



**Maryland Department of Transportation**  
The Secretary's Office

**Martin O'Malley**  
Governor

**Anthony G. Brown**  
Lt. Governor

**Darrell B. Mobley**  
Acting Secretary

**Leif A. Dormsjo**  
Acting Deputy Secretary

November 26, 2012

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.*

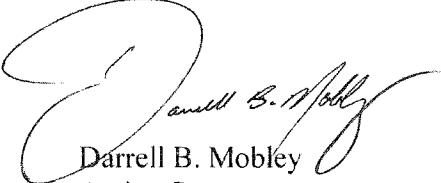
*The report required under this subsection shall include: (I) an update on the progress of the project and a comparison of the actual progress to the project schedule provided to the Committees in January, 2005; (II) the revised estimate of the total project cost of the project and a statement of the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



Darrell B. Mobley  
Acting 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 B. Peters, Administrator, State Highway Administration

A Report to the Maryland General Assembly's

Senate Budget and Taxation Committee,

House Appropriations Committee, and

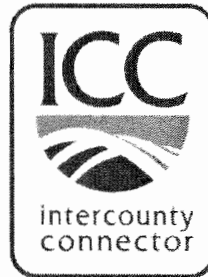
House Ways and Means Committee

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 2012

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 sixth 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-mile<sup>1</sup>, 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.

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<sup>1</sup> 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)

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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 three ICC mainline Design-Build Contracts 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. Contract D/E, representing the final section of mainline ICC (I-95 to US 1) and the remaining collector/distributor roads along I-95, was awarded on February 17, 2012.

The first 7.2 mile mainline<sup>2</sup> Design-Build contract, Contract A (I-270/I-370 to MD 97), was opened to traffic on February 21, 2011. Contract B (MD 97 to US 29) and Contract C (US 29 to I-95) 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.

## Project Activities Completed Since December 2011 Report

- Over the past year, the project has progressed with full operations of Contracts A, B, and C and the advertisement, award and issuance of the Notice to Proceed for the last remaining portion of the ICC mainline – Contract D/E Modified. Contract D/E Modified consists of collector-distributor roads along I-95 and includes the extension of the ICC from the eastern terminus of the I-95 interchange to US 1. Approximately 89% of the total construction value for the ICC is complete.
- Contract A, the first segment of the ICC, is a \$487.1 million contract which provided 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. 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. Approximately \$484.2 million was spent through August 31, 2012. The majority of the remaining unused funds are related to unearned price adjustments and incentives and will not be paid. Intercounty Constructors continues to make progress against the remaining punch list items, with only minor contract activities remaining.
- Contract C, the second portion of the ICC to be awarded, is a \$528.4 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

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

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Company, LLC; Clark Construction Group, LLC; Guy F. Atkinson Construction, LLC; Facchina Construction Company, Inc.; and Trumbull Corporation. On November 11, 2011, the facility was accepted for maintenance and, on November 22, 2011, Contract C was opened to traffic with tolling operations beginning on December 5, 2011. Through August 2012, approximately \$527.4 million has been expended under the contract. IC3 continues to make progress against the remaining punch list items with only minor contract activities remaining.

- Contract B, the third portion of the ICC to be awarded, is a \$561.1 million contract which 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. was selected as the best value for the State. On November 11, 2011, the facility was accepted for maintenance and, on November 22, 2011, Contract B was opened to traffic with tolling operations beginning on December 5, 2011. Through August 2012, approximately \$559.8 million has been expended under the contract. MD 200 Constructors continues to make progress against the remaining punch list items with only minor contract activities remaining.
- Contract D/E combines elements of the two remaining segments into a single contract. Contract D/E was advertised in May 2011 to design and construct collector-distributor lanes along I-95 and the extension of the ICC from the eastern terminus of the I-95 interchange to an at-grade intersection at Virginia Manor Road. The contract was advertised to include 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. ICC Constructors (IC3), a joint venture of Shirley Contracting Company, LLC; Clark Construction Group, LLC; Facchina Construction Company, Inc.; and, Trumbull Corporation were awarded the contract on February 17, 2012 and a Notice to Proceed was issued that same date. Completion of Contract D/E is scheduled for Spring, 2014.
- Following the opening to traffic of Contract A, vertical cracking was observed in the pier caps of several bridges. It was determined that this situation was likely due to insufficient steel reinforcement in the pier caps. The ICC Project Team immediately began an inspection of all bridges along the ICC constructed as part of Contracts A, B and C and it was determined that 10 of the 48 bridges were potentially impacted by similar designs. Temporary repairs were undertaken at four of the bridges while permanent solutions were designed by the original design teams on Contracts A and B. It was ultimately determined that post-tensioning rods should be installed in most locations in order to arrest the cracking and preserve the long-term structural integrity of the bridges. Two locations will use a system of post tensioned cables wrapped around and

