I-270 Managed Lanes Study is to develop a travel demand management solution that addresses congestion, improves trip reliability on I-495 and I-270 within the study limits and enhances existing and planned multimodal mobility and connectivity.

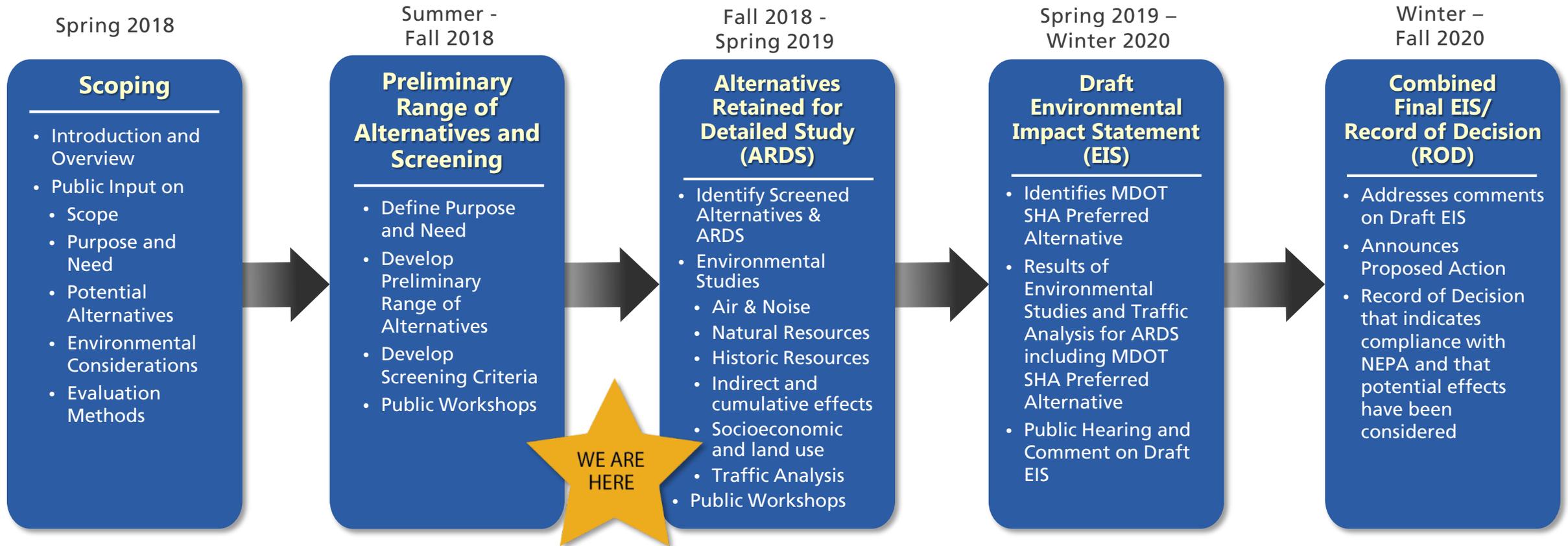
The study will address the following needs.

- Accommodate Existing Traffic and Long-Term Traffic Growth
- Enhance Trip Reliability
- Provide Additional Roadway Travel Choices
- Accommodate Homeland Security
- Improve Movement of Goods and Services

Additional goals of the study include incorporating funding sources for financial viability and developing the study in an environmentally responsible manner.



The NEPA Process – Where We Are Going





P3 Program Update

- The I-495 & I-270 P3 Program is being developed concurrently with the I-495 & I-270 Managed Lanes Study
- Multiple revenue risk, Design-Build-Finance-Operate-Maintain (DBFOM) P3 agreements are envisioned to deliver the program
- The solicitation of the first phase is being strategically aligned with the I-495 & I-270 Managed Lanes Study to maximize efficiency in delivering congestion relief to the National Capital Region

