



Maryland Department of Transportation
The Secretary's Office

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

Beverley K. Swaim-Staley
Secretary

Darrell B. Mobley
Deputy Secretary

December 9, 2011

The Honorable Edward J. Kasemeyer
Chairman, Senate Budget and Taxation Committee
3 West Miller Senate Building
11 Bladen Street
Annapolis MD 21401

The Honorable Norman Conway
Chairman, House Appropriations Committee
1312 Whittier Drive
Salisbury MD 21801-3241

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 182, Chapter 567, Acts of 2008. 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.

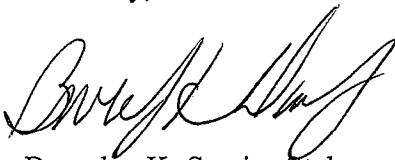
The report required under this subsection shall include: (I) an update on the progress of the project and a comparison of the actual progress to the project schedule provided to the Committees in January, 2005; (II) the revised estimate of the total project cost of the project and a statement of the 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-

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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."

If you have any additional questions or concerns, please do not hesitate to contact Ms. Melinda Peters, State Highway Administrator at 410-545-0400. Of course, you should always feel free to contact me directly.

Sincerely,



Beverley K. Swaim-Staley
Secretary

cc: The Honorable Thomas V. "Mike" Miller, President, Maryland Senate
The Honorable Michael E. Busch, Speaker, Maryland House of Delegates
Members of the Senate Budget and Taxation Committee, the House Appropriations
Committee, and the House Ways and Means Committee
Ms. Melinda Peters, Administrator, State Highway Administration

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The Honorable Norman Conway
The Honorable Sheila Ellis Hixson
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bcc: Ms. Sarah Albert, Library Associate, Mandated State Agency Reports, Library & Information Services Division, Department of Legislative Services (5 copies – MSAR #2944)
Mr. Matthew Bennett, Committee Staff, Senate Budget & Taxation 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. Dave Fleming, Director, Office of Finance, Maryland Department of Transportation
Mr. Matthew Garbark, Research Policy Analyst, State Highway Administration
Mr. Bruce W. Gartner, Director, Office of Policy and Governmental Affairs, Maryland Department of Transportation
Ms. Chantelle M. Green, Committee Staff, House Appropriations Committee
Ms. Vickie Gruber, Chief of Staff, President's Office, Maryland General Assembly
Mr. Martin L. Harris, State Legislative Officer, Maryland Department of Transportation
Ms. Jaclyn Hartman, Legislative Analyst, Office of Policy Analysis, Department of Legislative Services
Ms. Kristin Jones, Chief of Staff, Speaker's Office, Maryland General Assembly
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. Gail Moran, Manager, Government & Community Relations, Maryland Transportation Authority
Ms. Shanetta Paskel, Deputy Legislative Officer, Governor's Legislative Office
Mr. Frank J. Principe, Jr., Chief of Staff, Maryland Department of Transportation
Ms. Linda Singer, State Legislative Manager, State Highway Administration
Ms. Wonza Spann-Nicholas, Deputy Director, Office of Finance, Maryland Department of Transportation
Mr. Stan Ward, Committee Staff, House Ways and Means Committee

A Report to the Maryland General Assembly's

Senate Budget and Taxation Committee,

House Appropriations Committee, and

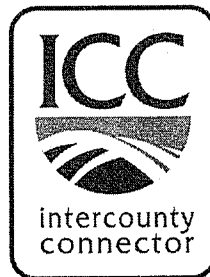
House Ways and Means Committee

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 2011

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 fifth 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.

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.”

Introduction

The Intercounty Connector (ICC) (designated MD 200) is an 18.8-mile¹, 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.

¹ 18.8 miles is the total length of construction project; actual tolled mileage from the I-370 / Metro Access Road interchange to US 1 is 17.5 miles.

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

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 project moved into its design/construction phases in 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 2011. The award of Contract D/E representing the final section of mainline ICC (I-95 to US 1) and the remaining collector/distributor roads along I-95 is expected in late 2011 or early 2012.

The first 7.2 mile mainline Design-Build contract, Contract A (I-270/I-370 to MD 97), was opened to traffic in February 2011, has been accepted for maintenance, and its remaining punch-list items are nearing completion.² Contract C (US 29 to I-95) and Contract B is now complete. Both Contract B and C were opened to traffic on November 22, 2011. Significant activities also continued on the nearly \$100M of environmental and community stewardship projects which are an integral component of the ICC.