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recessed into the pier caps. The design-build contractors are responsible for the sufficiency of their designs and; therefore, the cost of repairs is being fully borne by the respective design-build team; the state will not be responsible for the costs of either the temporary or the permanent repairs. Of the 10 bridge structures identified, four have been retrofitted, four more are expected to be completed by December, 2012, and the final two bridges in Contract C are still being evaluated.

- The Right-of-Way acquisition process continued during the year, and as of December, 2011, 100% of the total land area required for the ICC mainline and interchanges was controlled by the State Highway Administration (SHA).
- The Request for Proposal (RFP) for Contract A established a 15% overall Disadvantaged Business Enterprise (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 contained a 30% overall DBE goal with 30% for professional services.
- Total payments of nearly \$383 million have been made to DBE firms under the three substantially complete ICC Mainline Design-Build contracts. These payments resulted in DBE Participation credits of \$348.3 million; note that only 60% credit is awarded for materials and supplies not installed by a DBE supplier. The DBE participation credit under the three mainline contracts, as of August, 2012, is as follows:

ICC Contract	Overall DBE Goal		Professional Srvs	
	Goal	To-Date	Target	To-Date
Contract A	15.0%	22.1%	20.0%	22.2%
Contract B	20.0%	23.8%	20.0%	26.8%
Contract C	20.0%	20.8%	20.0%	19.7%

- The contract with the General Engineering Consultant (GEC), awarded in April 2005, includes a 25% DBE participation goal; there are currently 20 Maryland Department of Transportation (MDOT)-certified DBE firms participating on the GEC Team. The GEC contract, which has been extended for a two-year period through April, 2015, is approximately 75% complete and is on target to finish with a DBE participation rate of 25.3%.
- The ICC Project Team's commitment to diversity in contracting remains strong. The Project Team manages an extensive database of potential DBE contractors and maintains contact with the group keeping them advised of pre-bid opportunities and helping the DBE community make contact with the available field of prime contractors.

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- Under Contracts A, B and C, the ICC project had required 135 On-the-Job training (OJT) opportunities; 154 trainees, or 14% above the requirement, have completed the program. Contract A exceeded its commitment for 45 graduates with 50 individuals completing the program. Contract B exceeded its commitment for 45 graduates with 58 individuals completing the program. Contract C exceeded its commitment for 45 graduates with 46 individuals completing the program. Contract D/E was advertised with 15 OJT opportunities and there is currently one enrollee. MDOT and the Maryland Department of Labor, Licensing and Regulation (DLLR) are partnering to provide support to this program although the DLLR extension office co-located with the SHA's program management offices has been closed given the reduced remaining program.
- The ICC Community Outreach Team continues to conduct targeted public outreach to communities, businesses, and property owners affected by the project. Public meetings during 2012 have focused primarily on the start-up of construction activities for Contract D/E and the explanation of design features such as the placement of sound walls. Members of the Outreach Team have also handled numerous questions and concerns about operations and maintenance issues since the second and third segments of the ICC roadway opened to traffic in November, 2011.
- Public outreach efforts for environmental projects increased in frequency during 2012 as field activities increased. Residents and communities have been particularly interested in the potential property impacts of stream restoration and stormwater management projects. During 2012, a total of 23 Community Outreach meetings (mainline ICC and environmental projects) were held, along with numerous individual, one-on-one meetings with residents and business owners.
- The Outreach Team continued its business outreach program designed to educate small companies, large employers, and the general public about how best to use the ICC and the most efficient method for paying tolls. The Business Outreach team provided information to thousands of people in 2012 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 2013, in conjunction with the anticipated opening of Contract D/E Modified of the ICC.
- A Park & Ride lot located in Montgomery County at the Georgia Avenue (MD 97) interchange in Silver Spring opened in February, 2012. The new lot includes 202 parking spaces and two bus shelters with benches located immediately adjacent to the drop-off and pick-up area. Full ICC Commuter Bus service provided by the MTA began February 21, 2012.
- 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:



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1. The REF-7<sup>3</sup> reforestation project (Hoyles Mill) was completed in fall 2010 and the final, second year-long establishment results were excellent with an average survival rate of 84%, meeting the 80% criteria set in the contract. The 95- acre reforestation site will undergo an additional round of invasive species and vegetation maintenance in fall 2012 and then the property will be deeded to the Maryland National Capitol Park and Planning Commission (M-NCPPC). Reforestation efforts at sites REF-6, REF-17, and REF-19 have completed the 2-year maintenance and establishment period and have been accepted. Additional reforestation contracts constructed and maintained during 2012 include REF-20, REF-2, REF-10/11, and REF-15. REF-2 and REF-20, planted by Maryland Correctional Enterprises, have completed their two year establishment phase and will require some replanting and maintenance prior to acceptance. The REF-15 site had a very successful second year survival rate of close to 94%; this project will be accepted and will also be deeded to M-NCPPC. Similarly, REF10/11 had excellent survivability during the second year of establishment with an average success rate of 95% tree survival. REF-21, on City of Bowie property, completed its first year establishment and had an average survival rate of 79%, replacement trees will be installed this fall. Three recent reforestation contracts are in various stages of construction, and include REF 3-5, REF8-12 at the Maryland Agricultural Historical Park, and the REF-22 site, located on the Beltsville Agricultural Research Facility.
2. NW-D (Northwest Branch Stream Restoration), awarded to Environmental Quality Resources, is complete. Major work was completed in Spring 2012, and the landscaping is currently under a year establishment phase. The goals of this restoration were to 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 has restored 17,700 linear feet of stream and resulted in a mitigation credit of over 46,900 linear feet with an additional 2,000 linear feet of environmental stewardship restoration. This project has been submitted and nominated by the State Highway Administration for a 2012 Maryland Quality Initiative Award under the Environmental category.
3. The NW-69 Wetland Creation project was completed in July 2011 under a contract awarded to Harland Shoemaker. The site is being monitored to verify that it functions hydraulically as a created wetland, and, over the next two years, the site will be planted with native floodplain trees to accelerate the creation of a forested wetland.
4. The SC-A wetland project was started in June 2011 under a contract awarded to Facchina Construction. This site combines approximately 5,000 linear feet of stream

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<sup>3</sup> 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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- restoration with the construction of 15 acres of wetland creation in the Seneca Creek watershed. One of the largest projects in the ICC environmental stewardship and compensatory mitigation program, this project is estimated to be complete in late 2012. The stream restoration was 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 has created habitat for aquatic organisms in a floodplain that was historically used for agriculture, and had limited ecological benefits. The project is located on M-NCPPC property.
5. The Redland Middle Trail (MO-A) project was started in June 2011 by Concrete General and completed in August 2011, 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 has recently been accepted for establishment and the contract is now in the closeout process
  6. The RC-D (Rock Creek Fish Passage) project 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 existing 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. Construction progressed from June to November 2011, until stream flows increased and the in-stream construction prohibition period started. Construction restarted in June 2012 and the remaining rock weirs were completed by August 2012. Currently, the contractor is performing invasive species work within the stream valley and landscaping/reforestation installation.
  7. Several stormwater projects are under construction within the Upper Paint Branch watershed that are designed to retrofit communities with new stormwater management systems. These include the PB-B, PB-D, PB-F, PB-E, and PB-K projects which were awarded and commenced with construction in 2011 and 2012. There are a total of 14 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. The projects are designed to filter runoff prior to releasing it back into the Upper Paint Branch stream system. PB-D and PB-F were completed in the summer of 2012. The PB-E is approximately 50% complete. PB-B, with an estimated completion date of December 2012, involves the relocation of a basketball court, construction of a retaining wall, and the installation