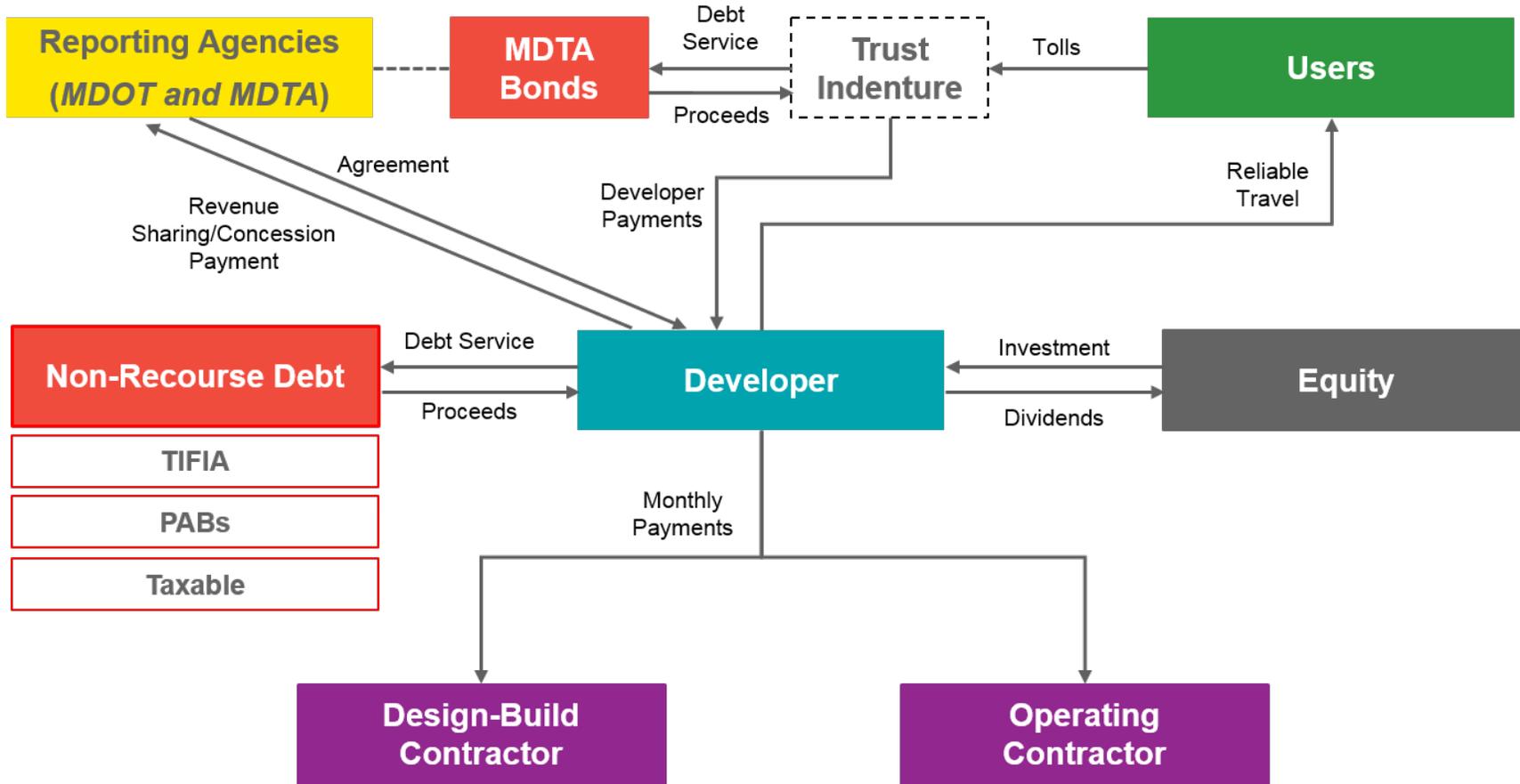


P3 Program Structure

- MDOT and MDTA Roles
 - MDOT will work collaboratively with MDTA as reporting agencies to advance the solicitation and deliver the P3 Program
 - MDOT through dedicated resources will manage and administer the solicitation and each concession
 - MDTA will use its authority to undertake the toll rate setting process and set parameters for the developers to include in its proposals



P3 Structure



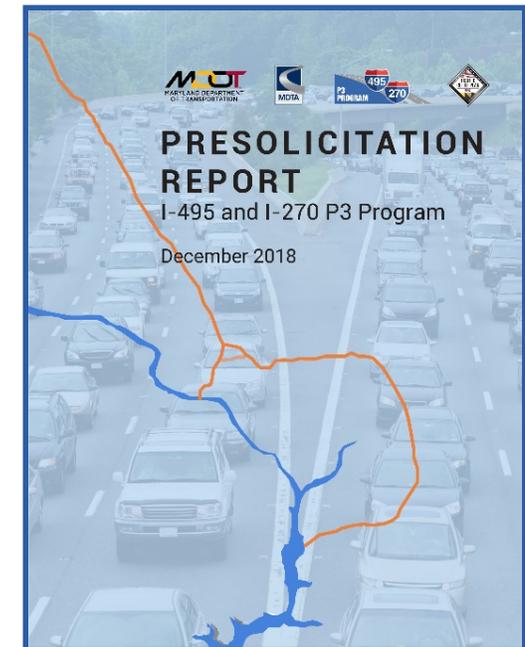


P3 Program Team

- Team Now on Board
 - Financial Advisors – Ernst & Young
 - Legal Advisors – Ashurst and Venable
 - Traffic & Revenue – CDM Smith
 - NEPA – Rummel, Klepper & Kahl
 - General Engineering Consultant – Procurement in final stages

Presolicitation Report

- MDOT and MDTA together have submitted the P3 presolicitation report (PSR) to the appropriate legislative committees, the Department of Legislative Services, the State Treasurer, and the Comptroller for review pursuant to the P3 law and will seek designation of the P3 Program from the Board of Public Works (BPW) in the first quarter of 2019
- The report covers:
 - P3 Structure & Value
 - Benefits and Risks of P3
 - Workforce, Economic Development and Environmental Implications
 - Debt Affordability & Financial Analysis
 - Project Schedule & Next Steps
- The PSR is a critical first step in seeking official P3 designation from the BPW

