



MDOT MARYLAND DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION

I-495 & I-270 P3 Program Update

MDTA Board Meeting

December 17, 2020





Agenda

- P3 Program Overview
- I-495 & I-270 Managed Lanes Study
- I-270 from I-370 to I-70 Pre-NEPA Activities
- MDTA/MDOT SHA Collaboration
- Progressive P3 (Phase 1) Approach
- P3 MDTA/MDOT SHA Roles and Responsibilities
- Dynamic Tolling
- Phase 1 Schedule
- Questions



P3 Program Overview

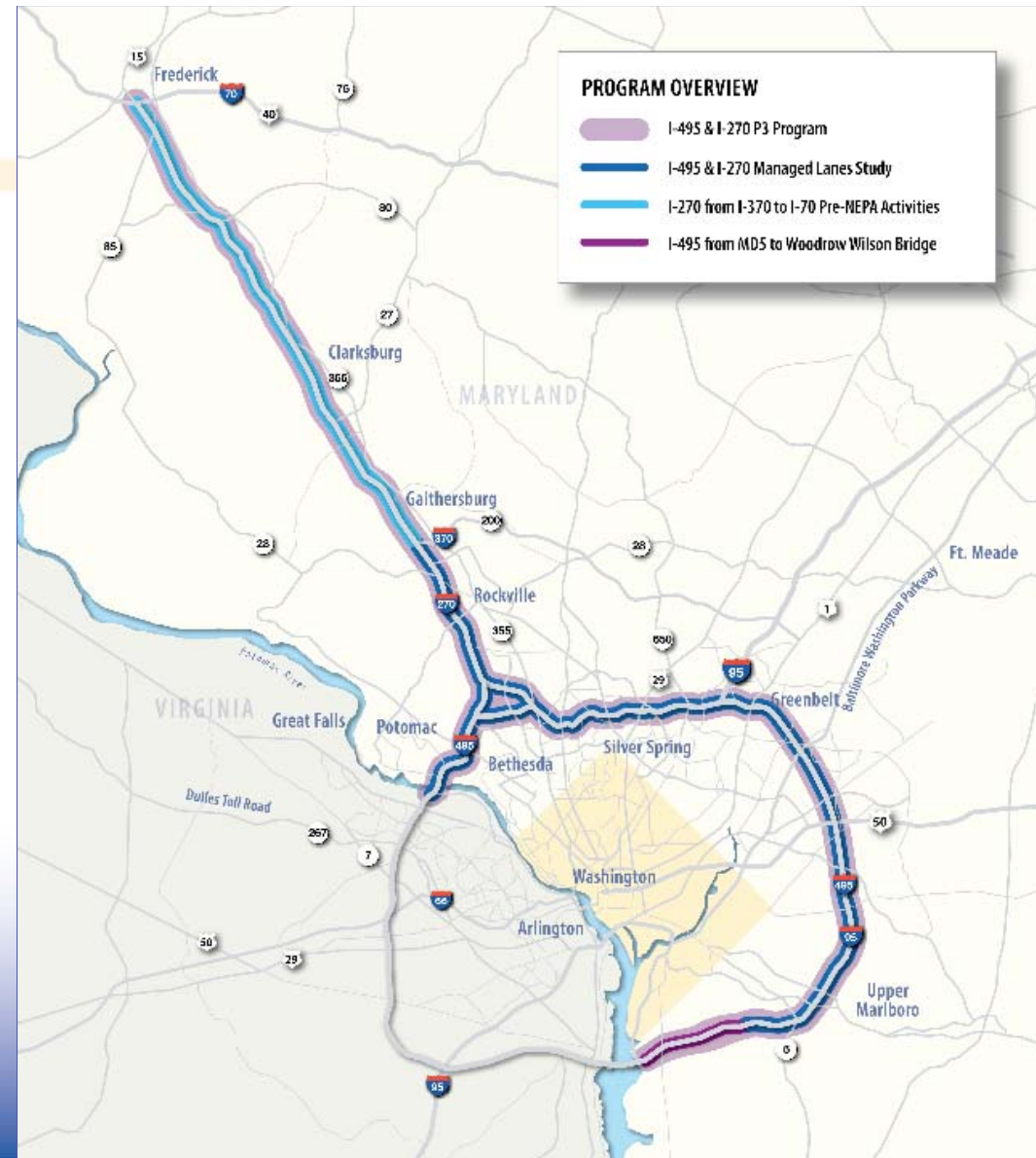




I-495 & I-270 P3 Program

The I-495 & I-270 P3 Program includes more than 70 miles of highway improvements.

