



Maryland Department of Transportation
The Secretary's Office

December 1, 2010

The Honorable Edward J. Kasemeyer
Acting Chairman, Senate Budget and Taxation Committee
5205 East Drive, Suite H
Arbutus MD 21227

The Honorable Norman Conway
Chairman, House Appropriations Committee
121 Lowe House Office Building
Annapolis MD 21401-1991

The Honorable Sheila Ellis Hixson
Chairman, House Ways and Means Committee
131 House Office Building
Annapolis MD 21401-1991

Dear Chairmen:

Attached is a report concerning the *Progress of the Intercounty Connector Project* as required in Senate Bill 255/House Bill 1352, Chapters 471 and 472, Acts of 2005. The language directs:

"On or before December 1 of each year until completion of construction of the Intercounty Connector, in accordance with §2-1246 of the State Government Article, the Authority shall submit a report on the status of the Intercounty Connector to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Committee on Ways and Means.

The report required under this subsection shall include: (I) an update on the progress of the project and a comparison of the actual progress to the project schedule provided to the Committees in January, 2005; (II) the revised estimate of the total project cost of the project and a statement of the reasons for any cost savings or cost overruns, relative to the estimate of \$2,447,000,000 provided to the Committees in January, 2005; (III) a description of any changes to the financing plan for the project, including the impact of cost savings or cost overruns, and, consistent with the intent of the General Assembly to limit the overall amount of debt used for financing the Intercounty Connector, the specific identification of sources of funds that may be applied to address any cost overruns; (IV) Planned expenditures by year, categorized by planning and engineering, right-of-way acquisitions, and construction; (V) Funding sources by year, categorized by: 1. Grant Anticipation Revenue Vehicle Bond Issuances; 2. Transfers from the Transportation Trust Fund; 3. Transfers from the General Fund; 4. Federal Funds; 5. Authority Cash Reserves; 6. Authority Revenue Bond Issuances; 7. Draws on a loan or line of credit extended to the State under the federal Transportation Infrastructure Finance and Innovation Act; 8. Bond anticipation notes; and 9. Any other revenue source; (VI) A schedule of debt service for the Grant Anticipation Revenue Vehicle bond issuances and Authority revenue bond issuances; and (VII) Financing assumptions, including maturities of bond issuances and forecasted interest rates."

My telephone number is 410-865-1000
Toll Free Number 1-888-713-1414 TTY Users Call Via MD Relay
7201 Corporate Center Drive, Hanover, Maryland 21076

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

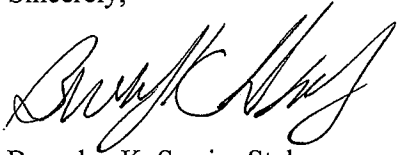
Beverley K. Swaim-Staley
Secretary

Harold M. Bartlett
Deputy Secretary

The Honorable Edward J. Kasemeyer
The Honorable Norman Conway
The Honorable Sheila Ellis Hixson
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If you have any additional questions or concerns, please do not hesitate to contact Mr. Neil Pedersen, State Highway Administrator at 410-545-0400. Of course, you should always feel free to contact me directly.

Sincerely,

A handwritten signature in cursive script, appearing to read "Beverley K. Swaim-Staley".

Beverley K. Swaim-Staley
Secretary

cc: Members of the Senate Budget and Taxation Committee, the House Appropriations
Committee, and the House Ways and Means Committee
Mr. Neil Pedersen, Administrator, State Highway Administration

bcc: Ms. Sarah Albert, Library Associate, Mandated State Agency Reports, Library & Information Services Division, Department of Legislative Services (5 copies – MSAR #2944)

Mr. Harold M. Bartlett, Deputy Secretary, Maryland Department of Transportation

Mr. J. Ryan Bishop, Committee Staff, House Ways and Means Committee

Mr. Joe Bryce, Chief Legislative Officer, Governor's Office

Mr. Jack Cahalan, Director, Office of Public Affairs, Maryland Department of Transportation

Mr. David W. Chapin, Engineering, Contracts, Design and Inspection, Maryland Transportation Authority

Mr. Matthew Garbark, Research Policy Analyst, State Highway Administration

Mr. Bruce W. Gartner, Director, Office of Policy and Governmental Affairs, Maryland Department of Transportation