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- of a new stormwater management pond, which should improve water quality to the highly sensitive Good Hope Tributary of the Upper Paint Branch. PB-K was completed in the fall of 2012, and included innovative stormwater filtration facilities located along curb bump outs on residential streets. These facilities not only provide a water quality benefit, but also encourage traffic calming. There are several additional Storm Water Management (SWM) retrofit projects slated to start in early 2013 (PB-J, NW-H) in the Upper Paint Branch and Northwest Branch watershed.
8. Also located within the Upper Paint Branch watershed is the PB-G project, awarded to AB Construction, Inc. in July 2011. The project's focus was on restoring 7,150 linear feet of stream located in the Left Fork and Gum Springs tributaries. The project goals are to return, establish, and improve the structure, function, and habitat quality of these tributaries. Other improvements in this contract included reforestation and stream buffer planting and extensive non-native invasive species management within the riparian corridor. As of October 2012, the project was substantially complete. Landscaping is continuing during the fall 2012 season, and the tree establishment period will extend into next year.
  9. The Lake Frank Community Trail (MO-E) project was completed in September 2012 under a contract awarded to Peak Construction. 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. The project included a pedestrian bridge over a tributary to Rock Creek and stream stabilization efforts along the bridge abutments. The trail weaves through the existing forest on Maryland National Capitol Park and Planning Commission parkland. The trail met the State ADA guidelines upon completion. The project has been submitted by the State Highway Administration for a Maryland Quality Initiative award, under the less than \$5M modal transportation category.
  10. The RC-E project involves the restoration of Mill Creek (2,200 linear feet), a tributary to Rock Creek. The goals of this project are to stabilize several small tributaries that comprise Mill Creek in an effort to reduce sediment input in to the stream, the project consists of rock and cobble weirs that raise the stream bed, capturing sediment and allowing the stream to access the floodplain. This contract was awarded to Environmental Quality Resources and work started in November 2011. The project is broken out into four different phases (sites), and is approximately 75% complete. Once stream construction is complete 6.4 acres of riparian area will be planted with native tree species.
  11. The NW-B contract retrofits two large existing stormwater ponds under a contract awarded to Harland Shoemaker & Sons. These ponds were built during the 1980s and were retrofitted to bring them up to today's standards. Both facilities were rebuilt to function as stormwater wetlands, which involved grading, replacement of overflow structures (risers), and pipe maintenance. The sites will increase water quality and provide for additional aquatic habitat. Both of the sites are located within home owner

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association green spaces and administered by Montgomery County SWM easements. The contract was given a notice to proceed in April 2012, and is 95% complete.