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 5.65 miles for Contract A and 17.5 miles for the entire facility.

Project Activities Completed Since Last Report

- Over the past year, the project has progressed with the opening of Contracts A, B, and C to traffic and the advertisement of the last remaining portion of the ICC mainline – Contract D/E Modified. Contract D/E Modified will consist of a reduced length of collector-distributor road along I-95 and will include the extension of the ICC from the eastern terminus of Contract C to US 1. Approximately 95% of the total construction value for the ICC is complete.
- 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 \$478.2 million was spent through August 31, 2011. On February 21, 2011, Contract A was opened to traffic, tolling operations began on March 7, 2011, and the facility was accepted for maintenance on June 30, 2011. Intercounty Constructors continues to make progress against the remaining punch list items along the western 7.2 miles of the project with only minor contract activities remaining.

² Of this length, 5.65 miles are tolled, the remainder is part of toll free I-370.

The Progress of the Intercounty Connector Project (MD 200)
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- 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 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 August 2011, approximately \$496.1 million was spent and on November 22, 2011, Contract C was opened for traffic with tolling operations to begin on December 5, 2011.
 - 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 Notice to Proceed was issued on January 16, 2009. Through August 2011, approximately \$490.9 million was spent and on November 22, 2011, Contract B was opened for traffic with tolling operations to begin on December 5, 2011
 - Contract D/E Modified combines elements of the two remaining segments into a single contract. Contract D/E Modified was advertised in May 2011 as a reduced length of collector-distributor road along I-95 and the extension of the ICC from the eastern terminus of Contract C to an at-grade intersection at Virginia Manor Road. The contract as advertised also included an option to construct the ICC/Virginia Manor Road interchange and extend the ICC to US 1 contingent on available funding within the previously approved ICC financial plan. Bids were opened on September 29, 2011 and the bids for the optional interchange and full mainline to US 1 were favorable. IC3, a joint venture of Shirley Contracting Company, LLC; Clark Construction Group, LLC; Facchina Construction Company, Inc.; and, Trumbull Corporation submitted the apparent low bid of \$89.3M. An award is expected in late 2011 or early 2012. Completion of Contract D/E Modified is scheduled for Spring 2014. A bid protest was filed and the final procurement officer's decision was issued on November 17, 2011. 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. Completion of Contract D/E Modified is scheduled for mid 2014.
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- The Right-of-Way acquisition process continued during the year, and as of the date of this report, the total land area required for the ICC mainline and interchanges is controlled by the State Highway Administration (SHA).

The Progress of the Intercounty Connector Project (MD 200)
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- The contract with the General Engineering Consultant (GEC), awarded in April 2005, includes a 25% Disadvantaged Business Enterprise (DBE) participation goal; there are currently 21 Maryland Department of Transportation (MDOT)-certified DBE firms participating on the GEC Team. The GEC contract is approximately 80% 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 B and C contain a 20% overall DBE goal with 20% for professional services. The RFP for Contract D/E Modified contained a 30% overall DBE goal with 30% 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 13 DBE Outreach or Networking events held with both private and public organizations.
- Under Contracts A, B and C, the ICC project has approximately 150 On-the-Job training (OJT) opportunities. The ICC Project has 18 active OJT Trainees and has graduated 136 individuals. Contract A has exceeded its commitment for 45 graduates with 50 individuals completing the program. Contract B has met its goal of 45 graduates with 13 additional trainees enrolled in the program. Contract C has graduated 41 with 5 trainees remaining in the program. Contract D/E Modified was advertised with 15 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.
- The ICC Community Outreach team continues to conduct targeted public outreach to communities, businesses, and property owners affected by the project. Public meetings have focused primarily on noise abatement, overnight work, impacts of opening the first segment of the road to traffic, and explanation of design features such as placement of landscaping, sound walls, and toll gantries. Public outreach for environmental projects increased in frequency during 2011. Residents and communities have been particularly interested in the potential property impacts of stream restoration and stormwater management projects. During 2011, a total of 45 Community Outreach events (mainline ICC and environmental projects) were held. The team continued the business outreach program designed to educate small companies, large employers, and the general public about how to use the ICC and the most efficient method for paying tolls. The Business Outreach team provided information to thousands of people in 2011 at employer events, fairs and festivals, and "drop in" centers at Motor Vehicle Administration (MVA) branches in Montgomery and Prince George's counties. That level of effort is expected to continue well into 2012.

