Public-Private Partnerships Annual Report

(State Finance and Procurement Article, § 10A-104(a))

January 2026
Maryland Department of Transportation
Maryland Transportation Authority

Introduction

The Maryland Department of Transportation (MDOT) and Maryland Transportation Authority (MDTA) hereby submit this Annual Report on Public-Private Partnerships pursuant to Section 10A–104(a) of the State Finance and Procurement Article of the Maryland Annotated Code. This report provides information on the status of each public-private partnership (P3) in which MDOT and MDTA are either involved or considering as required by the following statutory language from the State Finance and Procurement Article Section 10A-104(a):

(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.

MDOT is involved in two existing P3s: the Seagirt Marine Terminal Project and the Purple Line Light Rail Transit Project and the MDTA is involved in one existing P3: the I-95 Travel Plazas Redevelopment project. In addition, MDOT is currently developing the Eastern Shore Freight Rail Lines P3 Concession. Currently, there are no MDOT or MDTA P3s under consideration that have not been previously reviewed or approved by the General Assembly.

MDOT and MDTA have previously included the American Legion Bridge and 270 Corridor Program in this report. In March 2023, the selected Phase Developer, Accelerate Maryland Partners, executed its contractual right to terminate its Phase P3 Agreement with MDOT and MDTA. Since that time, Governor Moore has directed MDOT to envision this corridor with a greater focus on transit and multi-modal transportation options for Marylanders. The State Highway Administration (SHA) has continued conceptual design and due diligence activities, and MDOT in August 2025 submitted a grant application to the U.S. Department of Transportation (USDOT) to help fund the replacement of the American Legion Bridge. In the future, if a P3 delivery option is selected to advance the reimagined program, MDOT will seek a new P3 designation from the Board of Public Works (BPW).

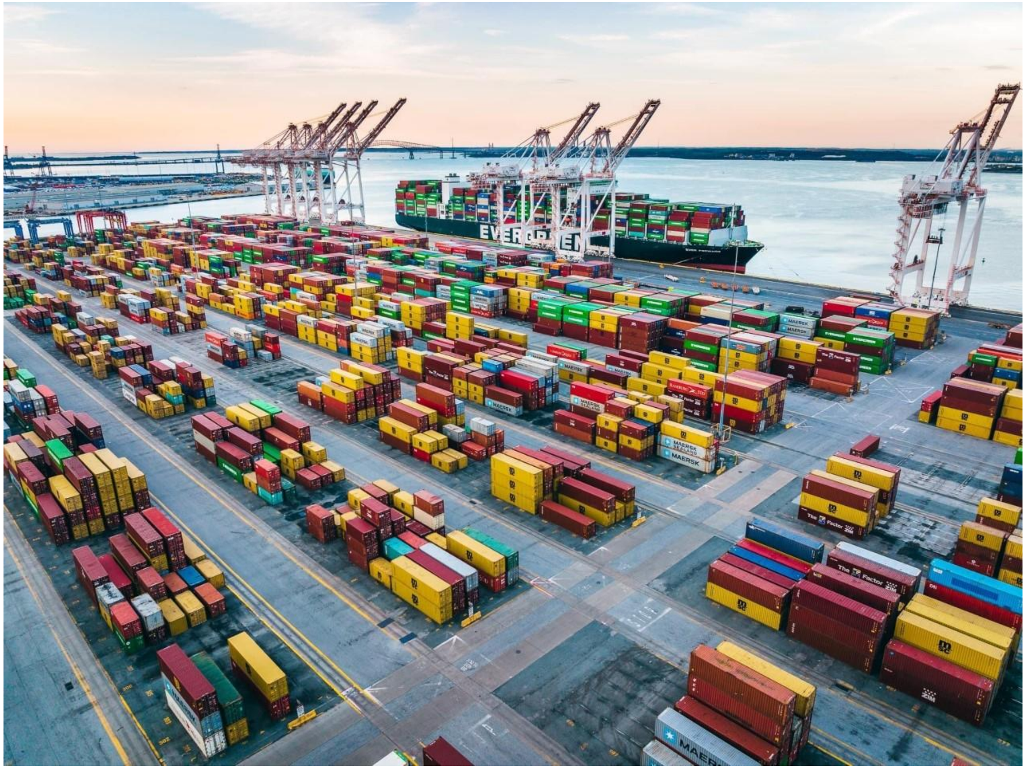
Existing MDOT P3s

Seagirt Marine Terminal

Overview of the Project

Since 1990, the Seagirt Marine Terminal was constructed and developed into the Port of Baltimore's premier container facility, owned by the MDTA, and operated by the MDOT Maryland Port Administration (MDOT MPA).