Mr. Martin L. Harris, State Legislative Officer, Maryland Department of Transportation

Ms. Jaclyn Hartman, Legislative Analyst, Office of Policy Analysis, Department of Legislative Services

Mr. Kevin Hughes, Deputy Director, Governor's Legislative Office

Ms. Cathy Kramer, Department of Legislative Services

Ms. Diane Lucas, Budget Analyst, Department of Budget and Management

Mr. Jon Martin, Legislative Analyst, Department of Legislative Services

Ms. Melinda Peters, ICC Office, State Highway Administration

Ms. Linda Singer, State Legislative Manager, State Highway Administration

Mr. David Smulski, Committee Staff, Senate Budget & Taxation Committee

Ms. Wonza Spann-Nicholas, Deputy Director, Office of Finance, Maryland Department of Transportation

Mr. Joshua A. Watters, Committee Staff, House Appropriations Committee

A Report to the Maryland General Assembly's

Senate Budget and Taxation Committee,

House Appropriations Committee, and

House Ways and Means Committee

regarding

The Progress of the Intercounty Connector Project

(MD 200)

(as required in §4-321 of the Transportation Article,
SB 182, Chapter 567, Acts 2008)



The Maryland Transportation Authority
The Maryland Department of Transportation
December 2010

The Progress of the Intercounty Connector Project (MD 200)
(as required in §4-321 of the Transportation Article,
SB 182, Chapter 567, Acts 2008)

This is the fourth annual report prepared in response to Section 4-321 of the Transportation Article, SB 182, Chapters 567, Acts 2008, which specifically directs that:

“On or before December 1 of each year until completion of construction of the Intercounty Connector, in accordance with §2-1246 of the State Government Article, the Authority shall submit a report on the status of the Intercounty Connector to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Committee on Ways and Means.

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Introduction

The Intercounty Connector (ICC) (to be designated MD 200) is an 18.8-mile, limited access, six-lane, tolled highway with accommodations for express bus service connecting the I-270/I-370 Corridor in Montgomery County with the I-95/US 1 Corridor in Prince George’s County.

With completion of the planning studies in 2006 and the project permits issued by the US Army Corps of Engineers and the Maryland Department of the Environment (MDE), the ICC Project

The Progress of the Intercounty Connector Project (MD 200)
(as required in §4-321 of the Transportation Article,
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moved into its design/construction phases during 2007. The procurement of the first ICC mainline Design-Build Contract concluded with the May 25, 2007 award of Contract A (I-270/I-370 to MD 97), award of Contract C (US 29 to I-95) on June 22, 2007 and award of Contract B (MD 97 to US 29) on October 28, 2008. Design and construction made significant progress on these three mainline contracts during 2010.

Construction under the first 7.2 mile mainline Design-Build contract, Contract A (I-270/I-370 to MD 97), is moving ahead and is now approximately 92% complete. Contract C (US 29 to I-95) is now approximately 76% complete. Contract B is now approximately 60% complete. Activities also continued on the nearly \$100M of environmental and community stewardship projects which are an integral component of the ICC.

Please note that the limits of construction on the ICC as presented above (18.8 miles for the entire project and 7.2 miles for Contract A), are slightly longer than the mileage that will be tolled. The tolled mileage will be 5.6 miles for Contract A, and 17.5 miles for the entire facility.

Project Activities Completed Since Last Report

- Over the past year, the ICC Project has progressed with the continued refinement and finalization of contract packaging and procurement plans for the remaining portion of the ICC mainline (Contract E: I-95 to US 1) as well as the Collector/Distributor Roads along I-95 (Contract D). A portion of the improvements initially contemplated under Contracts D and E (ICC to Virginia Manor Road and a portion of the auxiliary lanes along I-95) was assigned to the Design-Build Team for the adjacent mainline contract (Contract C) in order to assure that these sections are available for the opening of the mainline roadway in late 2011. Approximately 95% of the total construction value for the ICC is underway.
- Contract A – the first segment of the ICC is a \$478.7 million contract which provides for the construction of the ICC from I-370 to Georgia Avenue (MD 97). Intercounty Constructors is a joint venture of Granite Construction Company, Corman Construction Inc. and G.A. & F.C. Wagman, Inc. Approximately \$418.5 million was spent through June 30, 2010. Intercounty Constructors continues to make progress on the ICC bridges and structures along the western 7.2 miles of the project. Earthwork operations continue from Redland Road to the eastern terminus of Contract A. Paving is occurring at various segments along the project and electronic toll collection and ITS underground installations are occurring on I-370, I-270 and the ICC Mainline. Permanent overhead sign structure installation is ongoing projectwide. It is anticipated that Contract A will be open to traffic in late 2010/early 2011.
- Contract C, the second phase of the ICC, is a \$513.9 million contract which provides for the design and construction of the US 29 and I-95 interchanges for the ICC, approximately 3.8 miles of new six-lane ICC highway and 1.9 miles of I-95 auxiliary