12. The PB-A contract is a wetland mitigation, reforestation, and stream restoration project located in the Right Fork tributary of the Upper Paint Branch Special Protection area. The site is approximately 140 acres in total, and the restoration includes the creation of several large shrub-scrub wetlands in the uplands area, over 10,000 tree and shrub plantings, and stream stabilization work within the Right Fork including the removal of several farm culverts. The contract was awarded to Locust Lane Farms, LLC, and construction started in January 2012. The stream work has been completed, and the contractor is actively working on the wetlands and reforestation areas. The estimated completion date of the project is January 2013.
13. The RC-B contract includes four additional SWM pond retrofits in the North Branch of Rock Creek watershed. Similar to the other ICC retrofit projects, these four facilities located at different sites within Olney, Maryland, are being upgraded to current best practices to provide enhanced water quality treatment, and to provide a more diverse aquatic habitat within each facility. Ardent Company started on this project in March 2012. These facilities have active streams flowing through them making the construction sequencing critical in order to protect sensitive resources. There are stream closure periods for each site, and construction is scheduled to be complete by August 2013.
14. The PG-A contract is located on U.S. Department of Agriculture (USDA) property at the Beltsville Agricultural Research Center (BARC) in Prince Georges County. This contract includes the creation of three new SWM wetland pond facilities; the facilities are located downstream of agricultural fields and animal stockyards. There is an extensive plan for herbaceous wetland plantings as well as a "goose exclusion fence" system, designed to keep resident Canada geese from damaging the site while allowing other waterfowl and animals access to the new habitat. The contract was awarded to CJ Miller and construction started March 2012. Currently, the construction is 65% complete, and we expect to finish this project in December 2012.
15. The MO-B community stewardship project will construct a new Northwest Recreational Park. This new facility, located along Norbeck Rd., will include the installation of four new athletic fields, two parking lots, and a section of trail through the site. The project also includes changes to existing site drainage as well as SWM facilities. Almost 200,000 cubic yards of earthwork are required to grade the site and create the fields. American Infrastructure is the contractor and heavy construction started in August 2012. The anticipated completion date is summer 2013. Once complete, the property will be owned and managed by M-NCPPC.
16. The MO-C Wayfinding Signage project was completed in September 2012. This project installed new roadway signage directing the public to points of interest in the

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- Montgomery County Heritage Area. Overall, 33 signs were installed along state and county roadways. Shannon-Baum Signs, a registered minority business, was the contractor,
17. The NW-G project is comprised of two different sites in Montgomery County. The PR-257 site in the Olney Mill area, is the restoration and reconfiguration of an old instream community pond. The goal of this site is to stabilize stream banks, reduce erosion, and mitigate for thermal impacts associated with the existing pond. NW-39 is a SWM retrofit site that also includes outfall stabilization and new drainage structures. This facility will be updated to create a storm water wetland. Notice to Proceed was issued in September 2012, and the contractor, Environmental Quality Resources is currently installing erosion and sediment control measures and is approximately 5% complete.
  18. There are several mitigation and stewardship projects currently underway as part of the ICC program, Below is a brief description of projects that have started or are about to be awarded:
    - SC-B is a wetland mitigation and riparian reforestation project in the Great Seneca Creek watershed. The goals for this project include the creation of 25 acres of forested wetlands as well as the preservation and/or enhancement of an additional 16 acres of existing wetlands. Riparian improvements include the “live staking” of over 8,000 feet of stream bank; this is a bioengineering technique of installing tree cuttings into eroded stream banks in order to provide vegetative stabilization. The contract was awarded to Environmental Quality Resources and construction began in October 2012.
    - The PG-B contract comprises stream, floodplain, and wetland restoration efforts along the main stem of Paint Branch, near the confluence with Little Paint Branch. This project is located on both M-NCPPC and USDA BARC properties in Prince George’s County. The project consists of several thousand feet of in stream stabilization measures, as well as floodplain expansion through existing berm breaching and channel reconfiguration. This contract was also awarded to Environmental Quality Resources and construction began in October 2012.
    - Several contracts that have been bid, but have yet to be officially awarded, include: PB-J contract, a SWM project that will install biotrenches within existing swales in a residential neighborhood, the RC-A contract, a very large and complex stream restoration project that will raise the stream bed of two tributaries to Rock Creek, the NW-H contract, a SWM retrofit project on two existing ponds located near the ICC mainline, and the PG-F

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contract, a community stewardship contract that is comprised of wayfinding signage in Prince George's County.

