Maryland Department of Transportation
The Secretary's Office

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

James T. Smith, Jr.
Secretary

January 10, 2014

The Honorable Thomas V. "Mike" Miller, Jr.
President, Maryland Senate
State House, H-107
Annapolis MD 21401-1991

The Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House, H-101
Annapolis MD 21401-1991

Dear President Miller and Speaker Busch:

Please see the attached report concerning *Public-Private Partnerships* prepared by the Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA). This report is written to respond to language set forth in House Bill 560, Chapter 5, Acts of 2013 (State Finance and Procurement Article, § 10A–102 through 10A–105; 10A–201 through 10A–204; 10A–301; 10A–401 through 10A–403; and 11–203(h)). This report is designed to ensure that the budget committees receive sufficient and timely information regarding the status of each public-private partnership in which MDOT and MDTA are either involved or considering as required by the following statutory language from State Finance and Procurement Article, § 10A-104(a)(1)(I) and (II):

> *"(A) (1) By January 1 of each year, each reporting agency shall submit to the budget committees, in accordance with § 2–1246 of the State Government Article:*
>
> > *(I) A report concerning each public-private partnership under consideration that has not been reviewed or approved previously by the General Assembly; and*
> >
> > *(II) A status report concerning each existing public-private partnership in which the reporting agency is involved."*

If you have additional questions or concerns, please do not hesitate to contact Mr. Leif Dormsjo, Deputy Secretary for Planning and Project Management, MDOT, at 410-865-1002. Of course, you should always feel free to contact me directly.

Sincerely,

James T. Smith, Jr.
Secretary

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

Attachment

cc: The Honorable Edward J. Kasemeyer, Chair, Senate Budget and Taxation Committee
The Honorable Norman H. Conway, Chair, House Appropriations Committee
Mr. Leif A. Dormsjo, Deputy Secretary for Planning and Project Management, MDOT

Annual Report to the

Maryland General Assembly

regarding

Public-Private Partnerships

(HB 560, Chapter 5, Acts of 2013; State Finance and Procurement Article, § 10A–102 through 10A–105; 10A–201 through 10A–204; 10A–301; 10A–401 through 10A–403; and 11–203(h))

The Maryland Department of Transportation

and

The Maryland Transportation Authority

January 2014

Public-Private Partnerships
(HB 560, Chapter 5, Acts of 2013;
State Finance and Procurement Article, § 10A–102 through 10A–105; 10A–201 through 10A–204; 10A–301; 10A–401 through 10A–403; and 11–203(h))

I. Introduction

The Maryland Department of Transportation (MDOT) and Maryland Transportation Authority (MDTA) hereby submit this *Annual Report to the Maryland General Assembly regarding Public-Private Partnerships* pursuant to House Bill 560, Chapter 5, Acts of 2013 (State Finance and Procurement Article § 10A–102 through 10A–105; 10A–201 through 10A–204; 10A–301; 10A–401 through 10A–403; and 11–203(h)). This report is designed to ensure that the budget committees receive sufficient and timely information regarding the status of each public-private partnership in which MDOT and MDTA are either involved or considering as required by the following statutory language from State Finance and Procurement Article § 10A-104(a)(1)(I) and (II):

(A) (1) By January 1 of each year, each reporting agency shall submit to the budget committees, in accordance with § 2–1246 of the State Government Article:

> *(I) A report concerning each public-private partnership under consideration that has not been reviewed or approved previously by the General Assembly; and*
>
> *(II) A status report concerning each existing public-private partnership in which the reporting agency is involved.*

II. The Scope of the Report

The scope of this report includes status reports on MDOT's and MDTA's existing or contemplated projects that meet the following definition of a public-private partnership (P3) provided in State Finance and Procurement Article, § 10A-101(f):

"A method for delivering public infrastructure assets using a long-term, performance-based agreement between a reporting agency and a private entity where appropriate risks and benefits can be allocated in a cost-effective manner between the contractual partners in which:

> *1. A private entity performs functions normally undertaken by the government, but the reporting agency remains ultimately accountable for the public infrastructure asset and its public function; and*
>
> *2. The State may retain ownership in the public infrastructure asset and the private entity may be given additional decision-making rights in determining how the asset is financed, developed, constructed, operated, and maintained over its life cycle."*

Public-Private Partnerships
(HB 560, Chapter 5, Acts of 2013;
State Finance and Procurement Article, § 10A–102 through 10A–105; 10A–201 through 10A–204; 10A–301; 10A–401 through 10A–403; and 11–203(h))

MDOT is involved in two existing P3s: Seagirt Marine Terminal project and the Purple Line Light Rail Transit project. MDTA is involved in one existing P3: I-95 Travel Plazas Redevelopment project. MDOT is also currently working to determine if the Red Line Light Rail project, the Corridor Cities Transitway (CCT), or the Cox Creek Dredged Material Containment Facility (DMCF) Capacity Recovery should be structured as a P3.