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roadways. ICC Constructors (IC3) is a joint venture of Shirley Contracting Company, LLC; Clark Construction Group, LLC; Guy F. Atkinson Construction, LLC; Facchina Construction Company, Inc.; and, Trumbull Corporation. A Notice to Proceed was issued to IC3 on April 7, 2008. Through June 2010, approximately \$358.9 million was spent. IC3 has completed mainline paving between Old Columbia Pike and US 29 and placing concrete bridge decks over US 29 and I-95 on the eastbound portion of the ICC. Additional ongoing work includes foundation and substructure work for various ramp bridges in the US 29 interchange area, excavation and embankment work, installation of landscaping, drainage, sign structures, lighting, and ETC/ITS conduits, and staining of bridge structures and sound barriers. Completion of Contract C is on schedule for late 2011/early 2012.

- Contract B provides for the design and construction of the ICC extending from approximately 600 feet east of MD 97 to west of US 29 comprising 6.9 miles of six-lane highway and the ICC / MD 182 and ICC / MD 650 interchanges. Proposals were received in May 2008 and MD 200 Constructors, a joint venture of Kiewit Southern Co.; Corman Construction, Inc.; and, G.A. & F.C. Wagman Inc. with a proposal totaling \$559.7 million was selected as the best value for the State. The full Notice to Proceed was issued on January 16, 2009. Through June 2010, approximately \$243.6 million was spent. MD 200 Constructors has received the final MDE permit for the eastern segment design package and continues with clearing and grading operations, installation of sound barriers, and work on various structures throughout the middle 7.0 miles of the project, including setting reinforcing steel on decks, setting concrete for bridge decks and girders, and placing concrete piers, pier caps, and abutments. Completion of Contract B is expected in late 2011/early 2012.
- Right-of-Way acquisitions continued during the year, and as of the date of this report, approximately 99% of the total land area required for the ICC mainline and interchanges is controlled by the State Highway Administration (SHA) and 381 out of a total of the 395 parcels that are affected have either been acquired or have commenced the condemnation process.
- The contract with the General Engineering Consultant (GEC), awarded in April 2005, includes a 25% Disadvantaged Business Enterprise (DBE) participation goal; there are currently 20 Maryland Department of Transportation (MDOT)-certified DBE firms participating on the GEC Team. The GEC contract is approximately 70% complete. The Request for Proposal (RFP) for Contract A established a 15% overall DBE goal with 20% for professional services (design, quality control, public relations, etc.). The RFPs for Contract C and B contain a 20% overall DBE goal with 20% for professional services.
- In an effort to expand the base of available DBE firms, the Project Team continues to pursue an aggressive Outreach Program. Since our last report, there have been more than 50 DBE Outreach or Networking events held with both private and public organizations.

