



Maryland Department of Transportation
The Secretary's Office

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

James T. Smith, Jr.
Secretary

December 19, 2013

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

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

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

Dear Chairs:

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-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

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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. Bruce W. Gartner, Executive Secretary, Maryland Transportation Authority (MDTA), at 410-537-1001. Of course, you should always feel free to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "James T. Smith, Jr.", written over a large, loopy flourish.

James T. Smith, Jr.
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
Mr. Bruce W. Gartner, Executive Secretary, MDTA

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 2013

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 seventh 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) (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.

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With completion of the planning studies in 2006 and the project permits issued by the U.S. Army Corps of Engineers and the Maryland Department of the Environment (MDE), the project moved into its design/construction phases in 2007. All of the ICC mainline Design-Build Contracts have been procured with the award of Contract A (I-270/I-370 to MD 97) on May 25, 2007, the award of Contract C (US 29 to I-95) on June 22, 2007, the award of Contract B (MD 97 to US 29) on October 28, 2008, and the award of Contract D/E Modified, consisting of the final section of mainline ICC (I-95 to US 1) and the remaining collector/distributor roads along I-95, on February 17, 2012.

The first 7.2 mile mainline² Design-Build contract, Contract A, was opened to traffic on February 21, 2011. Contract B and Contract C were opened to traffic on November 22, 2011. Design activities are nearing completion on Contract D/E Modified and construction activities are well underway. 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 2012 Report

- Over the past year, full operations of Contracts A, B, and C have continued and construction has begun on 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 93.5% 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). The Design-Builder, Intercounty Constructors (IC), 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. The Contract is currently in its warranty period which is scheduled to expire on January 27, 2014. IC continues to make progress against the remaining few punch list items and is making warranty corrections as they become apparent. Approximately \$484.9 million was spent through August 31, 2013. The majority of the remaining unused funds is related to unearned price adjustments and incentives and will not be paid.
- 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), the Design-Builder on this Contract, is a

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

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joint venture of Shirley Contracting 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. The warranty period is underway and is scheduled to expire on December 9, 2013. IC3 continues to make progress against the few remaining punch list items and is making warranty corrections as they become apparent. Through August 2013, approximately \$528.2 million has been expended under the contract.

- 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. The warranty period is underway and scheduled to expire on November 30, 2013. MD 200 Constructors continues to make progress against the remaining few punch list items and is making warranty corrections as they become apparent. Through August 2013, approximately \$559.6 million has been expended under the contract.
- Contract D/E Modified 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. Through August 2013, approximately \$41.5 million has been expended under the contract. Contract D/E is scheduled to open to traffic in Spring 2014 with project closeout activities continuing through the Summer.
- 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

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similar designs. Temporary repairs were undertaken at four of the bridges while permanent solutions were designed by the original design teams. 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 used a system of post tensioned cables wrapped around and recessed into the pier caps. The retrofitting work on all 10 bridge structures identified has been completed. The design-build contractors are responsible for the sufficiency of their designs and; therefore, the cost of repairs was fully borne by the respective design-build team; the State was not responsible for the costs of either the temporary or the permanent repairs.

- 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 over \$437 million have been made to DBE firms under the General Engineering Consultant (GEC) contract, the three substantially complete ICC Mainline Design-Build contracts, and the ongoing Contract D/E. The DBE participation credit under the four mainline contracts, as of June, 2013, is as follows:

ICC Contract	Overall DBE Goal		Professional Svcs	
	Goal	To-Date	Target	To-Date
Contract A	15.0%	22.4%	20.0%	22.2%
Contract B	20.0%	23.2%	20.0%	26.8%
Contract C	20.0%	20.5%	20.0%	19.7%
Contract D/E	30.0%	16.1%	30.0%	26.7%

- The contract with 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 85% complete and is on target to finish with a DBE participation rate of 25.1%.
- 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 required 135 On-the-Job training (OJT) opportunities; 154 trainees, or 14% above the requirement, 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 are currently two active enrollees with nine trainees having passed the program. 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 2013 have focused primarily on construction activities for Contract D/E and the explanation of design features such as the placement of sound walls. Members of the Outreach Team also handled numerous questions and concerns about operations and maintenance issues on the segments of the ICC roadway opened to traffic.
- Public outreach efforts for environmental projects continued in 2013 as field activities progressed and new environmental contracts began. Communities located near current and future environmental projects have been interested in the potential impacts of construction activities associated with the stream restoration and stormwater management projects. Our communication efforts have increased during 2013 with impacted communities along Contract D/E in order to provide more frequent updates on the schedule and construction activities. Numerous meetings and site visits took place with concerned citizens, stakeholders, and residents throughout 2013.
- 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 2013 at employer events, fairs and festivals, and "drop in" centers at Motor Vehicle Administration (MVA) branches in Montgomery and Prince George's counties. This effort is expected to continue into 2014, 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.