A. MDOT Existing P3s (State Finance and Procurement Article, § 10A-104(a)(1)(II)):

1. Seagirt Marine Terminal: A private entity has assumed responsibility for the operation of Seagirt, including gate, terminal, and vessel activity. With construction completed in 2012, the new container berth is in place far ahead of both Ports America Chesapeake's (PAC) contractual commitment and the opening of the expanded Panama Canal.

2. Purple Line Light Rail: On November 6, 2013, the Board of Public Works (BPW) approved MDOT/ Maryland Transit Administration's (MTA) plan to deliver the Purple Line as a Design-Build-Finance-Operate-Maintain (DBFOM) P3, as well as the proposed competitive solicitation method for selecting a concessionaire. MDOT/MTA has issued a Request for Qualifications (RFQ) for the P3 and expects to select a shortlist of qualified proposers in early 2014.

B. MDTA Existing P3s (State Finance and Procurement Article, § 10A-104(a)(1)(II)):

1. I-95 Travel Plazas Redevelopment: MDTA has entered into a Lease and Concession Agreement with Areas USA MDTP, LLC to undertake the redevelopment (including financing) and long-term operations and maintenance under the MDTA's oversight and specific service level requirements for a period of 35 years.

C. MDOT P3s under consideration not previously reviewed or approved by the General Assembly (State Finance and Procurement Article, § 10A-104(a)(1)(I)):

1. Baltimore Red Line Light Rail: MDOT/MTA is investigating key questions related to potential contract terms, financial structures, and risk transfer for the Red Line.

2. Corridor Cities Transitway (CCT): MDOT/MTA is investigating key questions related to potential contract terms, financial structures, and risk transfer for the CCT.

3. Cox Creek Dredged Material Containment Facility (DMCF) Capacity Recovery: MDOT/Maryland Port Administration (MPA) is currently conducting a more detailed evaluation of this P3 concept, including the issuance of a Request for Information (RFI).

D. MDTA P3s under consideration not previously reviewed or approved by the General Assembly (State Finance and Procurement Article, § 10A-104(a)(1)(I)):

Currently, there are no P3s under consideration by MDTA. After MDTA promulgates P3 regulations in early 2014, it will begin to consider concepts for potential inclusion in a P3 pipeline.

III. Report Details

A. Existing MDOT P3s: Project Status

1. Seagirt Marine Terminal

Ports America Chesapeake (PAC) assumed operational control of Seagirt Marine Terminal in January 2010 through a P3. The MPA continually monitors Seagirt's key performance indicators, and since the transition, Seagirt's operational efficiency has remained high while cargo throughput has increased. In 2010, container cargo tonnage at Seagirt was up 17 percent compared to 2009, partly due to consolidation of containers from Dundalk to Seagirt. In 2011, container tonnage was up 5 percent over 2010, and the trend continued into 2012 with an 8.5 percent increase. For the first 10 months of 2013, containerized cargo tonnage increased another 2.4 percent over the same period in 2012.

One of the primary goals of the Seagirt P3 Agreement was to ensure the construction of a new 50-foot deep container berth prior to the completion of the Panama Canal expansion. At the time of the P3 Agreement, the Panama Canal expansion was scheduled for completion in 2014, but has since been delayed to 2015. PAC has performed better than its contractual commitment relative to the new berth. The berth construction was completed in the summer of 2012. Four new, state-of-the-art super Post-Panamax container cranes were purchased and delivered in early fall of 2012. Thus, the POB now has a deep, state-of-the-art container berth in place. This ensures a strong competitive position for the POB in the container market. MPA and PAC jointly market the container business and maintain a strong collaborative working relationship. The P3 Agreement is performing well by all measures. PAC has proven itself to be both a successful local employer and a strong community partner.