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- The ICC project has approximately 150 On-the-Job training (OJT) opportunities. MDOT and the Maryland Department of Labor, Licensing and Regulation (DLLR) are partnering to provide support to this program. DLLR has established an office in the program management offices for SHA in Beltsville to provide assistance in filling these positions. As of October 2010, the ICC Project has 38 active OJT Trainees and has graduated 85 individuals. Contract A has exceeded their commitment for 45 graduates and have currently graduated 47 individuals, with 5 additional trainees enrolled in the program. In addition, all graduates to date remain employed on the contract.
- The ICC Outreach team continues to conduct targeted public outreach to communities and property owners directly impacted by the project. Meetings have been well attended and have focused on issues of impacts, noise abatement, property owner rights, and design features. Public outreach for environmental projects that are part of the ICC began in 2010. During 2010, 54 Community Outreach events were held. In addition, the team has launched a new business outreach program in 2010 designed to educate companies and employees about how to use the ICC once it opens.
- Projects related to Environmental Mitigation, Environmental Stewardship and Community Stewardship continue to advance. Design is ongoing for many of these projects and several have been constructed, awarded or are in the process of being advertised for bids:
 - The REF-7 Contract (Hoyles Mill) was awarded in September 2010, and site preparation is currently underway. Mowing and invasive species treatment/removal has begun with planting expected in early October 2010. This contract totals approximately 95 acres, and will be deeded to the Maryland National Capital Park and Planning Commission (M-NCPPC) as parkland replacement following completion of the maintenance period. Routine plant maintenance at REF-6, REF-17, and REF-19 is on-going, and Maryland Correctional Enterprises (MCE) will continue these efforts throughout the remainder of the 2010 growing season. MCE will soon begin planting another 40 acres on DNR Patuxent River State Park property. Several contracts located on M-NCPPC Property that encompass approximately 125 acres will be advertised and planted next year.
 - NW-D (Northwest Branch Stream Restorations 160/170) – Awarded to Environmental Quality Resources and approximately 25% complete, the project mitigates for anticipated impacts from the construction of the ICC, this contract will provide sites, a portion of the Northwest Branch of the Anacostia River, with water quality improvement, aquatic habitat enhancement, and reconnection of the channel with its floodplain in order to reduce shear stress during high flow events. This project will restore over 17,700 linear feet of stream and result in mitigation credit to the ICC of over 46,900 linear feet with an additional 2,000 linear feet of environmental stewardship.

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- Olney Manor Dog Park –Crews began work in early September 2009 on the approximately one-acre facility, which includes separate areas for both large and small dogs. A perimeter fence, equipped with a double gate, secures the two areas and prevents pets from accidentally escaping. A 40-foot high net separates the dog park from the adjacent ball field. Other features of the dog park include two informational kiosks, benches, trash receptacles and plastic bag dispensers for waste. The dog park is ADA-compliant and appears very popular with area residents. The grand opening of the Dog Park was held on June 19, 2010.
- The Montgomery County Planning Board unanimously approved the Lake Frank Connector Trail on June 10, 2010. The trail is a critical link in the Upper Rock Creek Corridor Plan for a 10-foot-wide trail ultimately leading to Olney. The detailed design will now be completed and the project advertised for construction next spring, with the trail scheduled for completion by early 2012.
- M-NCPPC held a public outreach for the Woodlawn Barn Visitor’s Center in late June 2010. The project proposes to turn the Stone Barn into a cultural destination for visitors focusing on these themes: the Underground Railroad and Quaker Heritage in Montgomery County, the Barn as an artifact of the 19th century agricultural landscape, and the Underground Railroad Experience Trail that originates on the property. The Barn will be repaired and rehabilitated to make it safe for public access and educational programming.
- Construction of the Western Operations Facility for the Maryland Transportation Authority (MDTA) in Gaithersburg, Montgomery County is completed and the Use and Occupancy Permit was issued on September 14, 2010. This facility will house an administration building, salt storage dome, fuel distribution station, and temporary police building. A contract for the construction of the Eastern Operations Facility in Prince George’s County was awarded on June 30, 2010; a limited Notice to Proceed was issued in August 16, 2010 and a full Notice to Proceed was issued on September 15, 2010. A meeting with MDE permit compliance was completed September 15, 2010 authorizing the contractor to mobilize and proceed with installation of the erosion and sediment controls. The contractor is currently completing site surveying, constructing sediment basins, obtaining utility clearances, and submitting shop drawings and Sources of Supply information.
- All Electronic Tolling (AET) field equipment installations for Contract A began in September 2010. Two toll gantry structures will be installed in this segment of the roadway (one for each direction of traffic). Overhead monitoring equipment, pavement loop detection equipment, control cabinets and support equipment is being installed. Fiber optic cabling has been installed and connected to the network providing communication to the MDTA Operations Center in Baltimore. Toll system validation will begin upon completion of field installations.

