Maryland Department of Transportation
The Secretary's Office

Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Pete K. Rahn
Secretary

December 28, 2015

The Honorable Edward J. Kasemeyer
Chair
Budget and Taxation Committee
Senate of Maryland
Miller Senate Office Building, 3 West
Annapolis MD 21401

The Honorable Maggie McIntosh
Chair
Appropriations Committee
Maryland House of Delegates
House Office Building, Room 121
Annapolis MD 21401

Dear Chairs Kasemeyer and McIntosh:

Please find attached a report entitled *Public-Private Partnerships-Maryland Department of Transportation (MDOT)/Maryland Transportation Authority (MDTA) Consideration-Prior to MGA Approval* and a status report concerning each existing P3 in which the Report Agency is involved, pursuant to the State Finance and Procurement Article, §10A-104(a), that directs:

> *"(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 any questions, please contact Mr. Milt Chaffee, MDTA Executive Director, at 410-537-1001 or Mr. Thomas Halloran, MDOT Innovative Finance Analyst, at 410-865-1042. Of course, you may always contact me directly.

Sincerely,

Pete K. Rahn

Pete K. Rahn
Secretary

cc: The Honorable Thomas V. "Mike" Miller, Jr., President, Senate of Maryland
The Honorable Michael E. Busch, Speaker, Maryland House of Delegates
Members of the Budget Committees
Mr. Milt Chaffee, Executive Director, MDTA
Mr. Thomas Halloran, Innovative Finance Analyst, MDOT

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Annual Report to the

Maryland General Assembly

regarding

Public-Private Partnerships
(State Finance and Procurement Article, § 10A–104(a)

The Maryland Department of Transportation
The Maryland Transportation Authority

January 1, 2016

Public-Private Partnerships
(State Finance and Procurement Article, § 10A–104(a)

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 State Finance and Procurement Article § 10A–104(a) 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."*

MDOT is involved in two existing P3s: the Seagirt Marine Terminal project and the Purple Line Light Rail Transit Project. MDTA is involved in one existing P3: the I-95 Travel Plazas Redevelopment project. MDOT and MDTA will continue to evaluate and assess the best project delivery model for all major transportation and economic development projects, including P3 project delivery models. MDTA is currently evaluating several delivery options for the Governor Harry W. Nice Memorial Bridge Replacement Project, including an assessment of structuring it 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. Subsequently, MDOT/ MTA issued a Request for Qualifications (RFQ) on November 8, 2013 for the P3 and shortlisted four private concessionaire teams on January 8, 2014. MDOT/MTA released a formal Request for Proposals (RFP) on July 28, 2014. The four shortlisted proposer teams have been participating in a two year-long, competitive P3 solicitation process for the Purple Line. Technical Proposals were received from the four shortlisted proposer teams on November 17, 2015 followed by Financial Proposals on December 8, 2015. It is expected that MDOT/MTA will choose a preferred proposer in early 2016, followed by a maximum 30-day review period by the Maryland General Assembly Budget Committees, Comptroller, and State Treasurer. Following the 30 day review period the contract will be brought to the Board of Public Works (BPW) for final approval.

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 which has resulted in the redevelopment (including financing) of the plazas and long-term operations and maintenance of the plazas 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. Corridor Cities Transitway (CCT): MDOT/MTA is investigating key questions related to potential contract terms, financial structures, and risk transfer for the CCT.

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

1. Governor Harry W. Nice Memorial Bridge Replacement Project: MDTA continues to perform preliminary engineering and right-of-way activities to replace the Nice Bridge should funding become available in the future. The timing of the replacement project will be tied to the existing bridge's condition and available funding. A condition assessment for the existing concrete bridge deck and the structural steel paint are underway. Construction funding has not yet been identified to replace the existing bridge. MDTA will continue to preserve the existing bridge to ensure its safety and service life.

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 and 2013 with an 8.5 and 3.0 percent increase respectively. In 2014 Seagirt's containerized cargo tonnage increased 5.36% over 2013. For the first nine months of 2015 container tonnage increased 11.5% over the same period in 2014. Loaded containers increased 6%, and due to slowing export markets, empty container repositioning lifts increased 29%.

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 2016.

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 Port of Baltimore (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 an excellent tenant, a successful local employer and a strong community partner.

Anticipated Action in CY2016: MDOT does not anticipate any potential action in 2016.

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 2013 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/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 Request for Information (RFI), as required by HB 1515, on April 9, 2013 and hosted an Industry Forum on May 15, 2013. MDOT/MTA determined that delivering the Purple Line as a Design-Build Finance-Operate-Maintain (DBFOM) project offers potential for long-term efficiencies and 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 private sector partner. MDOT/ MTA issued a Request for Qualifications (RFQ) on November 8, 2013 for the P3 and shortlisted four private concessionaire teams on January 8, 2014. MDOT/MTA released a formal Request for Proposals (RFP) on July 28, 2014. The four shortlisted proposer teams have been participating in a two year-long, competitive P3 solicitation process for the Purple Line. Technical Proposals were received from the four shortlisted proposer teams on November 17, 2015 followed by Financial Proposals on December 8, 2015. It is expected that MDOT/MTA will choose a preferred proposer in early 2016, followed by a maximum 30-day review period by the Maryland General Assembly Budget Committees, Department of Legislative Services, Comptroller, and State Treasurer. Following the 30 day review period the contract will be brought to the Board of Public Works (BPW) for final approval.