- I-495 & I-270 Managed Lanes Study (48 miles)
- I-270 from I-370 to I-70 Pre-NEPA Activities (23 miles)
- I-495 from MD 5 to the Woodrow Wilson Bridge (future study)





HOT Lanes and ETL

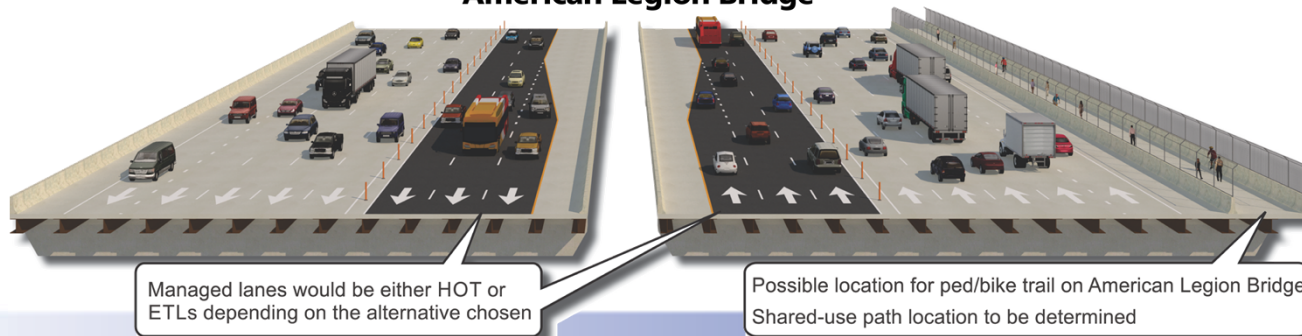
What are High-Occupancy Toll (HOT) Lanes?

Dedicated managed lanes within highway right-of-way that single-occupancy vehicle (SOV) motorists may use by paying a variably priced toll and high-occupancy vehicle (HOV) motorists may use by paying no toll at all. Toll payments may vary by time of day and level of congestion.

What are Express Toll Lanes (ETL)?

Dedicated managed lanes within highway right-of-way that any motorist, regardless of vehicle occupancy, may use by paying a variably priced toll, depending on the time of day and level of congestion.