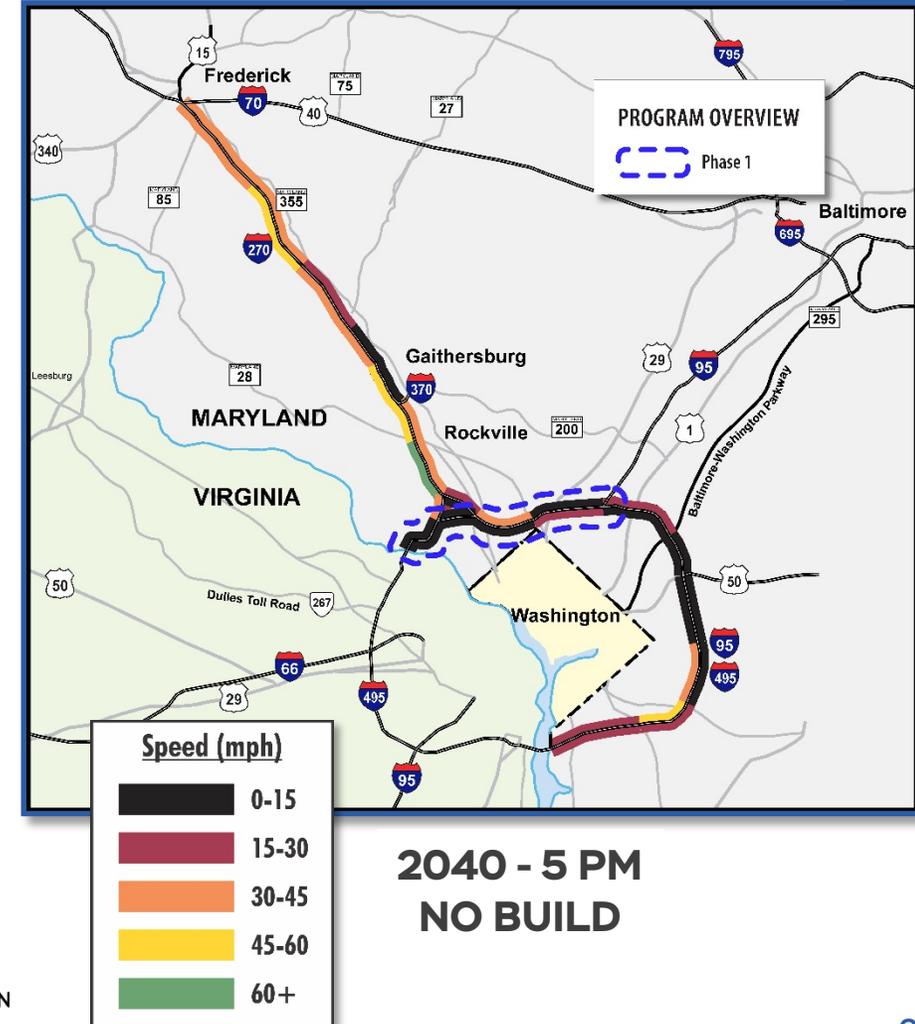




Phase 1 Solicitation Scope

MDOT is proposing a 50-year concession agreement that entails:

- Reconstruction/Rehabilitation of the American Legion Bridge
- Construction of priced managed lanes and general purpose lanes along the corridor starting in Virginia and going into Maryland along I-495 to I-95
- Maintenance and operations responsibilities for priced managed lanes and associated assets
- Developer responsible for financing the entire phase using toll revenues collected from the managed lanes. Developer to take revenue risk



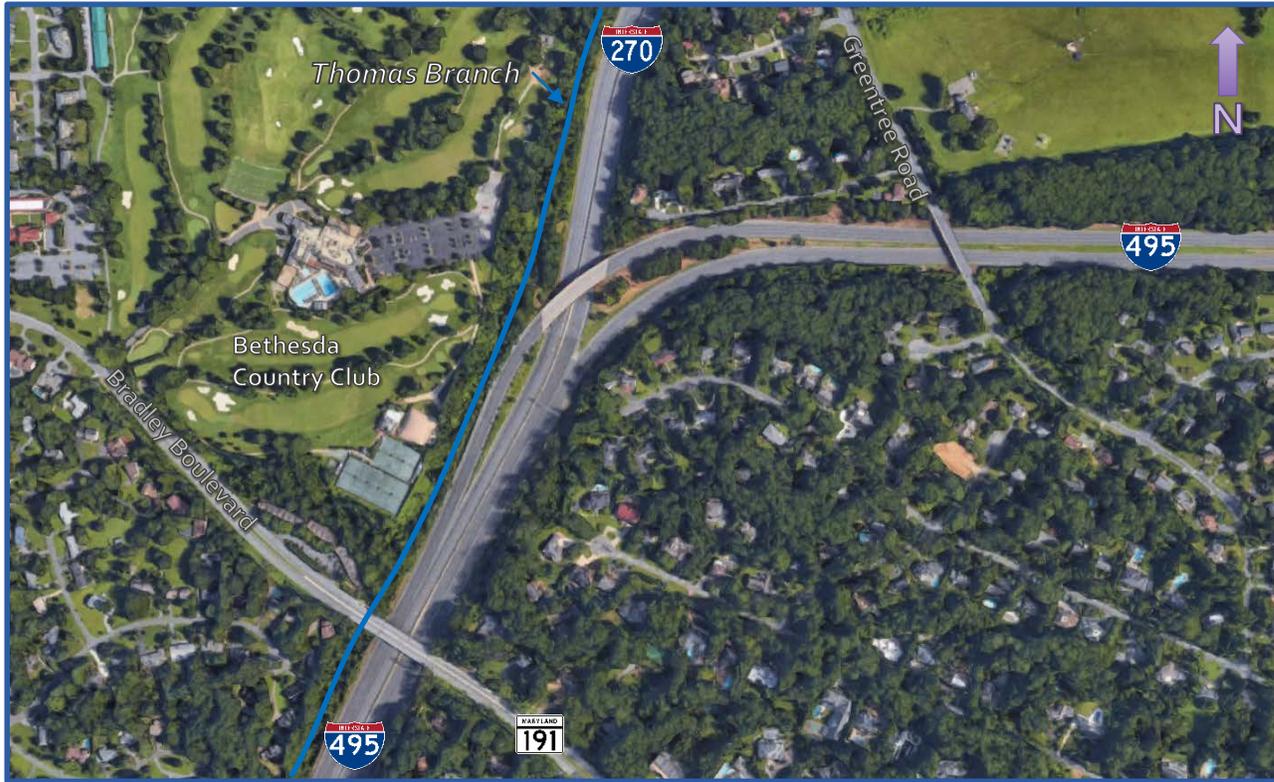
Phase 1 Details – American Legion Bridge