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- Fourth and fifth graders from Washington Christian Academy in Olney participated in an Earth Day event organized by the ICC. The students learned how the Eastern Box Turtle Initiative has saved approximately 900 turtles. A surprise appearance by Raphael, the Teenage Mutant Ninja Turtle, kicked-off the activities, which included demonstrations by turtle search dogs and information on protecting the environment. The turtle initiative, part of the ICC project's extensive environmental program, began prior to construction in fall 2007. An update of the three-year study, conducted by Towson University in partnership with SHA, was also issued.
- On October 17, 2010 the ICC 5K Walk/Run event took place on a completed portion of the first segment (Contract A) of the ICC. This was the first time that citizens were able to access a section of ICC. Attended by approximately 700 individuals, the proceeds from this event, which totaled approximately \$30,000, benefited Special Olympics Maryland.

Legal Activities During 2010

- All legal actions related to the National Environmental Policy Act (NEPA) Record of Decision have been successfully resolved. A settlement of the air quality issues was reached in November 2008 with the State of Maryland, the Federal Highway Administration (FHWA) and the Department of Justice. There are no remaining legal issues affecting progress of the project.

Cost Estimate and Finance Plan

- The Initial ICC Financial Plan (IFP) was issued on June 29, 2006. The first Annual Update was approved by FHWA on September 27, 2007, the second on November 25, 2008, and the third Annual Update on November 10, 2009. The fourth Annual Update was submitted to FHWA in October, 2010.
- The total cost to complete the ICC project, as defined by the project's Record of Decision (dated May 2006), has not changed from the \$2.566 billion reported for the last several years.
- Contract D remains indefinitely deferred beyond the six-year program period. We have assumed a construction start in State Fiscal Year 2017 (FY 2017) solely for estimating purposes, with a total deferred cost of \$103.2 million. Contract D consists of the collector-distributor lanes for I-95. A portion of Contract D (the design and construction of a southbound and northbound auxiliary lane along I-95 as well as a storm water management pond north of Van Dusen Road) has been included in the services being provided by the adjacent design build team (Contract C). The remaining work

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anticipated under Contact D is not part of the mainline ICC project and travel forecasts indicate they are not needed immediately when the ICC opens to traffic in late 2011/early 2012. The deferral of the remainder of Contact D will not compromise the functionality of the ICC.

- Through June 30, 2010, the project has expended \$1,448.1 million since inception (FY 2003), or 56% of the current project estimate.
- With planned contributions from the Maryland Transportation Trust Fund, the Maryland General Fund, General Obligation Bonds, Grant Anticipation Revenue Vehicle (GARVEE) bond proceeds, as well as MDTA debt and cash contributions, sufficient funding is anticipated to be in place to meet projected cash flow requirements.
- The total funding package for the ICC Project over the six-year program period (through FY 2016) period is \$2,462.7 million and has remained unchanged.
- The current funding package is comprised of a combination of the following State and federal sources:

- \$1,231.6 million in MDTA toll revenue backed debt and cash
- \$750.0 million in GARVEE bonds
- \$16.9 million in net premium from the GARVEE bonds – Series 2007
- \$264.9 million in State General Funds and General Obligation Bonds
- \$180.0 million in state transportation trust funds
- \$19.3 million in special federal funds

Source: 2010 Financial Plan Annual Update

- As noted previously, the costs associated with Contract D have been deferred beyond the current six-year program period. SHA and MDTA will work together with the MDOT to:
 1. identify cost savings within the project to reaccelerate the project, or
 2. identify additional funding to support up to \$103.2 million in cost planned beyond the current six-year program.
- As noted in the prior year report, in December 2008 the MDTA issued \$425 million in par amount of GARVEE Bonds, which completed the GARVEE borrowing for the project. The composite “True Interest Cost” for the \$750 million in total par amount of bonds is 4.17%. These bonds were rated AAA by Standard & Poors and AA and Aa2 respectively by Fitch and Moody’s.

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- An additional \$30 million from the Maryland Transportation Trust Fund were received to support project cash flow requirements in FY 2010.
- In December 2009, the MDTA issued \$549.385 million (par amount) of tax exempt and federally taxable Build America Bonds, of which approximately \$240 million will be used for the ICC. The True Interest Cost for the bonds was 3.80%. Build America Bonds are a new type of taxable bond created pursuant to the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") and allow the issuer to receive a payment directly from the United States Treasury for a percentage of the interest due on the bonds. The percentage of the interest applicable to these Build America Bonds is 35%.
- In July 2010, the MDTA issued \$326.435 million (par amount) of tax exempt and federally taxable Build America Bonds, of which, approximately \$235 million will be used for the ICC. The True Interest Cost for the bonds was 3.66%.
- In October 2010, the MDTA commenced draws from the \$516 million federal loan for the project under the Transportation Infrastructure Finance and Innovation Act (TIFIA). The TIFIA loan rate, set with the December 2008 loan agreement, is 2.56%.
- The MDTA anticipates issuing the remaining \$38 million in toll revenue bonds for the project in mid 2012.