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- Projects related to Environmental Mitigation, Environmental Stewardship and Community Stewardship continue to advance. Design for the program is nearly complete and construction will continue into 2014.

Contracts Completed or Under Warranty in 2013 include the following:

- Three reforestation contracts were completed in 2013. These projects include REF 3-5 on Department of Natural Resources (DNR) lands, REF 8-12 at the Maryland Agricultural Historical Park, and the REF-22 site, located on the Beltsville Agricultural Research Facility. These areas were reforested and are undergoing the first round of warranty monitoring and tree replacement in fall 2013.
- Two large stormwater projects within the Upper Paint Branch watershed were substantially complete with construction in 2013. These include the PB-B and PB-E projects. These projects included the construction of biotrenches, stormwater management detention facilities, and stormwater management wetlands.
- The RC-E project involved the restoration of Mill Creek (2,200 linear feet), a tributary to Rock Creek. The restoration project was substantially complete in February 2013, and the landscaping is currently under warranty. This project stabilized several small tributaries that comprise Mill Creek in an effort to reduce sediment input in to the stream.
- The NW-B contract was completed in 2013. Major construction was finished in late 2012, but landscaping and wetland plantings occurred in Spring 2013. Plant inspection was conducted in fall 2013, and this contract will be complete once as-built drawings are approved.
- The PB-A contract was substantially complete in February 2013. This project was composed of wetland mitigation, reforestation, and stream restoration and was 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 included 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 remains open as there is a 2-year warranty on the tree and shrub reforestation areas
- The RC-B contract is substantially complete as of August 2013. This project consisted of four stormwater management (SWM) pond retrofits in the North Branch of the Rock Creek watershed. Similar to the other ICC retrofit projects, these four facilities located at different sites within Olney, Maryland, were upgraded to current best practices to provide enhanced water quality treatment, and to provide a more diverse aquatic habitat within each facility. Landscaping is under warranty until the fall of 2014.

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- 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 was substantially complete in July 2013. The project consisted of three new SWM wetland pond facilities; the facilities are located downstream of agricultural fields and animal stockyards. A majority of the heavy construction was completed in December 2012, but a substantial amount of wetland enhancement planting occurred in the summer of 2013.
- The PG-F Wayfinding Signage project was completed in June 2013. This project installed new roadway signage directing the public to points of interest in Prince George's County. Over 30 signs were installed along state, county, and the City of Greenbelt roadways. Shannon-Baum Signs, a registered minority business, was the contractor.
- The NW-G project was comprised of two different sites with different types of restoration goals, both located in Montgomery County. The PR-257 site in the Olney Mill area, included the restoration and reconfiguration of an old instream community pond. The pond was converted into a stream/wetland complex, and lower portions of the stream were restored. NW-39 is a SWM retrofit site that included outfall stabilization and new drainage structures. This facility was retrofitted to create a storm water wetland. Both sites were substantially complete in June 2013. However, additional work is likely to occur at PR-257 in spring 2014 to stabilize a previously unidentified sanitary line.
- The PG-B project consists of 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 Maryland National Capital Park and Planning Commission (M-NCPPC) and the USDA BARC. A unique feature of this project is the breaching of existing levees to allow stream flows to inundate seasonally created wetlands. This contract will be substantially completed by the end of 2013.

There are several mitigation and stewardship projects currently under construction as part of the ICC program. Several may be completed by the end of 2013, while others will continue construction into 2014. Below is a brief description of projects that are currently in construction:

1. The MO-B community stewardship project consists of building 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. Work is expected to be completed during the spring of 2014. Once complete, the property will be owned and managed by M-NCPPC.