American Legion Bridge



View of ALB from Virginia, looking north towards Maryland



I-495 & I-270 Managed Lanes Study

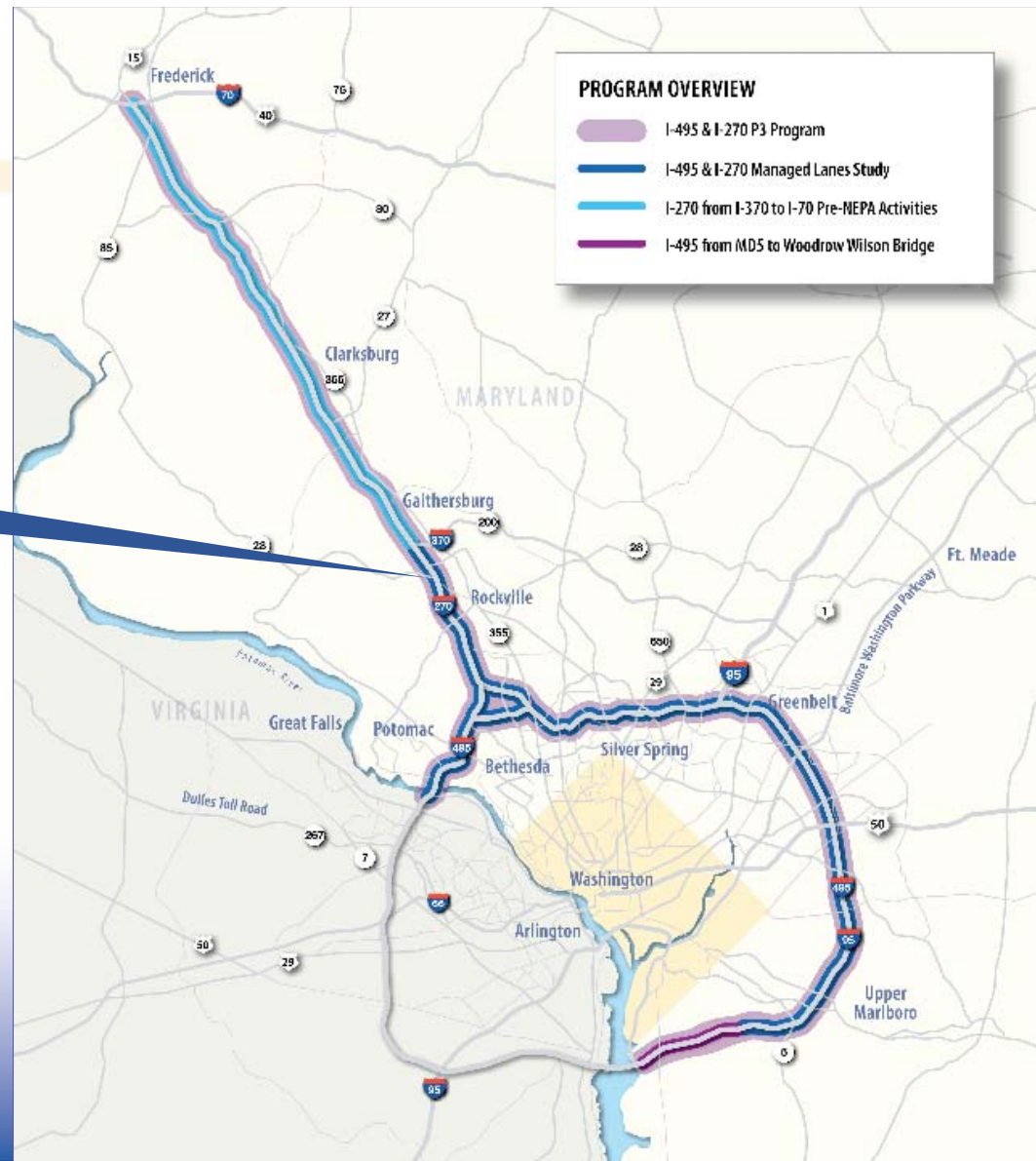




I-495 & I-270 Managed Lanes Study

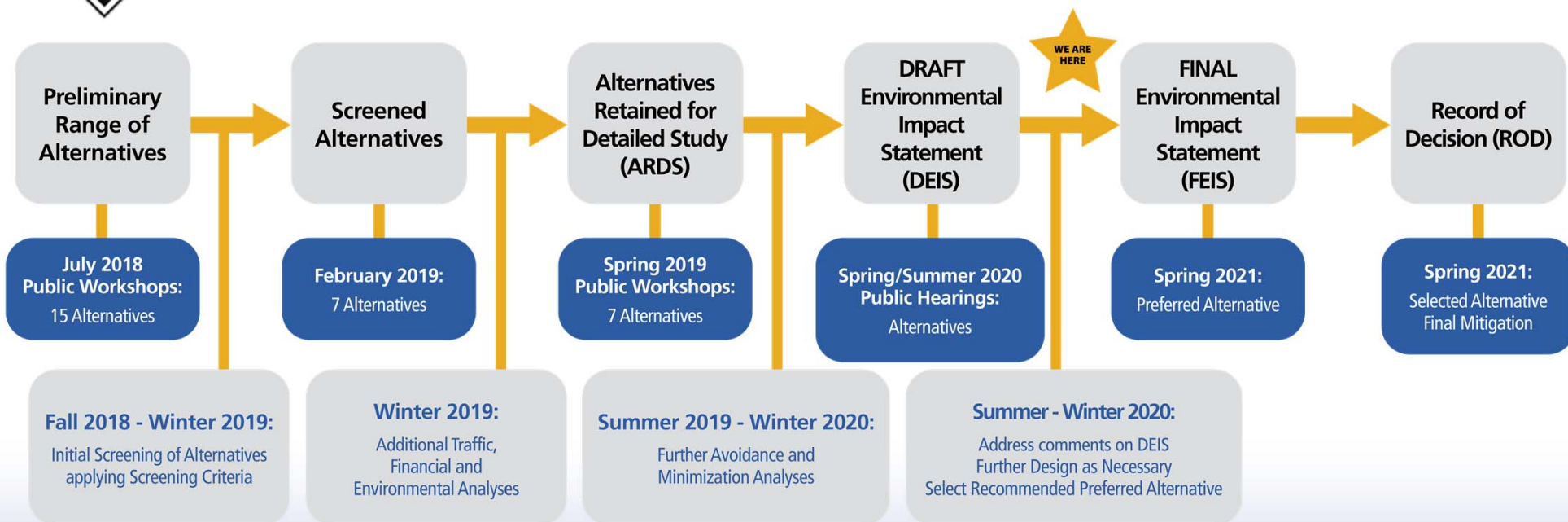
The I-495 & I-270 Managed Lanes Study

- The Managed Lanes Study covers 48 miles of those improvements.
- The Study begins south of the George Washington Memorial Parkway on I-495 in Virginia, including the American Legion Bridge, and extends to west of MD 5 and along I-270 from the Capital Beltway to north of I-370.





Managed Lanes Study Schedule



AGENCY AND PUBLIC INPUT





Public and Stakeholder Engagement

- The public has been engaged at every step of the process and is a key component of the NEPA process.
- To date, MDOT SHA has extensively engaged the public and elected officials through over 280 events in the following ways, among others:

- | | | |
|--|---|---|
| ✓ Four virtual and two in person Public Hearings | ✓ elected officials, federal and state delegations | ✓ Underserved Communities |
| ✓ 16 Large Public Workshops | ✓ Presentations to BPW liaisons | ✓ Social Media |
| ✓ 21 Community Association Meetings | ✓ Actively maintaining public and elected officials mailing lists | ✓ Radio |
| ✓ 85 Stakeholder/Large Landowner Meetings | ✓ 5 Program and Study Newsletters | ✓ Regional and local newspapers |
| ✓ 63 Presentations/engagement with regional, state and local | ✓ Public and Elected Official Email Blasts | ✓ P3 Program webpage (495-270-p3.com/) |
| | ✓ Targeted Outreach to | |