In 2008, the MDOT MPA was building its vision to ensure the long-term growth of the container business at the Port of Baltimore. With the evolution of larger container vessels and the newly expanded Panama Canal due to open in 2014, Seagirt Marine Terminal had outgrown its three 45-foot depth berths and needed a fourth 50-foot berth to remain competitive.



P3 Solicitation

The MDOT MPA pursued a P3 for Seagirt Marine Terminal with four primary goals:

- Fund construction of Seagirt Berth IV with 50-foot depth and four supersized cranes;
- Provide ongoing revenues to MDOT MPA for administrative and other port purposes;
- Repay MDTA's investment in Seagirt Marine Terminal; and
- Retain responsibility for terminal security.

After issuing a Request for Qualifications (RFQ) in April 2009, the MDOT MPA shortlisted two terminal operators. The MDOT MPA released a confidential Request for Offers in June 2009 and subsequently received an offer from Ports America Chesapeake, Inc. (PAC) in September 2009. In December 2009, the Board of Public Works (BPW) voted to approve the 50-year lease and concession agreement. On January 12, 2010, PAC assumed operational control of Seagirt Marine Terminal.

Project Status

PAC performed better than its contractual commitment relative to the new berth. The berth construction was completed in the summer of 2012, two years ahead of the required completion date. Four new, state-of-the-art super Post-Panamax container cranes were purchased and delivered in early fall of 2012. Thus, Maryland's Port of Baltimore now has a deep, state-of-the- art container berth in place. This ensures a strong competitive position for the Port in the container market. MDOT 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.

MDOT MPA continually monitors Seagirt Marine Terminal's key performance indicators, and since the transition, operational efficiency has remained high while cargo throughput has increased. From 2010 through 2023, the number of containers handled at Seagirt Marine Terminal increased 159% for an average of 12.2% annually. Container numbers at Seagirt Marine Terminal decreased 35% in 2024 from 2023's record year due to the collapse of the Francis Scott Key Bridge on March 26, 2024. The collapse of the bridge blocked the shipping channel leading to Seagirt. The channel remained blocked or partially blocked until June 10, 2024.

In early 2025, there were some considerable changes to the container shipping alliances. The 2M alliance formed between MSC and Maersk dissolved. The three 2M services calling Seagirt were replaced with five new services between the two shipping lines. In addition, the Ocean Alliance introduced a new North Atlantic service calling Seagirt beginning in March 2025.

In CY 2017, the MDOT MPA acquired 70 acres of the Point Breeze Industrial Park located adjacent to Seagirt Marine Terminal. Approximately 36 acres have been leased to PAC on a long-term lease that runs concurrent with the P3. This parcel will be developed by PAC to expand Seagirt Marine Terminal and provide expansion opportunities as business develops and grows. PAC also invested in a secondary gate on New Vail Street to improve access to Seagirt.

PAC, through a joint venture with Marine Repair Services, opened a dedicated near-dock chassis depot to enhance service levels to the trucker community and the beneficial cargo owners that use Seagirt Marine Terminal. This depot opened December 3, 2018, and provides needed capacity at Seagirt Marine Terminal to handle growing container volumes and to grow jobs.

The Canton Warehouse property was developed by PAC in early 2019 to provide empty container storage. This project increased Seagirt Marine Terminal's capacity to handle loaded containers and provides truckers with a new gate to access the terminal via the new empty yard.

In 2022, PAC completed a significant project to rehabilitate Berth 3 to provide Seagirt Marine Terminal a much needed second 50-foot-deep berth to handle the large 11,000 to 14,000 twenty-foot equivalent unit vessels now calling Maryland's Port of Baltimore.

This investment included the purchase of four additional ship-to-shore cranes, additional terminal container handling equipment, a new terminal operating computer system, and truck gate improvements to increase truck capacity and velocity. These investments show PAC's commitment to Baltimore and will greatly increase service levels and expand the capacity of the facility to further grow jobs and have a positive impact on Maryland's economy. MDOT

MPA was awarded a $6.6 million grant through the U.S. Department of Transportation's Better Utilizing Investments to Leverage Development program to contribute to the Berth 3 project, which provided the last piece of funding for this second 50-foot-deep container berth at Seagirt Marine Terminal.