C&O Canal with I-495 in background

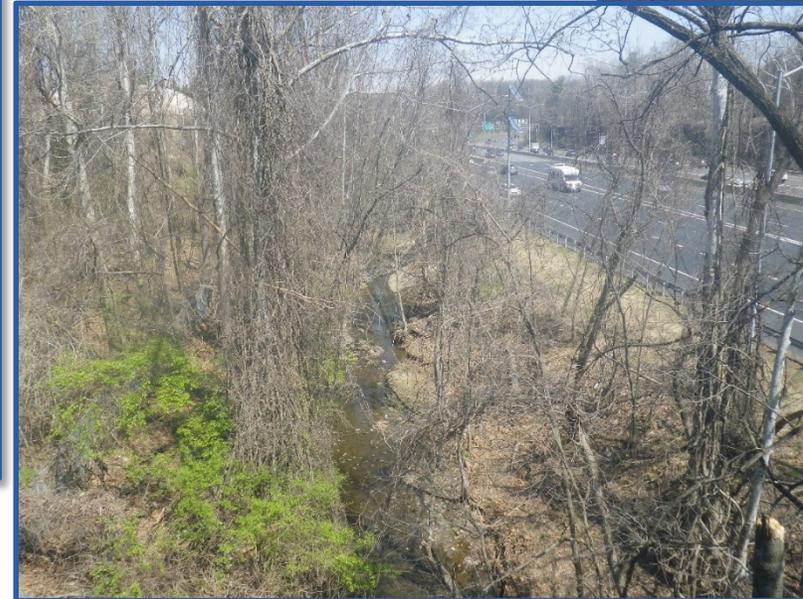


View of American Legion Bridge from south bank (looking upstream)