The Progress of the Intercounty Connector Project (MD 200)
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- 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:
 1. The REF-7³ reforestation contract (Hoyles Mill) was completed in Fall 2010 and initial results look promising with over 90% survival of initial tree plantings. The 95-acre reforestation site will continue to be managed for invasive species and maintenance of trees into Fall 2012. Replanting efforts are underway at sites REF-6, REF-17, REF-19 in order to ensure successful reforestation requirements of these sites. Additional reforestation contracts were awarded in 2011 including REF-20, REF-2, REF-10/11, and REF-15. REF-2 and REF-20 were planted on properties managed by the Maryland Department of Natural Resources. REF-20 is a 15-acre reforestation site that will be deeded to Maryland National Capitol Park and Planning Commission (M-NCPPC) upon warranty completion in 2012. REF-21 on the City of Bowie property has recently started and is expected to be completed by the end of 2011.
 2. NW-D (Northwest Branch Stream Restoration) is approximately 70% complete. It is anticipated that major work will be completed by Spring 2012. This restoration project will improve water quality, provide aquatic habitat, and reconnect the stream with the floodplain, while reducing the amount of erosion by controlling shear stress along stream banks. The project is on schedule to restore 17,700 linear feet of stream and result in a mitigation credit of over 46,900 linear feet with an additional 2,000 linear feet of environmental stewardship restoration.
 3. The NW-69 Wetland Creation project was awarded to Harland Shoemaker & Son in late 2010, and construction was substantially completed in July 2011. This project has created a 3 acre floodplain wetland adjacent to a tributary of the Northwest Branch of the Anacostia. The site will provide aquatic habitat and provide flood relief to the adjacent stream. After two years, the site will be planted with native floodplain trees to accelerate the creation of a forested wetland.
 4. The unique SC-A mitigation project was started in June 2011 under a contract awarded to Facchina Construction. This site combines approximately 5,000 linear feet of stream restoration with the construction of 15 acres of wetland creation in the Seneca Creek watershed. The stream restoration is focused on creating additional habitat within the existing stream channel, as well as reducing the amount of in-stream erosion from banks and bed to improve water quality. The wetland construction is creating habitat for aquatic organisms in a floodplain that was

³ REF is an abbreviation for "Reforestation" and is used to designate reforestation projects. The numbers following REF refer to specific reforestation sites.

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historically used for agriculture, and recently had limited ecological benefits. The project is located on M-NCPPC property, and is approximately 20% complete.

5. The Redland Middle Trail (MO-A) project was started in June 2011 by Concrete General and was substantially completed in August 2011, during the school year break. This new multi-use trail provides additional access along Muncaster Mill Road and connected a previously constructed trail with the Redland Middle School. For stormwater management purposes, the trail was built using a pervious asphalt mix, which allows rainfall to filter through the trail into the sub grade, reducing the amount of runoff that is typical of impervious construction and can have deleterious effect on water quality. Landscaping along the trail will be completed during the Fall 2011 planting season.
6. The RC-D (Rock Creek Fish Passage) contract began in early June 2011 under a contract awarded to Corman Construction, Inc. The stream restoration has the distinct goal of mitigating fish blockages within Rock Creek. The project consists of installing rock weirs that will slightly increase water surface elevations, thereby allowing fish to pass over previously manmade obstructions such as old fords and sanitary sewer lines. There are four reaches within the project, which is also being constructed on M-NCPPC parkland. As of October 2011, the project was approximately 18% complete.
7. Several projects have started within the Upper Paint Branch watershed that are designed to retrofit communities with new stormwater management systems. The PB-B, PB-D, and PB-F contracts were all awarded and commenced with construction in early 2011. There are a total of 11 sites within the contracts, which include the construction of biotrenches, stormwater management detention facilities, and stormwater management wetlands. These sites are situated within existing residential areas that were built prior to stormwater management regulations, and they are designed to filter runoff prior to releasing it back into the Upper Paint Branch stream system. These three contracts will treat approximately 325 acres of impervious surface, improving water quality within this watershed. The contracts are projected to be complete by mid-2012. There are several additional SWM retrofit contracts slated to start in November 2011 (PB-K, PB-E) in the Upper Paint Branch watershed.
8. Also located within the Upper Paint Branch watershed is the PB-G contract, awarded to AB Construction, Inc. in July 2011. The project is focused on restoring 7,150 linear feet of stream located in the Left Fork and Gum Springs tributaries, and is focused on the return, establishment, or improvement of the structure, function, and habitat quality of these tributaries. Other improvements in this contract include reforestation and stream buffer planting, and extensive non-native invasive species management within the riparian corridor. As of October 2011, the project is approximately 10% complete.