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2. The SC-B wetland mitigation and riparian reforestation project started in November 2012, and is scheduled for completion in spring of 2014. This project is located in the Great Seneca Creek watershed and the goals 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.
 3. The PB-H contract started construction in May. The goal is to restore over 2,500 linear feet of stream in the Good Hope watershed, an important tributary to the unique cold water fishery that is the Upper Paint Branch. It consists of 4 sites, and also included a SWM retrofit and regenerative outfall design to improve water quality. Work will continue through the 2013/2014 winter, and the project is scheduled for completion in June 2014.
 4. The NW-H contract consists of two stormwater retrofits of existing homeowner associated ponds that are located adjacent to the Intercounty Connector. The ponds are being upgraded to meet current best management design. The contract was awarded in Spring 2013, and the project is scheduled to be substantially complete in spring 2014.
 5. The RC-A contract was given a notice to proceed in early 2013, and is one of the largest stream restoration projects associated with the ICC. This work will continue well into 2014. Almost 9,000 linear feet of stream restoration is proposed, including several small tributaries of the North Branch of Rock Creek, in Montgomery County.
 6. Contract PG-D provides for stream restoration on the USDA BARC property in Prince George's County. Approximately 1,000 linear feet of stream will be restored. The contract also includes grading to restore floodplain connection, as well as riparian landscaping. The project is scheduled to be substantially complete in January 2014.
 7. The last biotrench SWM retrofit project of the ICC program is the PB-J contract. This contract includes the construction of over 30 swale retrofits within existing communities of the Upper Paint Branch watershed. This type of construction involved retrofitting existing drainage swales with infiltration beds to improve water quality and reduce storm flows. The work is expected to be completed in early 2014.
- 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

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the Western Facility and is fully operating at the Eastern Facility. The only major item of work remaining from last year's report, the conversion of the erosion and sediment (E&S) pond to a storm water management pond, was completed in October. 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

- The ICC Project has been the recipient of numerous industry awards. During 2013, the ICC was the recipient of the following awards:
 - Maryland Quality Initiative's (MdQI) Award of Excellence, Partnering Silver Award was presented in January to the Contract B project team.
 - American Society of Civil Engineers – Maryland Section's Outstanding Civil Engineering Achievement Award for Major Construction over \$20M was presented in June to the members of the Contract C project.
- Other Major ICC Awards Received by the SHA and its Partners include the following:
 - Metropolitan Washington and Virginia Chapters of Associated Builders and Contractors (ABC) - Certificate of Merit for Excellence in Construction for Contract C of the ICC
 - 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. 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.
 - U.S. Department of Transportation's Federal Highway Administration (FHWA) selected the ICC for the 2012 Exemplary Environment Initiatives for its innovative wildlife passages.
 - 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.
 - 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.

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- 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
- FHWA - 2011 Award for Exceptional Environmental Stewardship

Legal Activities During 2013

- 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.

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,

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2008, the third on November 10, 2009, the fourth on February 16, 2011, the fifth on February 24, 2012 and the sixth on February 28, 2013. The seventh Annual Update to the Financial Plan is under development and will be submitted to FHWA in early 2014.

- The total financial plan for the ICC is now estimated to be \$2.399 billion, which is approximately \$47 million below the \$2.446 billion IFP amount as well as being \$48 million below the \$2.447 billion estimate provided to the committees in January, 2005.
- Through June 30, 2013, the project has expended \$2.244 billion since inception (FY 2003), or nearly 94% of the current project estimate.
- It is anticipated additional funding, beyond that currently anticipated, will not be required to complete the project.
- The project is funded with a combination of the following State and federal sources:
 - \$1,184.9 million in MDTA toll revenue backed debt³ 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
- In December 2008, the MDTA issued \$425 million in par amount of Grant Anticipation Revenue Vehicle (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.
- The final \$30 million from the TTF was received in FY 2010.
- 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 \$278.9 million was used for the ICC. The True Interest Cost 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%.

³ Includes Transportation Infrastructure Finance and Innovation Act (TIFIA) loan.

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- In July 2010, the MDTA issued \$326.435 million (par amount) of tax exempt and federally taxable Build America Bonds, of which, approximately \$82.7 million will be used for the ICC. The True Interest Cost was 3.66%. (Note: the estimate of the allocation of bonds is as of the 2012 Financial Plan Annual Update; figures presented in MDTA's July 2013 Financial Forecast differ slightly; the final figure could vary from that shown.)
- In October 2010, the MDTA began drawing from the \$516 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. The loan rate, set with the December 2008 loan agreement, is 2.56%. MDTA has drawn \$383.97 million; the remaining \$132.02 million will be drawn no later than July 1, 2015.
- 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) – Numbers may not add due to rounding.