Phase 1 Details – I-270 West Spur and Thomas Branch

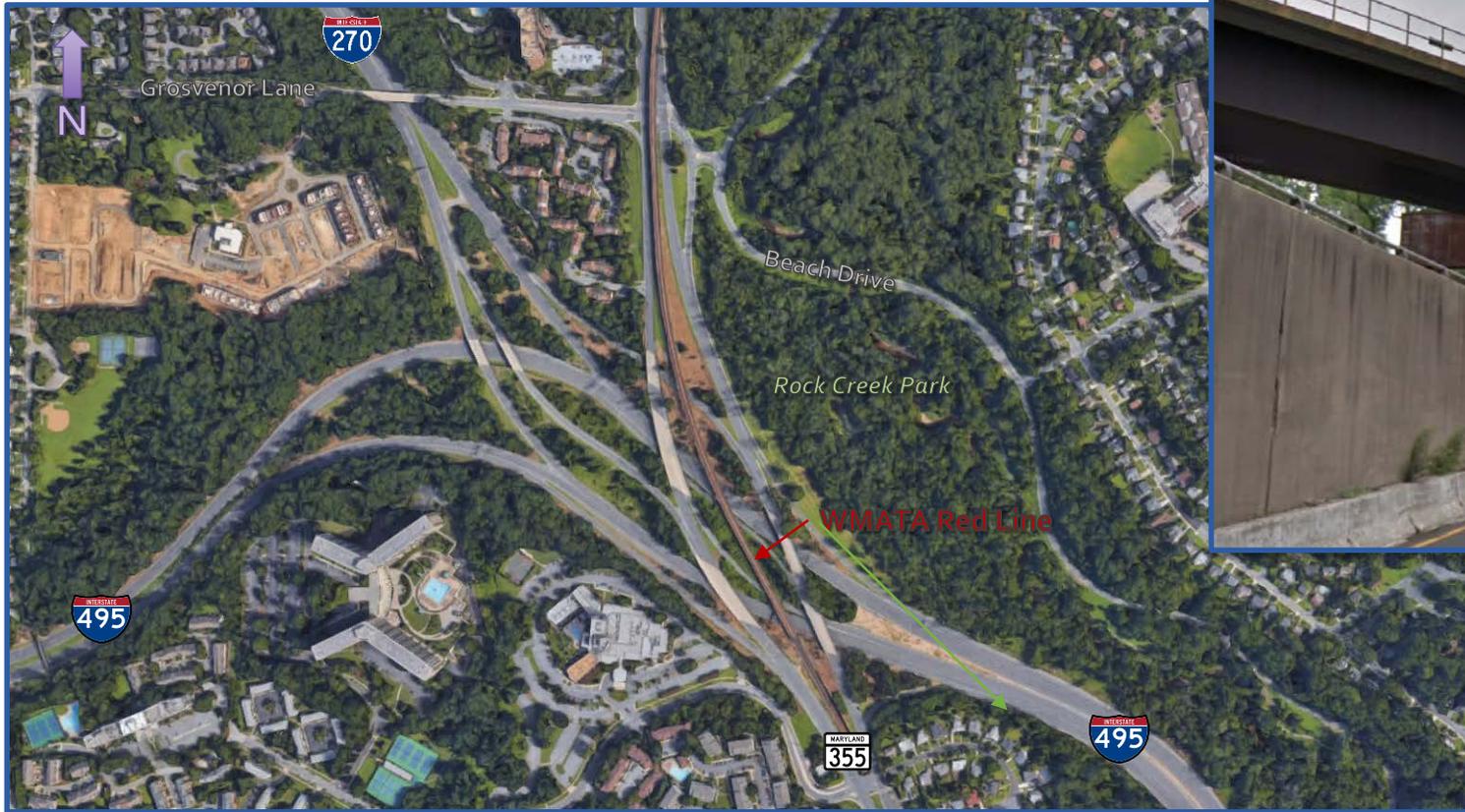


View of neighborhood proximity to I-495 inner loop



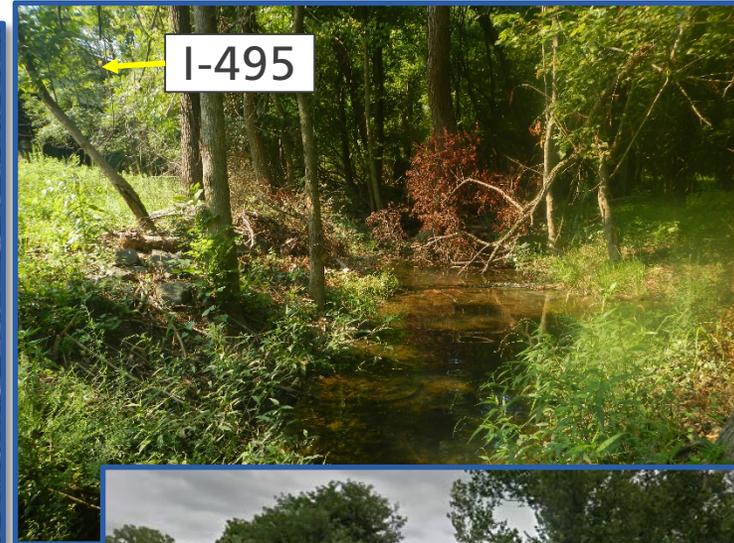
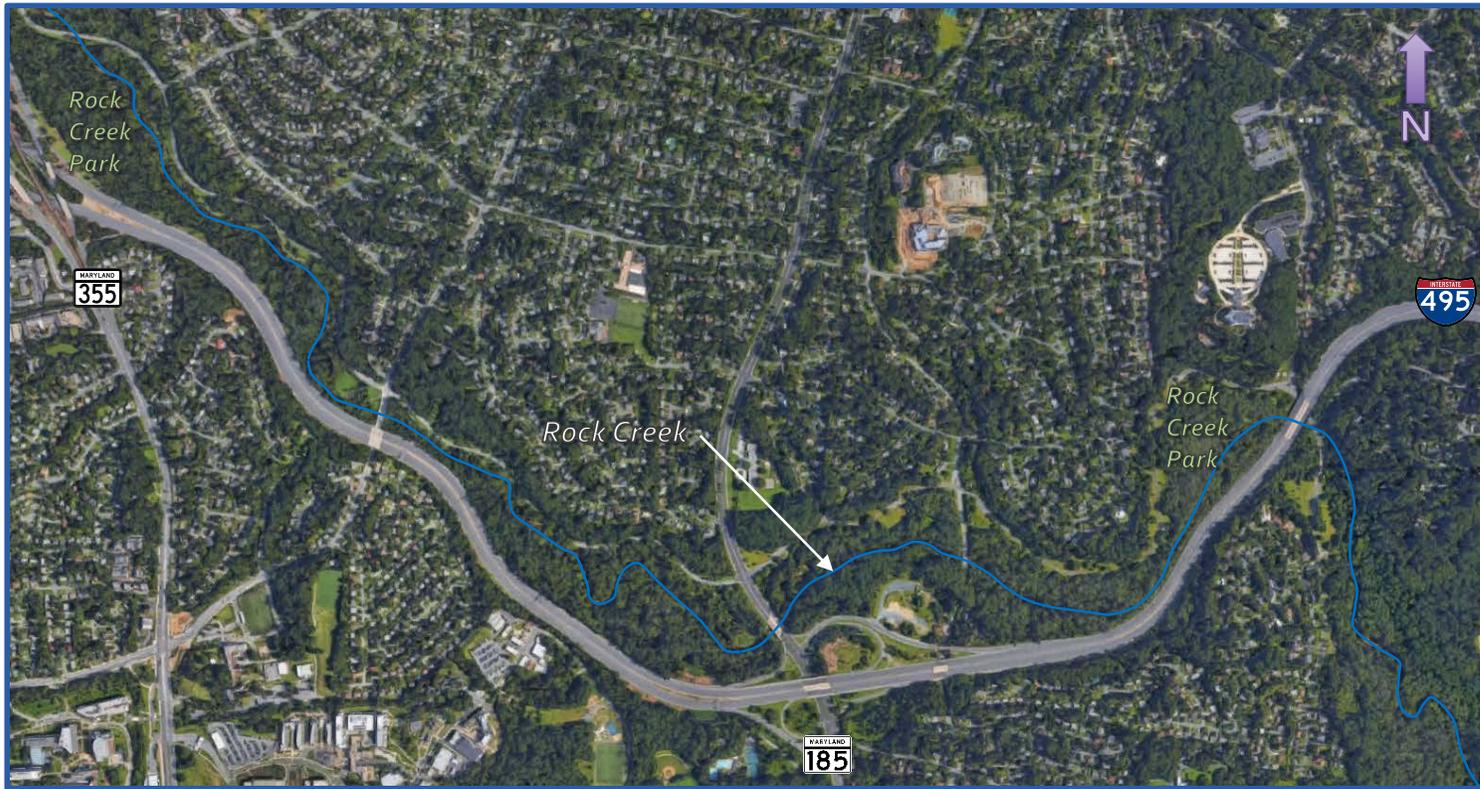
View of Thomas Branch adjacent to I-495 outer loop