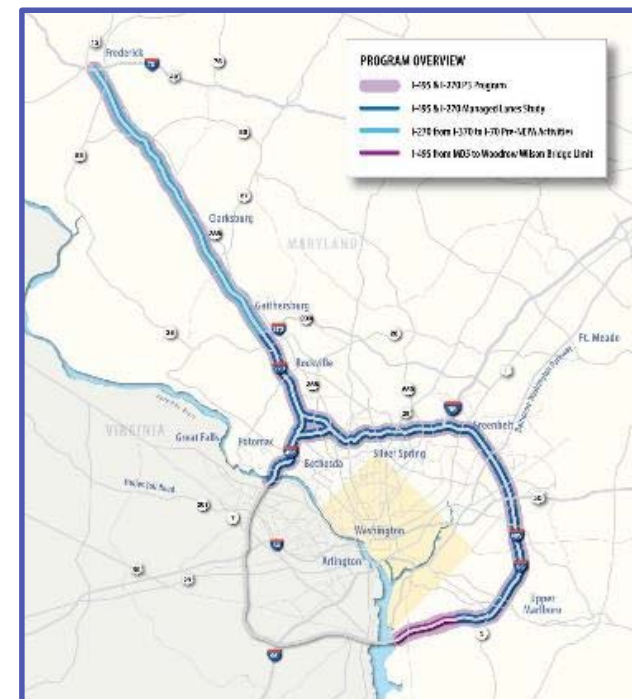
I-270 from I-370 to I-70 Pre-NEPA Activities





I-270 from I-370 to I-70 Pre-NEPA Process

- Pre-NEPA process launched to develop Purpose & Need Statement, collect existing conditions data, and develop preliminary range of alternatives and screening criteria that MDOT SHA will use in the future NEPA study.
- **Initiated Pre-NEPA Process** – Summer 2019
- **Public Workshops** – November 2019
- **Pre-NEPA Report Release and Public Comment** – Spring 2021
- Coordination is ongoing with key stakeholders and permitting agencies.
- Future steps will be informed by predevelopment process.



MDTA / MDOT SHA Collaboration





Partners

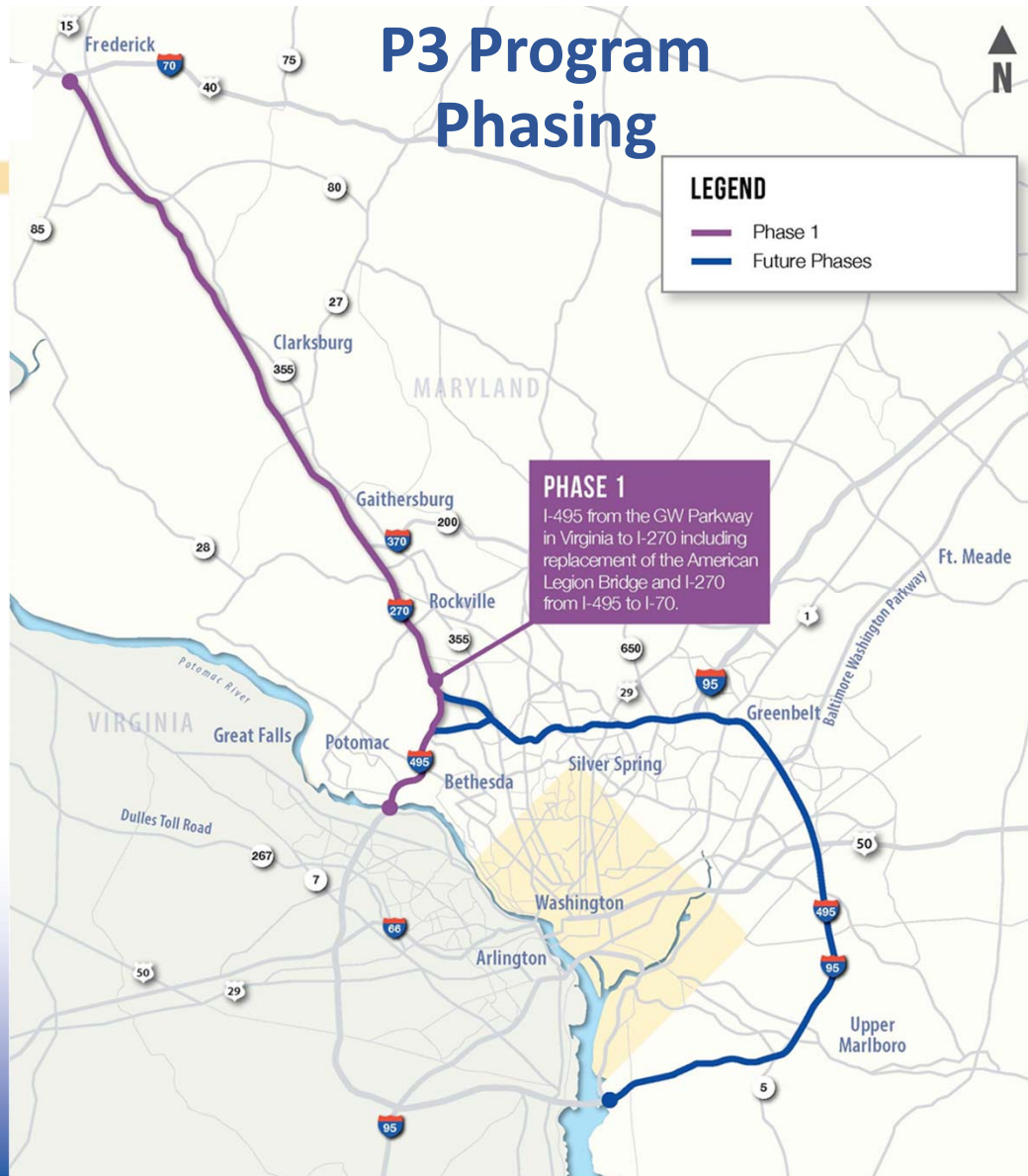
- MDOT, MDOT SHA, and MDTA are jointly undertaking the solicitation in seeking a partner for the P3 Program.
- Each performs specific roles that leverages its strengths in the delivery of the P3 Program
- MDTA engaged staff
 - Operations
 - Technical
 - Legal
 - Executive
- Interagency Agreement establishes roles and risk sharing for agencies.