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9. The Lake Frank Community Trail (MO-E) project was given a notice to proceed in mid-July 2011. This 2,500 linear foot paved trail is a critical link in the Upper Rock Creek corridor plan for a 10' wide trail ultimately linking to Olney, MD. Construction is underway and, as of October, 2011, is approximately 20% complete. The trail will weave through an existing forest on Maryland National Capitol Park and Planning Commission parkland, and includes a large prefabricated steel bridge over a small tributary to Rock Creek. Completion is scheduled for mid-2012.
- Construction of the Western Operations Facility for the Maryland Transportation Authority (MDTA) in Gaithersburg, Montgomery County, was completed and the Use and Occupancy Permit was issued on September 14, 2010. The facility houses an administration building, salt storage dome, fuel distribution station, and temporary police building. A contract for the construction of the Eastern Operations Facility (EOC) 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. Clearing and grading of the EOC site, well installation and interconnecting piping for the geothermal system is complete. Storm drainage and other site utility installation continue and are nearly complete. Structural steel for Wing A of the operations building has been erected, while Wing B steel erection continues. Exterior and interior framing is underway along with interior masonry work. Roof installation is also underway. Preparations for paving portions of the site are underway with installation of curb and gutter. The facility is expected to be completed during Winter 2011/2012.
 - A 10-mile family bike ride and 5K walk/run was held on Sunday, October 23, 2011. The event took place directly on the ICC between (MD 650) New Hampshire Avenue and (MD 28) Norbeck Road. This year's event raised approximately \$17,000 to support Special Olympics Maryland. The event had over 500 participants.
 - Federal Highway Administrator, Victor M. Mendez, joined Maryland Transportation Secretary, Beverley K. Swaim-Staley, on April 4, 2011 for a media event to recognize April 4-8, 2011 as National Work Zone Awareness Week. The event was held on the collector-distributor lanes parallel to southbound I-95, beneath the ICC mainline bridges over I-95 within Contract C. Launched in 1999, National Work Zone Awareness Week is a nationwide campaign that helps to increase public awareness of work zone safety and underscores the frightening statistic that more than 1,100 men, women, and children are killed in work zones each year in the United States.
 - The ICC project received the 2011 American Association of State Highway and Transportation Officials (AASHTO) President's Award for Highways. The AASHTO President's Awards annually recognize teams that demonstrate exemplary performance and a commitment to excellence on a project that benefits transportation nationally or regionally.

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

- On September 21, 2011, The Engineering News Record (ENR) announced the winners of the New York region's Best Projects awards program. The annual competition honors construction and design excellence from across the region. An independent jury of industry experts judged 98 nominated projects this year and selected 27 as award winners. This year's overall winner was given to the team that designed and built ICC Contract A. The winners will be featured in the November issue of ENR New York and will be entered in the "National Best of the Best Projects" competition.

Legal Activities During 2011

- 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.
- On February 1, 2011 after negotiation of a settlement to the condemnation case for land needed for the ICC project, a joint agreement allowing the construction of the final phase of the ICC to move forward and to assist economic development efforts in Prince George's County was executed. The agreement between the State, Prince George's County, and developers of the Konterra project provided for construction of a planned I-95 interchange with Contee Road south of MD 198 and construction of a modified version of the remaining two ICC contracts (formerly known as contracts D and E), which will extend the ICC from I-95 east to Virginia Manor Road, with an option to US 1.

Cost Estimate and Finance Plan

- The ICC Initial 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, the third on November 10, 2009, and the fourth on February 16, 2011. The fifth Annual Update to the Financial Plan is under development and will be submitted to the FHWA in early 2012.
- The total financial plan for the ICC is now estimated to be \$2.425 billion or approximately \$21 million below the \$2.4458 billion IFP amount. There is no anticipated need for additional funding.
- Through June 30, 2011, the project has expended \$1.9733 billion since inception (FY 2003), or 81% of the current project estimate.