Phase 1 Details – I-270 East Spur and WMATA



View along I-495 outer loop under
WMATA Red Line bridge

Phase 1 Details – Rock Creek/Rock Creek Park



View of Rock Creek adjacent to I-495 outer loop



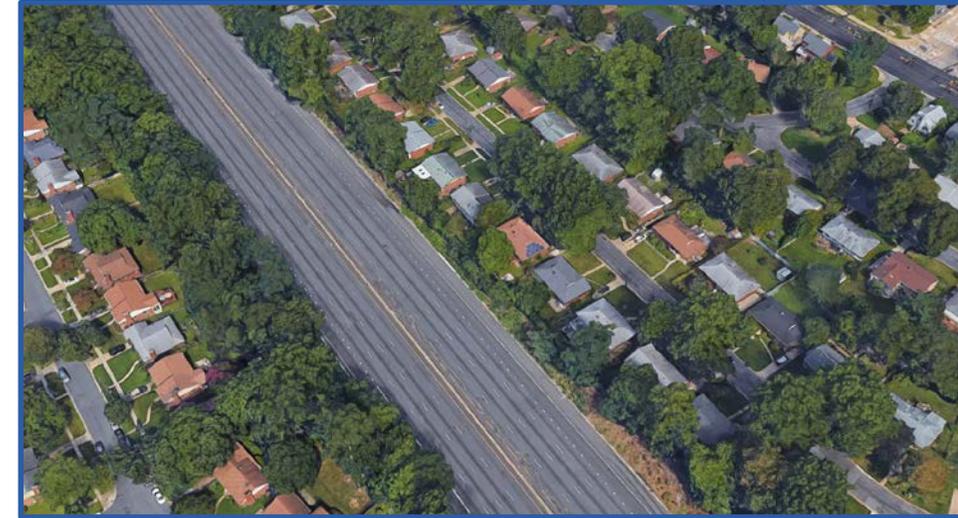
View of I-495 outer loop adjacent to Rock Creek

Phase 1 Details – CSX Bridge



View along I-495 outer looking east at CSX Bridge
(Seminary Road bridge in background)