Toll Rates

The ICC will be a variably priced toll facility in order to manage congestion and deliver reliable travel times to motorists. Higher tolls will be charged during peak-travel times and reduced tolls will be charged when traffic volumes are lower. Raising the toll rate during a particular period generally reduces the number of vehicles using the highway resulting in less congestion and fewer delays. ICC tolls will be collected electronically at highway speeds using E-ZPass® technology. There will be no toll booths or cash toll collection on the ICC, Maryland's first all-electronic toll facility.

In late 2009 and 2010, the MDTA considered and approved initial tolling parameters and rates, as discussed below.

Tolling Parameters

Tolling parameters, which set a mileage-rate range, peak and off-peak hours, rounding rule, and minimum toll, were initially proposed on September 23, 2009. (The actual toll rates for the facility, which are set by the MDTA's Executive Secretary, must be within the approved mileage-rate range, and can be adjusted periodically within the range to manage congestion and address revenue needs.) Public comments were solicited. On December 17, 2009, the MDTA approved tolling parameters as described below.

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ICC Mileage Rate Range:

	2-Axle / Motorcycle Per Mile	3-Axle Per Mile	4-Axle Per Mile	5-Axle Per Mile	6+-Axle Per Mile
Peak	\$0.25 to \$0.35	\$0.075 to \$1.05	\$1.13 to \$1.58	\$1.50 to \$2.10	\$1.88 to \$2.63
Off-Peak	\$0.20 to \$0.30	\$0.60 to \$0.90	\$0.90 to \$1.35	\$1.20 to \$1.80	\$1.50 to \$2.25
Overnight Period	\$0.10 to \$0.30	\$0.30 to \$0.90	\$0.45 to \$1.35	\$0.60 to \$1.80	\$0.75 to \$2.25

Pricing Periods:

- Peak periods are weekdays except federal holidays, 6 a.m. to 9 a.m. and from 4 p.m. to 7 p.m. Peak Periods may be varied by up to 60 minutes earlier and later.
- Overnight periods: every night from 11 p.m. to 5 a.m. Overnight Periods may be varied by up to 60 minutes earlier and later.
- Off-Peak periods: all other times.

Rounding Rule: Tolls are rounded up to the nearest nickel.

Minimum Toll: The minimum toll is 2.0 miles multiplied by the applicable mileage rate, or \$0.40, whichever is greater.

Toll Rates

Actual toll rates for the ICC are set by the MDTA's Executive Secretary. These rates can be adjusted periodically with ten days for public notice within the approved toll-rate range.

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On June 11, 2010 the following ICC toll rates were announced. The toll rates for the first segment are at the low end of the tolling parameters approved in December last December 17, 2009.

Per Mile Toll Rates

	2-Axle / Motorcycle	3-Axle	4-Axle	5-Axle	6+-Axle
Peak	\$0.25	\$0.75	\$1.125	\$1.50	\$1.875
Off-Peak	\$0.20	\$0.60	\$0.90	\$1.20	\$1.50
Overnight Period	\$0.10	\$0.30	\$0.45	\$0.60	\$0.75

Tolls For Initial Segment I-370 to MD 97 (5.65 miles)

	2-Axle / Motorcycle	3-Axle	4-Axle	5-Axle	6+-Axle
Peak	\$1.45	\$4.25	\$6.35	\$8.50	\$10.60
Off-Peak	\$1.15	\$3.40	\$5.10	\$6.80	\$ 8.50
Overnight Period	\$0.60	\$1.70	\$2.55	\$3.40	\$ 4.25

Project Schedule

- Given recent activity for active Contracts A, B and C, the project schedule for completion of the mainline ICC remains on schedule with a late 2010/early 2011 “open to traffic” date for the westernmost Contract A and a late 2011/early 2012 “open to traffic” date for Contracts B and C .
- As noted above, Contact D remains indefinitely deferred beyond the six-year program period.
- The scope and schedule for Contract E, which provides for the design and construction of the ICC from east of I-95 to US 1 is still under review. It is anticipated that this work will be completed after the opening of the rest of the facility in late 2011/early 2012.