Category	Prior	FY13	FY14	FY15	FY16	Total
Project Planning	\$28.9	\$0.0	\$0.0	\$0.0	\$0.0	\$28.9
Preliminary Engineering	\$75.2	\$0.0	\$0.0	\$0.0	\$0.0	\$75.2
Right-of-Way	\$242.8	\$10.5	\$7.3	\$0.0	\$0.0	\$260.7
Construction	\$1,829.5	\$102.3	\$99.9	\$1.3	\$1.3	\$2,034.4
Total	\$2,176.4	\$112.8	\$107.3	\$1.3	\$1.3	\$2,399.1

Funding (Dollars in Millions) – Numbers may not add due to rounding.

Category	Prior	FY13	FY14	FY15	FY16	Total
GARVEE Bonds	\$750.0	\$0.0	\$0.0	\$0.0	\$0.0	\$750.0
Transportation Trust Fund	\$180.0	\$0.0	\$0.0	\$0.0	\$0.0	\$180.0
General Funds / General Obligation Bonds*	\$243.4	\$0.0	\$21.5	\$0.0	\$0.0	\$264.9
Federal Funds	\$19.3	\$0.0	\$0.0	\$0.0	\$0.0	\$19.3
Authority Cash Reserves	\$158.8	\$15.8	(\$46.2)	\$1.3	\$1.3	\$131.0
Authority Revenue Bonds	\$537.9	\$0.0	\$0.0	\$0.0	\$0.0	\$537.9
Authority TIFIA Loan	\$384.0	\$0.0	\$132.0	\$0.0	\$0.0	\$516.0
Total	\$2,273.4	\$15.8	\$107.3	\$1.3	\$1.3	\$2,399.1

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

Source for expenditures and funding figures above: 2012 Financial Plan Annual Update dated February 20, 2013. Note: annual figures presented in July 2013 Financial Forecast differ slightly; totals are same.

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

Traffic and Revenue

- Traffic volumes on the ICC have been as expected. As is the case with new toll facilities), traffic is growing gradually and (with few exceptions) steadily. It 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 the segments between I-370 and I-95; i.e., through FY 15. The ICC opened to I-95 on November 22, 2011; tolled operations began in December 2011.
- Traffic has increased since then as described below.

.Traffic Growth On ICC
 (Average Daily Traffic - rounded to nearest 100)

Month	Highest Volume Segment I-370 to MD 97			Lowest Volume Segment Briggs Chaney Rd. to I-95			Average of All 5 Segments		
	Weekdays	Weekend	Total	Weekdays	Weekend	Total	Weekdays	Weekend	Total
12/2011	26,500	18,400	24,100	17,300	11,600	15,600	22,200	14,800	20,000
9/2012	35,800	22,200	30,800	26,100	15,300	22,100	32,500	19,200	27,600
Growth since 12/2011	35%	21%	28%	51%	32%	42%	46%	30%	38%
9/2013	42,000	26,800	37,100	31,900	19,900	27,900	39,300	24,100	34,200
Growth Since 9/2012	18%	21%	20%	22%	30%	26%	21%	26%	24%
Growth Since 12/2011	59%	46%	54%	84%	72%	79%	77%	63%	71%

- Looking at the average of all five segments, between December 2011 (the first full month of tolled operations after completion to I-95) and September 2013, total average monthly traffic volumes have grown by 71%. Weekday volumes have grown by 77% and weekend volumes by 63%.
- Looking at the highest volume segment, between December 2011 and September 2013, total average monthly traffic volumes have grown by 54%; weekday by 59%, and weekend by 46%.

The Progress of the Intercounty Connector Project (MD 200)
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- Looking at the lowest volume segment, between December 2011 and September 2013, total average monthly traffic volumes have grown by 79%; weekday by 84%, and weekend by 72%.
- Average weekday traffic in four of the five segments is now approximately 40,000; in the remaining segment (Briggs Chaney Road to I-95) it is some 30,000 per day.
- ICC toll revenues in FY 2012 were \$19.73 million, slightly above the projected \$18.71 million. (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.)
- ICC toll revenues in FY 2013 were \$39.59 million; \$39.56 million was projected.

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. 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,
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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
<hr/> Total	<hr/> \$1,002.363