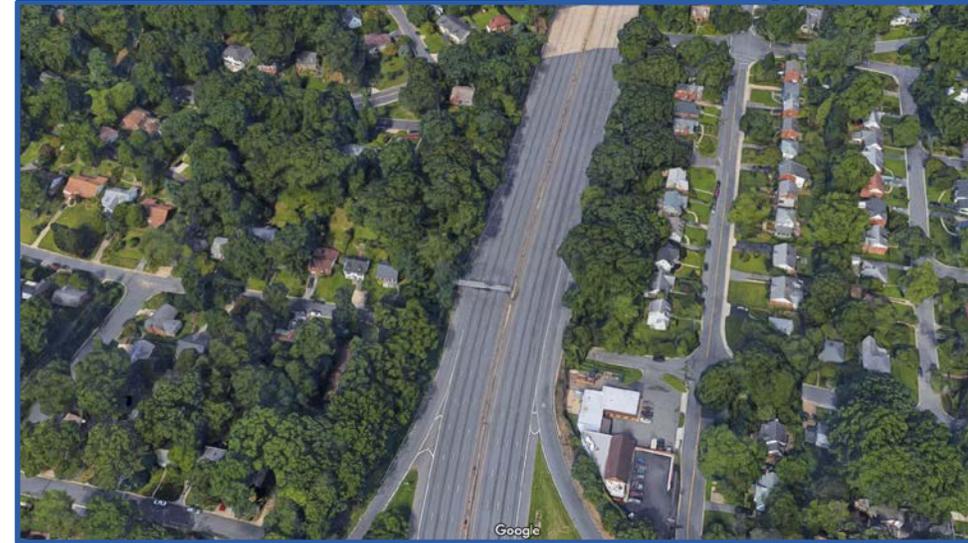
Phase 1 Details – MD 97 Area



Proximity of existing communities to I-495



Phase 1 Details - US 29 and MD 193 Area



Proximity of existing communities to I-495 (looking west)





Initial Solicitation Vision

- Developer will be selected according to “Best-Value”, based on which proposer can best meet and balance MDOT’s goals and values
 - Looking for a PARTNER to MOVE the most traffic, AVOID community and environmental impacts, PROVIDE a concession payment/revenue sharing with the State, and DELIVER fast with the LEAST DISRUPTION to travelers and the community
 - Seeking a PARTNER with SHOCKINGLY INNOVATIVE approaches to provide high value with a focus on ensuring EXCELLENT CUSTOMER SERVICE to MDOT and the public
- Solicitation process will focus on openness and flexibility to allow Developer to provide its best proposed solutions
- Technical Requirements will focus on outcomes to facilitate open scope
- Evaluation of proposals will focus on performance outcomes



Technical Information under Development

- MDOT is currently developing technical information to make available to the industry:
 - LIDAR based topographic surveys
 - Utility record plans, designations, and utility mosaic
 - Historical geotechnical and boring information
 - Historical pavement information
 - MDOT SHA, Montgomery County, and Prince George's County record plans
 - Right of way plats and mosaic
 - Existing and 2040 traffic, including volumes and simulation model outputs
 - Traffic and Revenue



Programmatic P3 Agreement

- Program model P3 Agreement will be released this Winter
- Agreement will provide MDOT's current thinking on:
 - MDOT, MDTA, and Developer Responsibilities
 - Major Terms
 - Utilities and Third Parties
 - Hazardous Materials
 - Compensation Events
 - Relief Events
 - Force Majeure Events
- Feedback from the industry is encouraged

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Break



Opportunities for Small, Disadvantaged, Minority and Women-owned Businesses

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Secretary's Remarks



**Pete K. Rahn,
Secretary**

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Remarks by Bradley A. Mims

**Bradley A. Mims
President and CEO**

Conference of Minority Transportation Officials (COMTO)

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Opportunities for MBEs and DBEs and Workforce Development



**Greg Slater,
Administrator, MDOT SHA**



P3 Program Workforce Opportunities

Workforce

- At an estimated \$9-\$11 billion (2017 \$) construction cost, the P3 Program will support numerous construction, operations and maintenance jobs in the region. Recent estimates suggest every \$1 billion in highway construction supports approximately 13,000 jobs for one year
- Agreements will include numerous requirements for job training and fair hiring practices and wages, as well as goals for minority/ disadvantaged and small businesses
- MDOT is also creating a new partnership structure for minority/disadvantaged workers including a job training program, apprenticeships and additional incentives to retain workers – helping people gain valuable skills and experience to change lives
- Due to the nature of the work, a large portion of the construction, operating and maintenance expenditure will stay in Maryland



P3 Success Story

- I-495 and I-95 Express Lanes in Virginia

\$6.3 B

generated in
economic activity

\$775 M

of DBE, small, women,
and minority contracts

28,000

jobs supported
during construction

Opportunity in Action in Maryland: The Purple Line

- MDOT established DBE goals of 26% for design and 22% for construction

26% design goal (\$27 M) : already exceeded ✓

22% construction goal (\$362 M) : on pace to achieve



Maximizing Opportunities:

- Under Governor Hogan's Administration, MDOT is committed to implementing the State's minority business programs
 - This includes not only typical minority business inclusion and on-the-job opportunities on the I-495 & I270 P3 Program but
 - A new approach for MDOT to PARTNER with businesses for successful inclusion, diversity in employment and workforce development