Progressive P3 (Phase 1) Approach

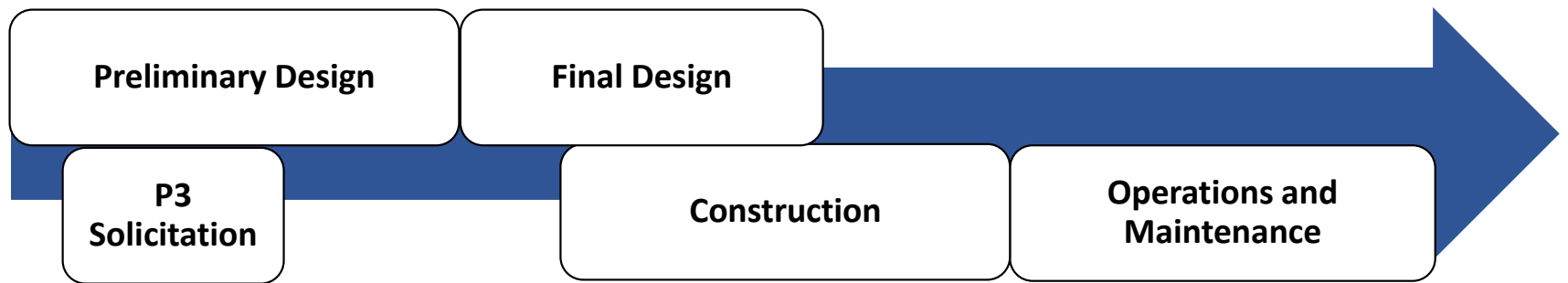
14







Progressive P3 Approach





Progressive P3 approach

Phase 1 Solicitation

- The progressive process begins with the solicitation for the Phase Developer, allowing for collaboration between MDOT, MDTA, and the Proposers during the solicitation.

Predevelopment Work

- Once a Phase Developer is selected and approved by the BPW, they will work collaboratively with MDOT and MDTA and other stakeholders to advance design, determine the delivery sequence of portions of the Phase ("Sections") and mitigate or eliminate risks, in accordance with milestones set by the State.

Committed Section Proposals

- After MDOT and MDTA have agreed on the scope of a section, the Phase Developer works to prepare a committed proposal with pricing for design, construction, operations, and maintenance and financing committed.

Section Development

- Once the BPW has approved the committed section proposal, the Section Developer will sign a design, build, finance, operate, maintain P3 Agreement and deliver the Section.