The Progress of the Intercounty Connector Project (MD 200)
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- Prior reports to the Committees noted that the costs associated with Contract D had been deferred beyond the then-current six-year program period and that SHA and MDTA would work together with MDOT to identify cost savings within the project. As a result of successful change order negotiations and an aggressive effort to maintain project budgets, significant savings were identified from the construction contingencies for Contracts A, B and C. This, in addition to a positive resolution of the ICC's major remaining right-of-way parcel, resulted in sufficient funding being available to construct the work identified under Contracts D and E. As noted within this report, that work has been advertised, bids were received and an award is pending. It is now anticipated that all work envisioned for the ICC may be completed within the six-year program total and that additional funding will not be required.
- 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 current funding package is comprised of a combination of the following State and federal sources:
 - \$1.211 billion in MDTA toll revenue backed debt and cash
 - \$750.0 million in GARVEE bonds
 - \$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
- As noted in a prior reports, 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.
- \$30 million from the Maryland Transportation Trust Fund were received to support project cash flow requirements in FY 2010. No additional Transportation Trust Fund (TTF) dollars are anticipated.
- In March 2008, the MDTA issued \$300 million (par amount) in tax exempt bonds, of which \$176.3 million was used for the ICC. The True Interest Cost for the bonds was 4.929%.

The Progress of the Intercounty Connector Project (MD 200)
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- In December 2009, the MDTA issued \$549.385 million (par amount) of tax exempt and federally taxable Build America Bonds, of which approximately \$280 million will be used for the ICC. The True Interest Cost for the bonds was 3.8%. Build America Bonds are taxable bonds created pursuant to P.L. 111-5, the American Recovery and Reinvestment Act of 2009, 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 \$95 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%. To date, MDTA has drawn \$383.97 million; \$132.02 remains to be drawn.
- The MDTA anticipates issuing the remaining toll revenue bonds for the project in FY 2014. The amount to be issued may change based on use of earlier bond proceeds and MDTA cash for the project; it is currently estimated that \$20 million will be issued.

Expenditures and Funding by Year

- Expenditures (Dollars in Millions)

Category	Prior	FY11	FY12	FY13	FY14	FY15	FY16	Total
Project Planning	\$28.9	\$0.0	\$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	\$0.0	\$75.2
Right-of-Way	\$268.6	-\$28.1	\$4.7	\$12.5	\$7.1	\$0.0	\$0.0	\$264.7
Construction	\$1,076.7	\$560.4	\$258.5	\$94.8	\$63.5	\$1.3	\$1.3	\$2,056.3
Total	\$1,449.4	\$532.3	\$263.1	\$107.3	\$70.6	\$1.3	\$1.3	\$2,425.1

Numbers may not add due to rounding.

The Progress of the Intercounty Connector Project (MD 200)
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• Funding (Dollars in Millions)

Category	Prior	FY11	FY12	FY13	FY14	FY15	FY16	Total
GARVEE Bonds	\$750.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$750.0
Garvee Premium	\$16.9	\$0.0	-\$16.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transportation Trust Fund	\$180.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$180.0
General Funds / General Obligation Bonds *	\$108.0	\$89.3	\$46.2	\$0.0	\$21.5	\$0.0	\$0.0	\$265.0
Federal Funds	\$19.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$19.3
Authority Cash Reserves	\$26.8	\$0.0	\$139.1	\$80.0	-\$124.7	\$1.3	\$1.3	\$123.6
Authority Revenue Bonds	\$456.3	\$95.0	\$0.0	\$0.0	\$20.0	\$0.0	\$0.0	\$571.3
Authority TIFIA Loan	\$0.0	\$347.2	\$36.7	\$0.0	\$132.0	\$0.0	\$0.0	\$515.9
Total	\$1,557.3	\$531.5	\$205.1	\$80.0	\$48.8	\$1.3	\$1.3	\$2,425.1

Numbers may not add due to rounding.

* All funds in FY 10 through FY 14 are proceeds from General Obligation Bonds.

Source for expenditures and funding figures above: Final 2012-2017 CTP and preliminary MDTA Financial Forecast.

Debt Service and Financing Assumptions

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

With the exception of the TIFIA loan, the MDTA does 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 debt service schedules allocable to debt used for the ICC will depend upon the specific timing of bond issuances and interest rates at that time. The schedule currently assumed 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 4.929%. 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 3.80% and 3.66%, respectively. The amounts to be used for the ICC, as shown in for FY 11 and subsequent years in the table above, are 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 \$65 million per year.

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

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

State Fiscal Year	Amount
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