The U.S. Department of Transportation (USDOT) has provisionally allocated $1.3 billion in Private Activity Bonds (PABs) for the project. On behalf of the future Purple Line concessionaire, MDOT also requested a direct Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. The project was accepted for creditworthiness review by the TIFIA Joint Program Office (JPO) – a key step in the TIFIA approval process. On March 5, 2014 the Purple Line was recommended for a $900 million Full Funded Grant Agreement (FFGA) through Federal Transit Administration's (FTA) New Starts Program. In Federal fiscal year 2015, FTA allocated the first $100 million funding installment to the Purple Line. These funds will be available to MDOT after the $900 million Full Funding Grant Agreement is executed, as early as spring 2016.

The DBFOM structure for the Purple Line will involve a long-term, performance-based agreement between MDOT/MTA and the preferred partner 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 will retain ownership of the asset and remain ultimately accountable for the Purple Line and its public function, including setting fares and policing. 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-built, well-operated and maintained over the long-term.

In this P3 model, the concessionaire will be paid using an availability payment structure in which the public agency pays the concessionaire milestone or construction progress payments during the construction period based on the progress of the design and construction; followed by regularly-scheduled availability payments during the 30-year operating period of the P3 agreement. MDOT/MTA will make deductions from these payments if the concessionaire does not meet predetermined performance targets (i.e. safety standards, cleanliness, on-timeliness, etc.). These payments to the concessionaire will 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. The CDAC will review the contract documents and will provide final guidance regarding the financial structure to determine which elements will be considered non-tax-supported debt before the Purple Line contract is designated by the Board of Public Works in early 2016.

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 opportunities for innovation. 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 standards 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 CY2016: MDOT/MTA plans to select a preferred partner in early 2016, with the intent of reaching financial and commercial close by the spring of 2016. Construction is anticipated to begin mid to late 2016.

B. Existing MDTA P3s: Project Status

1. I-95 Travel Plazas Redevelopment

This P3 involves the completed redevelopment and subsequent operation and maintenance of the two travel plazas located on I-95 (the Maryland House and Chesapeake House Travel Plazas in Harford County and Cecil County, respectively). MDTA 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 had 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.

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 reopened January 20, 2014. The original Chesapeake House closed at that time, and the already under construction new Chesapeake House opened on August 5, 2014. At the Chesapeake House, Areas USA also funded the design, construction, and installation of the Maryland Women in Military Service Monument, which was unveiled on Veterans Day, November 11, 2014.

The redevelopment of the Travel Plazas has resulted in appropriately sized primary service facilities accommodating all functional requirements; a separate fuel service station with a

canopy and an adequate number of fueling positions and a convenience store at each location. The primary service facility includes spacious modern restrooms, food service facilities, indoor and outdoor seating, retail space, tourism information, and administrative offices.
Areas USA assembled a team to redevelop and operate the Travel Plazas consisting 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).

Sunoco is the fuel concessionaire with an adjacent A-Plus Convenience Store at both travel plazas. At Maryland House, Areas USA features food and beverages from Wendy's, Phillips Seafood, Dunkin' Donuts, Jerry's Subs & Pizza, Currito, Nathan's Famous, Auntie Anne's and Carvel inside the main facility with retail opportunities from Orange Optix and Bijoux Terner and Elevation Burger inside the A-Plus store. Chesapeake House's food options include Earl of Sandwich, Pizza Hut, Kentucky Fried Chicken, Wendy's, Peet's Coffee and Tea and Auntie Anne's with similar retail options as Maryland House.

The Maryland House and Chesapeake House Travel Plazas were awarded in 2015 with the Leadership in Energy & Environmental Design (LEED) "Silver" Certification Award from the U.S. Green Building Council (USGBC) and the Green Building Certification Institute (GBCI). Additionally, both travel plazas received The 2015 Maryland Excellence in Design Award from the American Institute of Architects (AIA).

Anticipated Action in CY2016: In 2016, MDTA anticipates that Areas USA will continue to successfully operate both Travel Plazas, providing motorists with a welcome oasis that offers rest and refreshment, while providing MDTA with a steady, reliable revenue stream.

C. **<u>MDOT P3s under consideration not previously reviewed or approved by the General Assembly</u>**

1. Corridor Cities Transitway (CCT)

The Corridor Cities Transitway (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 2021, with operations commencing in 2021. 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 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 where a concessionaire could negotiate agreements to construct features in exchange for contributions to the capital and operating costs. Development opportunities are partly linked to CCT funding, construction, and operations.
- 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 CY16: In 2016, MDOT anticipates continuing due diligence regarding the applicability of P3 delivery methods to the CCT.