Anticipated Action in CY2014: MDOT does not anticipate any potential action in 2014.

2. Purple Line Light Rail Transit

The Purple Line is a 16.2-mile light rail transit line extending from Bethesda in Montgomery County to New Carrollton in Prince George's County. The project is intended to:

- improve connectivity and access to existing activity centers and planned developments;
- increase service for transit-dependent populations, connecting with Amtrak, Maryland Commuter Rail Passenger Service (MARC), and Washington Area Metropolitan Transit Authority;
- provide faster and more reliable transit for the region's east-west travel market;
- strengthen and revitalize communities in the corridor; and
- increase potential for Transit Oriented Development (TOD) at existing and proposed stations in the corridor as identified in local land use plans.

In accordance with HB 560, Chapter 5, Acts of 2013, MDOT adopted P3 regulations in July 2013 under emergency action that formally established an MDOT P3 program, as well as described the process for developing, soliciting, evaluating, awarding, and delivering P3s. Prior to and following the implementation of P3 regulations, MDOT and MTA conducted a series of analyses and outreach efforts to thoroughly consider project delivery options for the Purple Line, including risks and mitigation strategies. To further ensure due diligence, MDOT/MTA issued a RFI, as required by HB 1515, on April 9, 2013 and hosted an Industry Forum on May 15, 2013. MDOT and MTA leaders determined that delivering the Purple Line as a Design-Build Finance-

Operate-Maintain (DBFOM) project offers potential for long-term savings over traditional project delivery approaches.

On November 6, 2013, the BPW approved MDOT/MTA's plan to deliver the Purple Line as a P3, as well as the proposed competitive solicitation method for selecting a concessionaire. BPW's review helps to ensure the project continues to receive the highest level of scrutiny before the State seeks proposals from potential partners. MDOT/MTA issued a Request for Qualifications in November 2013 and plans to select a shortlist of qualified proposers in early 2014, with the intent of selecting a preferred partner by early 2015. Following selection of a preferred partner, MDOT/MTA will present the final agreement for BPW approval in early 2015. Construction could begin in spring 2015.

The proposed DBFOM structure for the Purple Line will involve a long-term, performance-based agreement between MDOT/MTA and a private entity in which appropriate risks and benefits can be allocated in a cost-effective manner between the contractual partners. The private entity, also referred to as the concessionaire, will be responsible for key aspects of final design, construction, financing, operations, and maintenance of the Purple Line over an operating period of approximately 30 years. MDOT/MTA would retain ownership of the asset and remain ultimately accountable for the Purple Line and its public function, including setting fares. By holding the concessionaire responsible for long-term operations and maintenance, as well as the asset's handback condition at the end of the agreement term, the concessionaire has incentive to manage risks and design a project that is well-operated and maintained over the long-term.

In this proposed P3 model, the concessionaire would be paid using an availability payment structure in which the public agency pays the concessionaire milestone or construction progress payments during the construction period and regularly-scheduled payments during the operating period of the P3 agreement. MDOT/MTA would make deductions from these payments if the concessionaire does not meet predetermined performance targets. These payments to the concessionaire would be paid from a combination of sources including Maryland's Transportation Trust Fund (TTF) appropriations, federal grants, and local government contributions. Based on the preliminary concept for the Purple Line P3 financial structure and preliminary financial analyses performed by MDOT/MTA, there is a strong rationale to expect the Purple Line P3 transaction will not affect the State's capital debt affordability. MDOT/MTA has pursued a determination on this issue from the State's Capital Debt Affordability Committee (CDAC). In response, the CDAC offered preliminary guidance regarding the elements of a financial structure that would exhibit characteristics of non-tax-supported debt.

MDOT/MTA's assessment of the policy, operational, and financial factors support the P3 delivery method for the Purple Line. MDOT/MTA conducted a Value for Money analysis, which compared the risk-adjusted costs to the State over a 35-year period under traditional Design-Bid-Build contract with the expected costs of a DBFOM approach and found that financial value could be derived from operational benefits, risk transfer efficiencies, lifecycle planning, schedule discipline, and innovative opportunities. Moreover, as a stand-alone operation, the use of single contract accountability will increase the likelihood of consistently excellent, highly responsive service, including reliable on-time performance, safe and clean vehicles and stations, and improved customer service.