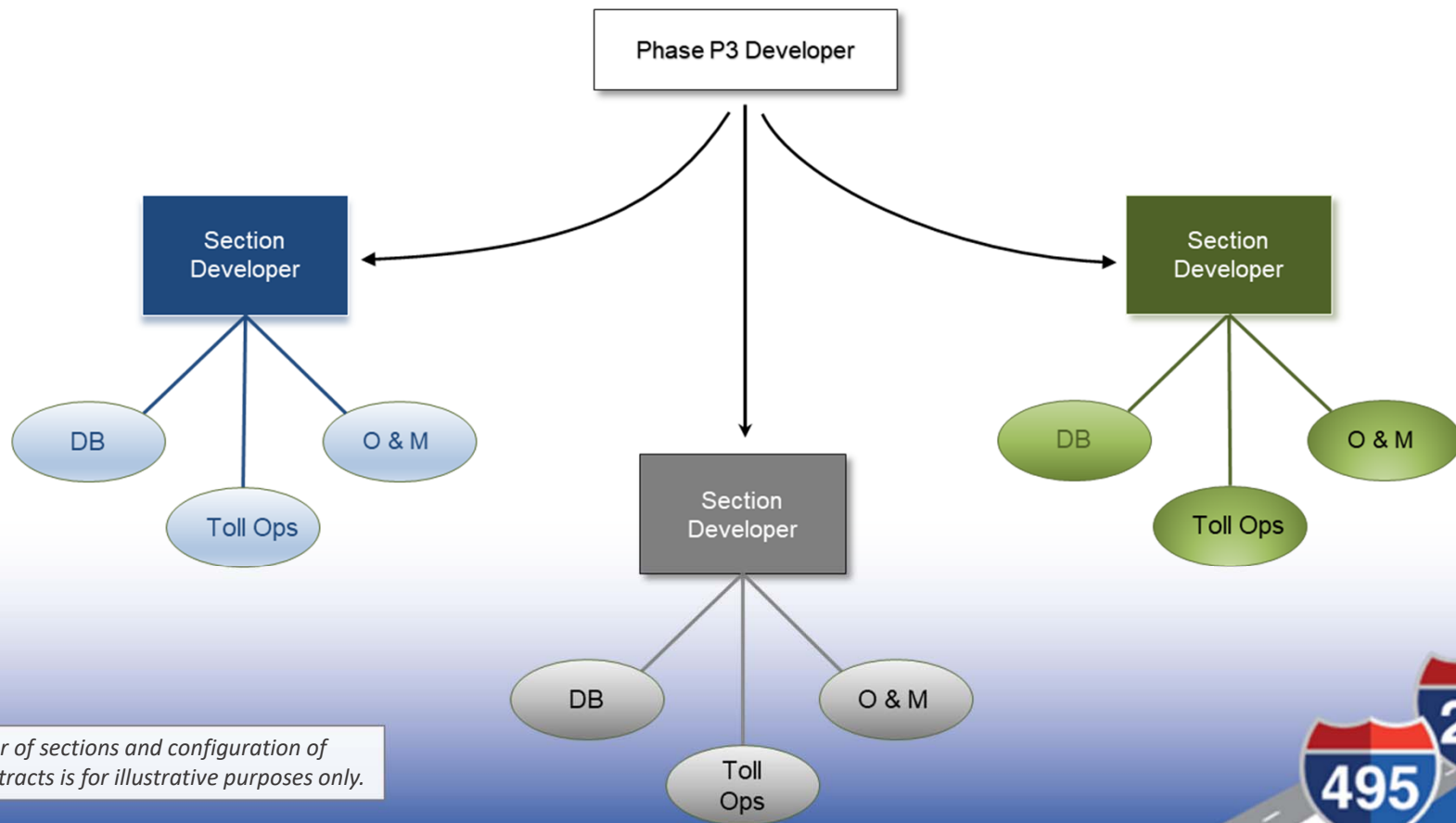
- Pursuing this approach brings a number of key benefits, namely:

- Engaging the Phase Developer in collaborative dialogues with stakeholders to identify solutions to further avoid, minimize and mitigate potential impacts;
- Improving cost certainty by providing enhanced cost and schedule information during preliminary development, which facilitates adherence to budget, and provides transparency in costs; and
- Ensuring all sections within each phase are delivered efficiently and with minimized risk.





Phased Approach Structure



Number of sections and configuration of subcontracts is for illustrative purposes only.



P3 MDOT SHA & MDTA Roles and Responsibilities





MDOT SHA's Role

- Responsible for the rights and obligations under the P3 Program related to program development, solicitation(s) and long-term program management
 - Lead overall delivery including program development and management
 - Oversight of General Engineering Consultant, Financial and Legal Advisors
 - Environmental studies and preliminary design
 - Communications and Outreach
 - Lead solicitation management for each Phase
 - Oversight, administration, management of each P3 Agreement, including design, construction, finance, operations and maintenance
- Responsible for ensuring adequate operating reserve funding





MDTA's Role

- Solicitation
- Back Office Tolling Services & Customer Service
- Developer Payment Reconciliation
- Toll Rate Range
 - Dynamic Tolling
- Leasehold Interest
- Notes Issuance
 - Separate Trust Agreement





MDTA - Solicitation

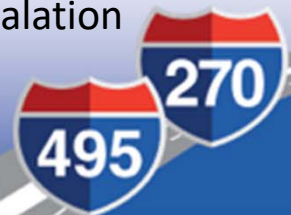
- Solicitation Documents
 - Documentation review
 - Tolling Key Performance Indicators
 - Contributor to Proposer questions/comments
 - One-on-one meetings with Shortlisted Proposers
- Selection Process
 - Represented in Technical Review Team, Evaluation Committee and Selection Committee
 - Request for Qualifications
 - Request for Proposals
 - Board Approval
- Toll Workgroup
 - Technical, Operational, Communications/Outreach, and Policy





MDTA - Back Office Tolling Service & Customer Service

- P3 toll transactions interfaced to MDTA's back office
 - Maintenance of *E-ZPass*® accounts
 - Image transaction (Pay-by-Plate & Video Tolls)
 - Interagency Group (*E-ZPass*) reciprocity
- MDTA Customer Service Center
 - Consistent customer experience for all toll customers (MDTA existing facilities or new P3)
 - Customer Communication Channels
- Cost Reimbursement Model
 - Payments to Developer, net of *E-ZPass* per transaction fee
 - Operating, Personnel, Capital
 - Payment to Operating Reserve, net of delta for all payment methods + NOTD escalation costs



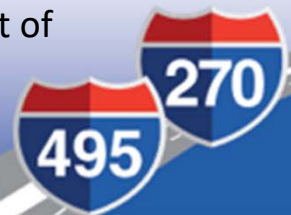


MDTA - Leasehold

- MDTA will acquire a Leasehold Interest in the P3 facility as part of the Project's designation as an MDTA "transportation facilities project."
- The designation and Leasehold Interest are necessary for MDTA to set tolls and issue Notes under State law.