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Expenditures and Funding by Year

- Expenditures (Dollars in Millions)

Category	Prior	FY10	FY11	FY12	FY13	FY14	Total
Project Planning	\$28.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$28.9
Preliminary Engineering	\$75.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$75.2
Right-of-Way	\$251.5	\$17.1	\$17.6	\$5.9	\$3.5	\$2.5	\$298.0
Construction	\$526.9	\$548.6	\$627.0	\$285.0	\$39.2	\$34.1	\$2,060.7
Total	\$882.4	\$565.7	\$644.6	\$290.8	\$42.7	\$36.6	\$2,462.7

- Funding (Dollars in Millions)

Category	Prior	FY10	FY11	FY12	FY13	FY14	Total
GARVEE Bonds	\$750.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$750.0
Garvee Premium	\$16.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$16.9
Transportation Trust Fund	\$150.0	\$30.0	\$0.0	\$0.0	\$0.0	\$0.0	\$180.0
General Funds / General Obligation Bonds *	\$53.0	\$55.0	\$89.3	\$57.633	\$10.0	\$0.0	\$264.9
Federal Funds	\$19.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$19.3
Authority Cash Reserves	\$26.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$26.7
Authority Revenue Bonds	\$176.3	\$240.0	\$235.0	\$0.0	\$37.6	\$0.0	\$688.9
Authority TIFIA Loan	\$0.0	\$0.0	\$450.0	\$66.0	\$0.0	\$0.0	\$516.0
Total	\$1,192.2	\$325.0	\$774.3	\$133.6	\$37.6	\$0.0	\$2,462.7

* With the exception of \$10 million in General Funds to be provided in FY 13, all funds in FY 10 through FY 13 are proceeds from General Obligation Bonds.

Source for expenditures and funding figures above: 2010 Draft Financial Plan Annual Update.

Debt Service and Financing Assumptions

The debt service schedule for the GARVEE bond issuances provided with the 2009 report is attached for convenience. These bonds have a twelve-year maturity and were issued at True Interest Costs of 3.999% (Series 2007) and 4.312% (Series 2008).

The MDTA will not issue toll revenue bonds specifically for the ICC project. Proceeds from any given bond issuance might be used for the I-95 Electronic Toll Lane (ETL) project, other MDTA Transportation Facilities Projects, or the ICC.

The Progress of the Intercounty Connector Project (MD 200)
 (as required in §4-321 of the Transportation Article,
 SB 182, Chapter 567, Acts 2008)

The debt service schedules allocable to debt used for the ICC will depend upon the specific timing of bond issuances and then current interest rates. The currently assumed schedule for use of toll revenue bonds and TIFIA for the ICC is shown in the table above. The locked-in TIFIA loan interest rate is 2.56%. The True Interest Cost for the Series 2008 toll revenue bonds (of which \$176.3 million was used for the ICC), was 4.577%. The True Interest Cost for the Series 2009 toll revenue bonds, issued in FY 10, and the Series 2010 bonds, issued in FY 11, was respectively, 3.80% and 3.66%. The amounts to be used for the ICC, as shown in the FY 10, FY 11 and FY 13 columns in the table above, is approximate. The interest rate on future toll revenue bonds is assumed to be 5.25%. Depending upon timing of issuance of bonds and interest rates, MDTA toll revenue-backed debt service applicable to the ICC will peak at approximately \$70 million to \$75 million per year.

Debt Service
 Grant Anticipation Revenue Vehicle Bonds
 (GARVEE Bonds)
 Intercounty Connector
 (\$millions)

<u>State Fiscal Year</u>	<u>Amount</u>
2008	\$36.091
2009	\$40.364
2010	\$87.458
2011	\$87.455
2012	\$87.457
2013	\$87.451
2014	\$87.458
2015	\$87.454
2016	\$87.450
2017	\$87.452
2018	\$87.457
2019	\$87.452
2020	\$51.365
Total	\$1,002.363