While a P3 has potential for Purple Line delivery benefits relative to more traditional delivery methods, the P3 approach cannot eliminate all risks from a project. MDOT/MTA is actively managing risks through the use of risk management plans and mitigation measures. Planned risk mitigation measures include incorporating the use of performance criteria focused on outcomes instead of prescriptive design specifications that limit the ability of private partners to innovate, partnering with the concessionaire to establish responsibilities consistent with market and industry standard so as to minimize excessive contractual burdens, minimizing delay and undue cost by developing a right-of-way acquisition plan, addressing stakeholder requests and concerns early, and addressing key policy issues upfront in the solicitation process.

The proposed Purple Line DBFOM P3 approach will seek to achieve specific project delivery goals in a more timely and cost-effective manner than traditional project delivery options. Through the implementation of the proposed P3 approach for the Purple Line, MDOT/MTA intend to demonstrate their commitment to efficiently using limited public resources and will be a national leader in innovative project delivery.

Anticipated Action in CY2014: MDOT/MTA plans to select a shortlist of qualified proposers in early 2014, with the intent of selecting a preferred partner by early 2015.

B. Existing MDTA P3s: Project Status

1. I-95 Travel Plazas Redevelopment

The only P3 that is underway by MDTA is the I-95 Travel Plazas P3 Redevelopment. This P3 involves the redevelopment of the two travel plazas located on I-95 and includes the Maryland House and Chesapeake House Travel Plazas on I-95 (Harford County and Cecil County, respectively). MDTA has entered into a Lease and Concession Agreement (Agreement) with Areas USA MDTP, LLC (Areas USA) to undertake the redevelopment (including financing) and long-term operations and maintenance under MDTA's oversight and specific service level requirements for a period of 35 years. The revenue generating agreement was approved by the BPW on March 7, 2012.

The original John F. Kennedy Memorial Highway (I-95) included the Maryland House service area in Harford County, which provided a restaurant and two automotive service stations for highway travelers at its opening in 1963. The second service area, the Chesapeake House, opened in 1975 north of the Susquehanna River in Cecil County. Engineering studies conducted in 2004 and 2005 identified issues that warranted full redevelopment of both locations. Traffic volumes have increased significantly since the original design concept was developed and overcrowding was a problem during peak interstate travel periods, especially on holidays and summer weekends. The facilities were at the end of their design life and the changing nature of highway-oriented food and beverage business required an updated interior and site layout. Since the opening of the Travel Plazas in 1963 and 1975, these facilities have been operated by third-party vendors under revenue-generating contracts.

The redeveloped facilities will result in an appropriately sized primary service facility accommodating all functional requirements; a separate fuel service station with a canopy, and a convenience store with an adequate number of fueling positions. The primary service facility will include restroom facilities, food service facilities, indoor and outdoor seating, retail space, tourism information, and administrative offices.

MDTA cancelled the original Request for Proposal (RFP) on November 8, 2010. On March 11, 2011, MDTA submitted a letter to the Budget Committees notifying them of the intent to issue another public notice of solicitation for a P3, as required under Transportation Article, § 4-406 (c) (1), (Annotated Code of Maryland). The MDTA then re-issued a RFP on June 27, 2011 Briefings were provided on the project details to the Budget Committees on November 7, 2011 and November 10, 2011.

The proposals for the I-95 Travel Plazas P3 Redevelopment project were due on November 10, 2011. The MDTA received three proposals in response to the RFP. The evaluation of the proposals was completed by a team of senior level MDTA and MDOT staff. The team evaluating the proposals was assisted by advisors and other State agency personnel knowledgeable with P3 projects. Evaluation of proposals was based on the project's three goals:

- To obtain new or like-new facilities using a public-private partnership;
- To ensure that the facility design and operations will provide a positive customer experience; and
- To provide a fair return to the State and to provide for transfer of the facilities in satisfactory condition at the end of the term.

A report of the impact of the partnership Agreement as required by Transportation Article, § 4-406 (e) (Annotated Code of Maryland), was sent to the General Assembly budget committees on January 23, 2012. The language directs:

> "*(e) Not less than 30 days before entering into a public-private partnership agreement, the Authority shall submit to the budget committees, in accordance with § 2-1246 of the State Government Article, an analysis of the impact of the proposed public-*

private partnership agreement on the Authority's financing plan, including the Authority's operating and capital budgets and debt capacity."