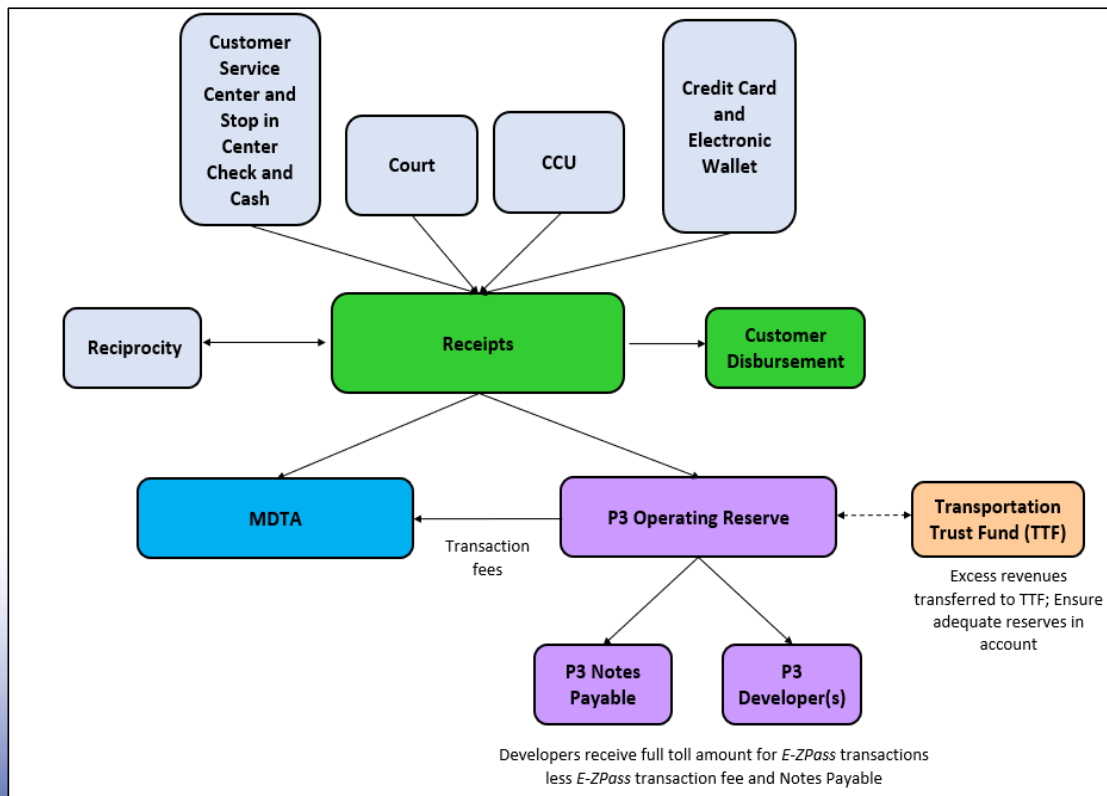
MDTA - Notes Issuance

- Private placement; not to exceed \$100 million
 - No recourse to MDTA, MDOT, or State
 - Board resolution in accordance with Board policy
- Senior lien on toll revenue generated from the P3 Project
 - State continues to achieve no net cost goal
- Funds project expenses the State is best-suited to pay for in order to mitigate risk
 - Paid from Project revenue— retaining no net cost to the State commitment
- Second trust agreement to separate toll revenue and financing for the P3 Program from that of MDTA's existing facilities





MDTA – Developer Payment Reconciliation



- Toll receipts initially consolidated
- Monthly separated in accordance with trust agreements
- Reconciliation with Developers' Expected Tolls
- Recovery of toll payments for invalid transactions