- Construction of the \$4.6 million 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. During the construction of the \$17 million Eastern Facility, the MDTA was operating from the Western facility to maintain the ICC. The Eastern Operations Facility was substantially complete on June 27, 2012 with the receipt of the Use and Occupancy permit. Since then the MDTA has relocated some activities from the Western Facility and is fully operating at the Eastern. The conversion of the E&S pond to a storm water management pond is the only major item of work remaining. The Eastern Facility includes an all inclusive operations building which has an office and administration wing housing both the operations and police personnel, a vehicle repair and maintenance wing which includes a truck wash bay. Also included are a Salt Storage Building, a fueling depot, a storage building, and a large parking area for the storage of vehicles
- *Engineering News Record* (ENR) magazine selected Contract B of the ICC (from MD 97 to US 29) as the 2012 *Best Transportation Project* as part of the 2012 'Best Projects' competition in the Mid-Atlantic region. An independent jury focused on projects "that overcame significant challenges, adopted innovative approaches, executed exceptional design and craftsmanship, and maintained safe sites," ENR said in its public announcement of the awards. Additionally, Contract C of the ICC (from US 29 to I-95) earned ENR's Award of Merit in the same 2012 Best Projects competition for the Mid-Atlantic Region.
- In September, 2012, the U.S. Department of Transportation's Federal Highway Administration (FHWA) selected the ICC for the 2012 Exemplary Environment Initiatives for its innovative wildlife passages. In announcing the award, FHWA officials said, SHA's "receipt of this award demonstrates your commitment to environmental stewardship and ecosystem-based approaches." The completed section of the ICC roadway includes numerous large and small wildlife passages to help ensure both large and small mammals are able to safely move within their natural habitat without inadvertently wandering onto the highway.
- In September, 2012, the American Association of State Highway and Transportation Officials (AASHTO) named the ICC a Top 10 Finalist as part of that organization's 2012 America's Transportation Awards competition. The Top 10 finalists received the highest number of overall points during four regional contests, representing each part of the country. A total of 49 projects from 34 states were judged in three categories: "Ahead of Schedule," "Under Budget," and "Best Use of Innovation." The 10 projects are now competing for the America's Transportation Awards' Grand Prize, to be selected by a

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panel of judges, and the People's Choice Award, which will be decided by popular vote of the general public.

- In August, 2012, SHA and the ICC Project Team earned a Design-Build National Award from the Design-Build Institute of America (DBIA). This prestigious award recognized SHA's use of the innovative design-build approach for constructing the ICC.
- Additional Major ICC Awards Received by the SHA and its Partners in 2011 and 2012:
  - Metropolitan Washington and Virginia Chapters of Associated Builders and Contractors (ABC) - Certificate of Merit for Excellence in Construction for Contract C of the ICC
  - American Road and Transportation Builders Association (ARTBA) - First Place and Second Place 2012 Globe Awards
  - American Association of State Highway and Transportation Officials (AASHTO) 2011 President's Award
  - *Engineering News Record* (ENR) – Mid-Atlantic Region's Best Transportation Project for 2011
  - Maryland Quality Initiative (MdQI) - 2011 Award of Excellence
  - WTS Baltimore Chapter - 2011 Rosa Parks Diversity Leadership Award
  - Suburban Maryland Transportation Alliance (SMTA) - 2011 Transportation Hero Award
  - *Roads & Bridges* Magazine - 2011 Top 10 Road
  - Maryland Asphalt Association's - 2011 Quality Pavement Award for New Construction
  - Federal Highway Administration (FHWA) - 2011 Award for Exceptional Environmental Stewardship

**Legal Activities During 2012**

- 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. 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. Other than minor construction claims and condemnation actions that are pending, none having any significant funding or scheduling implications, there are no remaining legal issues affecting progress of the project.

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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, the fourth on February 16, 2011, and the fifth on February 24, 2012. The sixth Annual Update to the Financial Plan is under development and will be submitted to the FHWA in early 2013.
- The total financial plan for the ICC is now estimated to be \$2.425 billion or approximately \$21 million below the \$2.446 billion IFP amount as well as being \$22 million below the \$2.447 billion estimate provided to the committees in January, 2005. There is no anticipated need for additional funding.
- Through June 30, 2012, the project has expended \$2.176 billion since inception (FY 2003), or nearly 90% of the current project estimate.
- It is 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 million 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 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.
- \$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.