The report provided details of the Agreement. In summary, the Agreement provides for the:

- Complete replacement of the existing Maryland House and Chesapeake House at a combined cost of $56 million;
- Estimated revenue payments to MDTA exceeding $400 million;
- Capital reinvestment in the travel plazas in the range of $44-48 million; and
- Operation and maintenance of the travel plazas in a manner that provides a positive customer experience and protects valuable State assets for the next 35 years.

MDTA's P3 partner, Areas USA, is the prime concessionaire for the project. Areas USA began operations at the Chesapeake House on September 16, 2012. The Maryland House was closed for renovations as of midnight on September 15, 2012 and is expected to reopen in early 2014.

Areas USA has assembled a team to deliver the Travel Plazas project, which consists of nationally-known companies and Maryland-based businesses including Minority Business Enterprise (MBE)/Disadvantaged Business Enterprise (DBE) firms. Areas USA's parent company is Areas S.A. (Areas). Areas has been providing food, beverage, and retail services to the travel industry for more than 40 years and currently maintains a presence in over 70 airports and 160 service plazas around the world encompassing 1,700 locations with 12,000 employees. Areas USA began operations in the United States in 2006 and is now servicing 11 airports (including Boston, Atlanta, and Los Angeles) and the Florida Turnpike (Design/Build/Operate 8 service plazas).

<u>Anticipated Action in CY2014</u>: In 2014, MDTA anticipates that the redevelopment of both Maryland House and Chesapeake House will be completed and will reopen to the traveling public. The redeveloped Maryland House will be open in winter 2014 and the redeveloped Chesapeake House will be open in fall 2015.

C. MDOT P3s under consideration not previously reviewed or approved by the General Assembly

1. Red Line Light Rail

The Red Line is a proposed 14-mile east-west light rail line in the Baltimore region. Project construction is planned to begin in 2015 with revenue service scheduled for December 2021. MTA has prepared financial plans for the Red Line as part of the Federal Transit Administration's (FTA) New Starts process. A Record of Decision (ROD) was issued on February 28, 2013 for the Red Line by the Federal Transit Administration (FTA). By issuance of the ROD, the FTA has determined that the requirements of the National Environmental Policy Act (NEPA) have been satisfied.

MDOT/MTA is investigating key questions related to potential contract terms, financial structures, and risk transfer for the Red Line. On April 9, 2013, MDOT/MTA issued a RFI to the transportation industry regarding project delivery and financing for the Red Line. At the same time, MDOT/MTA announced an industry forum for the Red Line on June 10, 2013. This industry forum was attended by approximately 400 individuals. The series of presentations focused on the scope and key technical considerations of the Red Line, its status in the environmental and engineering processes, potential contract packages, and the project schedule. The full set of presentations may be found at http://www.baltimoreredline.com/red-line-industry-forum.

MDOT/MTA is continuing to investigate the P3 potential for delivering at least some Red Line project components, likely focused on the vehicle, vehicle maintenance, track, and signal systems. Some key factors include:

- The vehicle, vehicle maintenance, track, and signal systems are critical to safe, reliable service over an extended period. Delivering this work under a single, integrated contract will help ensure the best quality service for the region.
- Systems and equipment within this scope are likely to be different from existing MTA systems due to obsolescence of existing equipment as well as unique aspects of configuration of the Red Line, so skill sets, parts inventories, and maintenance practices will need to be created from the ground up.
- This work is typically procured through a design-build process, so contractors are accustomed to responding to a specification.
- A scope of work can be defined that has limited and well understood interfaces with the portions of the project that remain outside the P3.
- This scope of work has no interface with communities or third-party stakeholders.
- The capital cost should be financeable by a wide-range of proposers. The differential between the cost of public and private debt would be less than for a larger project.

<u>Anticipated Action in CY2014</u>: In 2014, MDOT anticipates making a decision regarding the applicability of P3 delivery methods to the Red Line.

2. Corridor Cities Transitway (CCT)

The CCT is a 15-mile bus rapid transit (BRT) line in Montgomery County that would extend from the Shady Grove Metrorail Station in Rockville to COMSAT, a former communications satellite industrial site located just south of Clarksburg. Phase I includes the nine-mile segment from Shady Grove to Metropolitan Grove. Phase II will extend six miles from Metropolitan Grove to COMSAT. The construction timeline for Phase I would run from 2018 to 2020, with operations commencing in 2020. An implementation schedule has not been developed for Phase II.