MDTA - Toll Setting Process

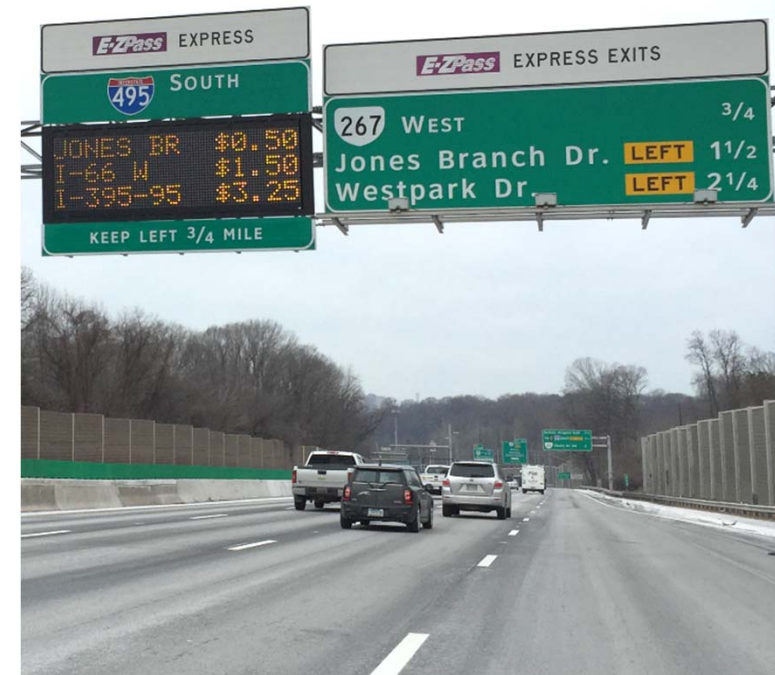
- Transportation Article §4-312 of the Annotated Code of Maryland authorizes only the MDTA to fix, revise, and set toll rates.
- Public process will be identical to establishing tolls for MDTA existing facilities.
 - Toll Proposal to initiate toll rate setting process – Spring 2021
 - Provide 60-day Public Comment Period and Hold Public Hearings (in affected counties) – Spring/Summer 2021
 - Present public comments and seek MDTA Board approval of toll rate range – Summer 2021
- Toll rate setting process is separate and distinct from processes under the P3 Program.
- Variable Priced Facilities
 - Toll rate range: minimum and maximum per mile rate
 - Soft rate cap: rate cannot be exceeded unless vehicle speed is reduced or vehicle volumes increase to predetermined thresholds





How Does Dynamic Pricing Work?

- Congestion (Dynamic) Pricing enables the system to flow much more efficiently, allowing more cars to move through the same physical space.
- Developers will develop algorithms for setting specific toll rates within that range and the soft rate cap parameters.
- Toll rates are adjusted in response to real-time conditions
 - Travel speeds
 - Traffic density
 - Traffic volumes
- Toll rates are communicated through dynamic signage for real-time decision making.



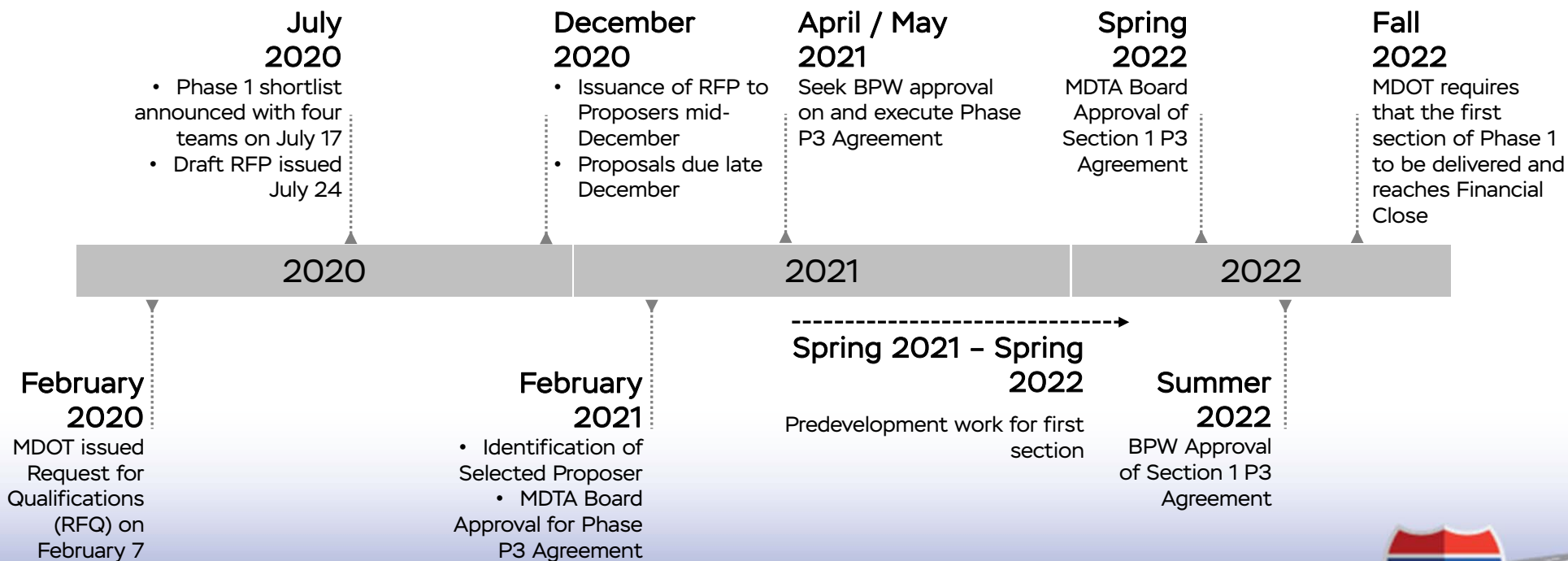
Phase 1 Schedule

28





Phase 1 Solicitation/Phase Development – Timeline



Questions?





MDOT MARYLAND DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION

Thank you!

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