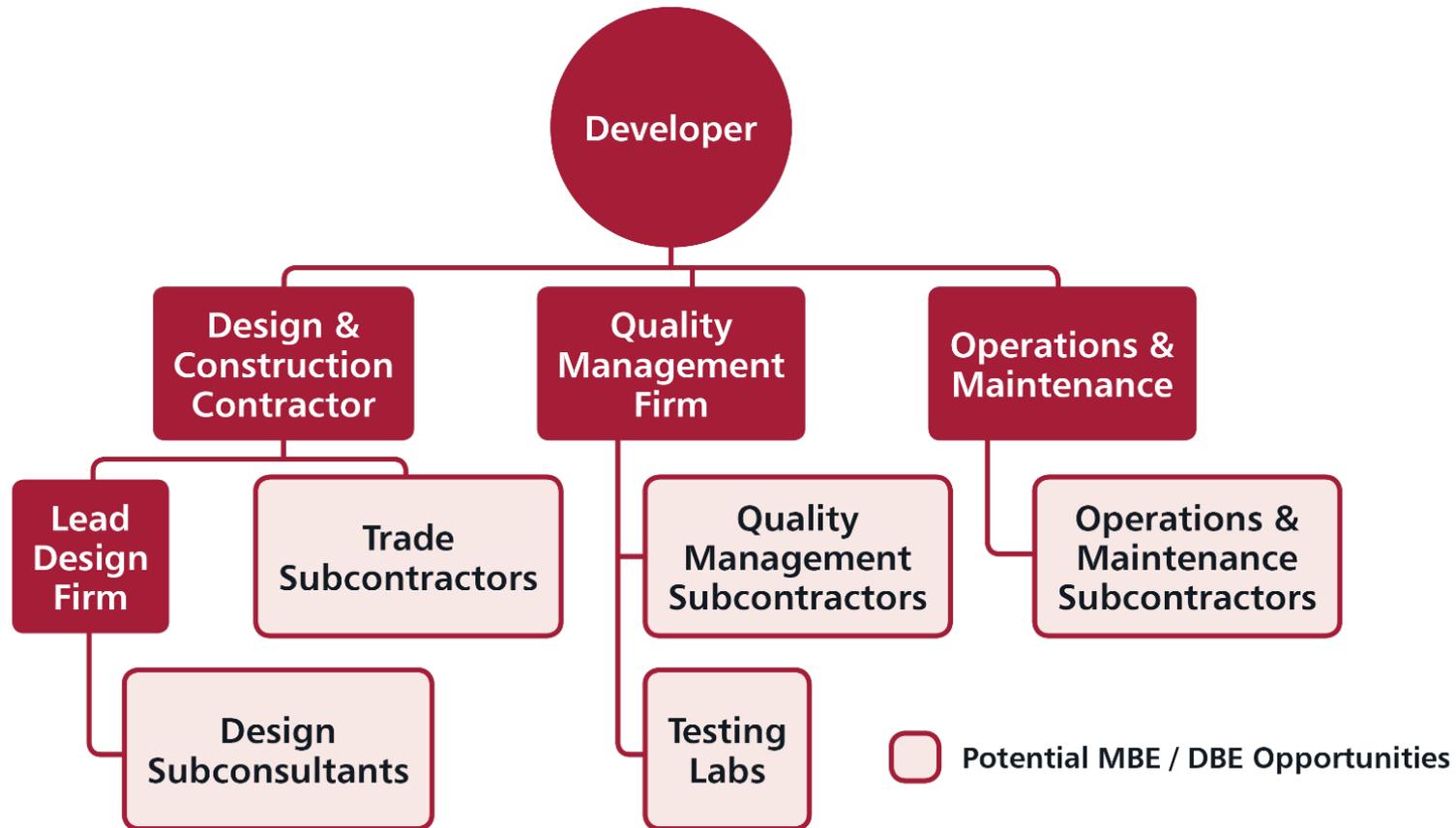


The Vision for Opportunity

- Imagine the benefits to our communities and our businesses:
 - Robust mentorship program for minority-owned and women-owned Disadvantaged Business Enterprise (DBE) and Small Business Enterprises (SBE)
 - Fostering new DBE firm and skill development to increase available firms and opportunities in the marketplace
 - Creating opportunities for prime contractors and DBE firms to collaborate on business ventures
 - Maximizing opportunities for small, women, minority, disadvantaged, and veteran-owned businesses
 - Offering extensive on-the-job training programs and apprenticeship opportunities to provide new skills and a career path for workers
 - Proactive engagement and partnering with communities who would benefit
 - Incentives for companies to keep workers on for the duration of the project



P3 Program Opportunities





MDOT Certification Process

- The Maryland Department of Transportation (MDOT) is the official certification agency for the State of Maryland and is the only State agency that has authority to certify a firm as an MBE/DBE/ACDBE/SBE.
- Certification is based on the requirements prescribed for each program, including the eligibility criteria set forth on the MDOT website (http://www.mdot.maryland.gov/newMDOT/MBE/CertificationForms/MBE_DB_E_Certification.html)
- Applications for MBE/DBE certification are available online at the link above or by calling the MDOT Office of Minority Businesses Enterprise (OMBE) directly at 410-865-1269 or 800-544-6056.

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Moving Forward



Looking to Next Steps/Phase 1 Schedule

Milestone	Date
BPW approval of P3 Designation	February 2019
Request for qualifications released to industry	April 2019
Shortlist of qualified teams announced	Q2 2019
Draft request for proposals released to shortlisted teams	Q3 2019
Final request for proposals released to shortlisted teams	Q1 2020
Technical/Financial proposals due	Q3 2020
Selection of preferred proposer	Q3 2020
BPW approval of P3 Agreement(s)	Q4 2020
P3 Agreement(s) executed	Q4 2020
Financial close target	Q4 2020



Networking

This presentation along with other information from this forum will be available at:

www.495-270-p3.com