Based on a preliminary understanding of the proposed project, P3 or other alternative delivery methods could also be appropriate for the CCT. Some key factors include:

- CCT could operate independently of existing networks, with a fully dedicated running way and bus fleet. This will make the operation relatively simple and minimize the challenge of coordinating with other operators.
- The civil design features (2-lane concrete roadway, 14 at-grade stations, bridges) are well understood by a large community of builders and should attract competition.
- There are many experienced bus operators in the region likely to be interested in providing this type of service.
- Environmental impacts and community requirements are expected to be minimal, providing latitude for a design-builder.

- MTA has limited organizational capacity and resources to operate the CCT, and the geography does not overlap with any existing or proposed MTA service. MTA has no experience operating BRT on a dedicated running way.
- There are notable opportunities for coordination with private property owners (King Farm, Crown Farm, DANAC, Belward, and MedImmune) where a concessionaire could negotiate agreements to construct features in exchange for contributions to the capital and operating costs.
- Some significant share of the CCT could be funded by private property owners either though a special tax district, Tax Increment Financing, or negotiated contributions. This revenue would flow directly to the concessionaire.
- The lifecycle of a bus is short compared to a rail car, providing an opportunity for a concessionaire to weigh investments in overhauls versus replacement.
- The capital cost ($500-600 million) should be financeable by a wide-range of proposers. The differential between the cost of public and private debt would be less than for a larger project.
- MDOT/MTA is continuing to investigate the P3 potential for delivery at least some component of the CCT.

Anticipated Action in CY14: In 2014, MDOT anticipates making a decision regarding the applicability of P3 delivery methods to the CCT.

3. Cox Creek DCMF Capacity Recovery

A proposed P3 concept involves the recovery of approximately 5 million cubic yards (mcy) of dredged material placement capacity in the MPA-owned dredged material containment facility (DMCF) at Cox Creek, Anne Arundel County, Maryland. A private partner would facilitate this capacity recovery by removing Baltimore Harbor dredged material from the Cox Creek DMCF and converting the material into lightweight aggregate (LWA) in a cost-effective and environmentally responsible manner.

Ensuring safe, reliable channels for the POB requires MPA to dredge approximately 1.5 (mcy) of material from Baltimore Harbor. Maryland law requires that dredged material from the Baltimore Harbor be re-deposited only in a confined area permitted by the Maryland Department of the Environment (MDE), thereby limiting dredged material management options. The Cox Creek DMCF is currently one of these permitted locations and has limited capacity.

Dredged material management has traditionally been a government function, and when new capacity has been required for Baltimore Harbor material, MPA has sought and developed new DCMFs in new locations. However, as large tracts of land (100 to 300 acres or more) around the Harbor become scarce, alternative methods for managing dredged material are needed. Finding acceptable locations for confined disposal facilities is a process that is not only lengthy but also increasingly uncertain due to both environmental and community concerns. MPA believes it is prudent to search in advance for potential alternative solutions in the event that DMCFs are no longer an available solution for the management of dredged material. While MPA has been investigating innovative ways to reuse dredged material for many years, it does not have the direct expertise to design a large-scale facility and process for converting dredged material into a commercially viable product.

A P3 for recovery of capacity at Cox Creek DMCF could meet State goals by:

- extending the life of the Cox Creek DMCF for receiving additional dredged material needed for the ongoing promotion of waterborne commerce;
- promoting the innovative reuse of dredged material by "recycling" dredged material into a product that could be reused in the construction industry;
- potentially reducing the need to develop new DMCFs in other locations, thereby conserving State resources and potentially reducing environmental impacts and costs; and
- creating new jobs, skills, and expertise in the area of private sector manufacturing, including potential opportunities for local subcontracting during various phases of asset delivery.

MDOT/MPA is currently conducting a more detailed evaluation of this P3 concept, including the issuance of an RFI.

<u>Anticipated Action in CY2014</u>: In 2014, MDOT anticipates completing the RFI process and any additional due diligence needed to make a decision regarding the applicability of P3 delivery methods to Cox Creek DMCF Capacity Recovery.