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- 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%.
- 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 True Interest Cost for the bonds was 3.80%.
- 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; the remaining \$132.02 million is expected to be drawn by December, 2013.
- The MDTA will use available cash, the remaining TIFIA loan proceeds and / or toll revenue bonds, to finance remaining costs of the project. The table below indicates remaining funding sources to be allocated to the project

**Future Expenditures and Funding by Year**

- Expenditures (Dollars in Millions)

<b>Category</b>	<b>Prior</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>Total</b>
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	\$240.4	\$4.7	\$12.5	\$7.1	\$0.0	\$0.0	\$264.7
Construction	\$1,637.1	\$258.5	\$94.8	\$63.5	\$1.3	\$1.3	\$2,056.3
Total	\$1,981.6	\$263.1	\$107.3	\$70.6	\$1.3	\$1.3	\$2,425.1

*Numbers may not add due to rounding.*

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- Funding (Dollars in Millions)

Category	Prior	FY12	FY13	FY14	FY15	FY16	Total
GARVEE Bonds	\$750.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	<b>\$750.0</b>
Transportation Trust Fund	\$180.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	<b>\$180.0</b>
General Funds / General Obligation Bonds *	\$197.3	\$46.2	\$0.0	\$21.5	\$0.0	\$0.0	<b>\$264.9</b>
Federal Funds	\$19.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	<b>\$19.3</b>
Authority Cash Reserves	\$26.8	\$139.1	\$80.0	(\$124.7)	\$1.3	\$1.3	<b>\$123.7</b>
Authority Revenue Bonds	\$551.3	\$0.0	\$0.0	\$20.0	\$0.0	\$0.0	<b>\$571.3</b>
Authority TIFIA Loan	\$347.2	\$36.7	\$0.0	\$132.0	\$0.0	\$0.0	<b>\$516.0</b>
<b>Total</b>	<b>\$2,071.9</b>	<b>\$222.0</b>	<b>\$80.0</b>	<b>\$28.8</b>	<b>\$1.3</b>	<b>\$1.3</b>	<b>\$2,425.1</b>

*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: 2011 Financial Plan Annual Update dated February 10, 2012. Note: annual figures presented in July 2012 Financial Forecast differ slightly; totals are same.**

### Traffic and Revenue

- Traffic growth on the ICC is as expected. As is the case with new facilities (especially toll facilities) traffic is growing gradually, and (with few exceptions) steadily – and is expected to do so over several years as users become familiar with the facility and its time saving benefits. Traffic is expected to “ramp up” for approximately three years after the completion of individual segments; i.e, through FY 15 relating to the segments between I-370 and I-95 and FY 17 for traffic on the segment east of I-95.
- The ICC opened to I-95 on November 22, 2011, and began tolled operations in December 2011. In January 2012, average daily volumes in the western most segment (I-370 to MD 97) were approximately 26,900 on weekdays and 16,500 on weekend days. In September 2012, these figures had grown to approximately 35,800 (weekdays) and 22,200 (weekends), representing increases of 33% and 35% respectively. Traffic volumes in other segments differ, but have also grown. For example, in the lowest volume segment (Briggs Chaney Road to I-95), January 2012 average daily volumes were approximately 17,600 on weekdays and 10,100 on weekend days. In September 2012, these figures had grown to approximately 26,100 (weekdays) and 15,300 (weekends), representing increases of 48% and 51% respectively.
- ICC toll revenues in FY 2012 were \$19.73 million, slightly in excess of the projected \$18.71 million. This variation does not indicate that revenues will be in excess of projections in the

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future, as the projection assumed that tolled operations in the MD 97 to I-95 segments would begin in January 2012, when, in fact, tolled operations began in December 2011. Accounting for this difference, actual revenues were in line with projections.

**Debt Service and Financing Assumptions**

The debt service schedule for the GARVEE bond issuances 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 the table above, are approximate. The interest rate on any 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.

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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