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

1. Harry W. Nice Memorial Bridge Improvement Project

The 1.7-mile long Governor Harry W. Nice Memorial Bridge (Nice Bridge), located on US 301, is the southernmost vehicular crossing of the Potomac River between Charles County, Maryland and King George County, Virginia. The bridge consists of one eleven-foot travel lane in each direction, no median separation and a one-foot offset to the bridge parapet from each travel lane. The US 301 approach roadways to the Nice Bridge consist of a four-lane median divided roadway with twelve-foot travel lanes and up to ten foot outside shoulders.

US 301 and the Nice Bridge are part of the National Highway System (NHS). In addition, these facilities are part of the Strategic Highway Network (STRAHNET). STRAHNET is a system of roads deemed necessary for emergency mobilization and peacetime movement of heavy armor, fuel, ammunition, food and other commodities to support US military operations. Both of these designations indicate the federal importance of this transportation element. The Nice Bridge links the outer reaches of Washington, DC metropolitan areas and is a critical link on an evacuation route in the event of a national disaster or national security alerts. The Nice Bridge also enhances road links with the region's military facilities, contractors and suppliers.

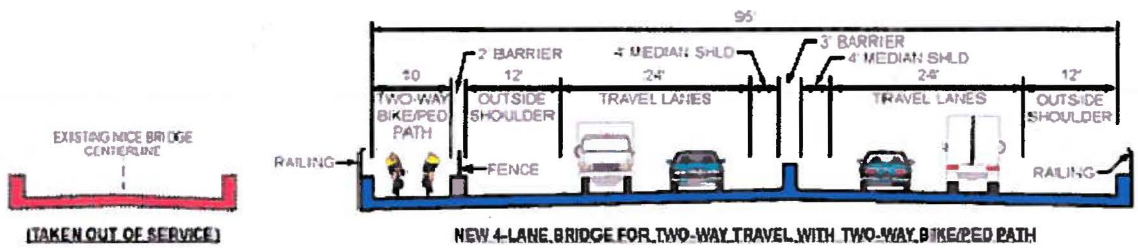
The purpose of the Project established during the Planning phase was to provide:

- a crossing of the Potomac that is geometrically compatible with the US 301 approach roadways;
- sufficient capacity for projected year 2030 vehicular traffic volumes;
- improved safety on the bridge and approaches; and
- the ability to maintain two-way traffic flow at the crossing.

An environmental review of the project was completed by the Maryland Transportation Authority (MDTA) in accordance with NEPA. The project study has evaluated two major actions for the Nice Bridge: 1) Rehabilitation to keep the existing bridge in service; or, 2) Replacement of the existing bridge with two new parallel two-lane bridges or one new parallel four-lane bridge that includes bicycle/pedestrian provisions.

Selected Alternate

The final environmental document (Finding of No Significant Impact (FONSI)/Section 4(f) Evaluation was approved by FHWA on November 27, 2012. Modified Alternate 7 is the Selected Alternate (SA) for the Nice Bridge project. The SA consists of a new four-lane bridge installed parallel and north of the existing bridge, with a two-way bicycle/pedestrian path along the south side (see typical section below), and removal of the existing bridge. A designated path on each shore would guide bikers and pedestrians from the two-way path on the new bridge to the appropriate outside shoulder along the US 301 approach roadway.



ALTERNATE 7 MODIFIED

Modified Alternate 7 was recommended as it was the solution which could be put into service in the shortest amount of time while fully meeting the purpose and need of the project. This alternate also avoids adverse impacts to critical missions at the Naval Support Facility Dahlgren (NSFD) base. It was the most frequently supported alternate identified in comments received by the study team during the public hearing comment period from the public, local elected officials and the Commanding Officer at NSFD.

With the completion of the Planning Study, Preliminary Engineering for improvements to the Nice Bridge on US 301 over the Potomac River has started. Staff has developed a MDTA Board approved process to evaluate traditional and alternative project delivery methods and to prepare the Financial and Project Management plans for the project.

The five delivery methods being considered are:

- Design Bid Build
- Design Build
- Design Build Operate Maintain
- Public Private Partnership (Finance Included)
- Construction Manager At Risk (CMAR)

Although MDTA has not yet made an official determination on the delivery method, early analysis has shown that a public-private partnership and construction manager at risk are delivery methods that are not likely favorable for this project.
Also as part of the financial analysis, MDTA is weighing the affordability, timing, and system-wide tolling impacts related to constructing the complete Modified Alternate 7 typical section versus using Practical Design and reducing portions of the Planning phase purpose and need to only core needs that may substantially reduce the funding needs for a potential replacement.

MDTA has committed $56 million for Preliminary Engineering and right-of-way activities during the current six-year program period. No funding has been identified or committed to construction. It is anticipated that a system-wide toll increase would be required to fund the construction of the Modified Alternate 7 typical section regardless of the delivery method that is chosen.

Anticipated Actions in CY 2016: In 2016, MDTA will continue to complete numerous engineering and right-of-way activities. Engineering work that is planned or underway is related to: geotechnical surveys; utilities; navigational studies; coordination with the U.S. Coast Guard on the length and alignment of the main span; a type, size and locations options analysis; and options for grade and alignment of the bridge.