In September 2025, CSX successfully completed its long-planned project to enlarge and improve the Howard Street Tunnel. The full project includes expanding the tunnel and making clearance improvements at 22 other locations between Baltimore and Philadelphia. This will allow for double-stacked containers to be transported on rail to and from the Port of Baltimore to destinations throughout the Midwest, increasing the Port's business by about 160,000 containers annually and creating more than 13,000 jobs (including direct construction jobs and related jobs that will be created from increased economic activity). The entire project is scheduled to be completed in Spring 2026, at which time double-stacked operations will begin.

Purple Line Light Rail Transit Project

Overview of Project

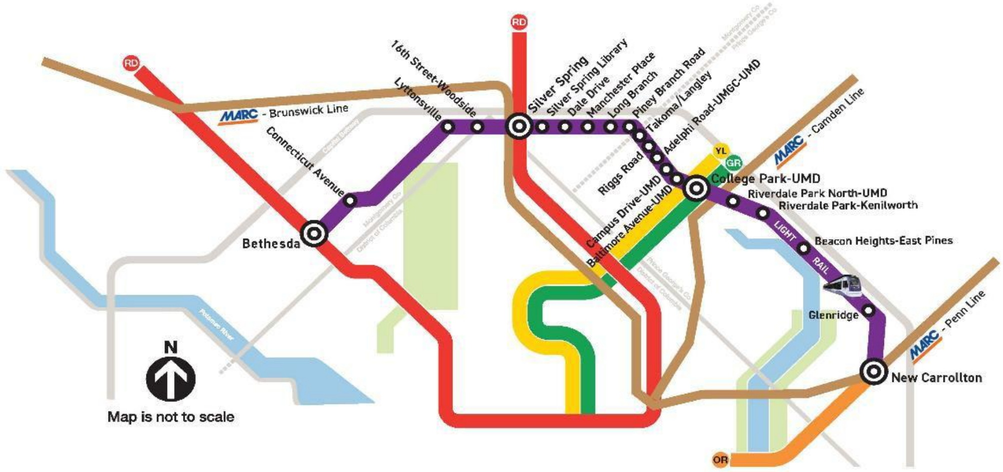
The Maryland Purple Line Light Rail Transit Project (the Purple Line) is a 16.2-mile, 21-station, east-west, light rail transitway that will extend from its western terminus at the Bethesda Metro Station in Montgomery County to its eastern terminus at the New Carrollton Metro Station in Prince George's County, just inside the I-495/Capital Beltway in the Washington, D.C. metropolitan area.

The Purple Line will be largely at grade with one 1,000-foot tunnel in the Long Branch community of Silver Spring, as well as have three elevated sections and several bridge structures. It will operate mainly in dedicated or exclusive lanes, serving five major activity centers just north of Washington, D.C.: Bethesda, Silver Spring, Takoma-Langley Park, College Park/University of Maryland, and New Carrollton. Major commercial and residential projects are either planned or underway in these activity centers, which are experiencing active development.

The Purple Line will serve as a major connector to other transit services in the region, including the Washington, D.C. region's Metro system (Metrorail and Metrobus), operated by the Washington Metropolitan Area Transit Authority (WMATA), at four of these major activity centers; and MARC, Maryland's commuter rail system, at three of these major activity centers (see image below). Light rail service will also connect to Amtrak services along its Northeast Corridor at New Carrollton. The Purple Line will provide passenger transfer capability at each of the major activity centers; however, it will be physically, financially, and operationally independent from the Metro system and MARC.

As part of the Purple Line, the MDOT Maryland Transit Administration (MDOT MTA) and its County partners are completing certain other improvements, such as:

- Bethesda Red Line Metro Station South Entrance;
- Silver Spring Red Line mezzanine connection;
- College Park Metro Kiss-n-Ride and Bus Loop;
- Capital Crescent Trail;
- Silver Spring Green Trail; and others.



<u>P3 Solicitation</u>

On November 6, 2013, the BPW approved the MDOT MTA's plan to deliver the Purple Line as a P3. Following a two-step RFQ and request for proposals (RFP) process, MDOT MTA announced Purple Line Transit Partners (PLTP) as the preferred proposer in March 2016. On April 6, 2016, the BPW voted unanimously to approve the 36-year, performance-based P3 Agreement with PLTP to design, build, finance, operate, and maintain the Purple Line.

Following a lawsuit that vacated the project's Record of Decision (ROD) for more than a year and other project delays, PLTP's design-build contractor filed a notice of termination. In the absence of a design-build contractor, MDOT MTA assumed over 150 key contracts, subcontracts, and other agreements to enable the State to continue work on the project.

On December 26, 2020, the BPW approved a settlement agreement between the MDOT MTA and PLTP to resolve all Purple Line claims and terminate litigation related to the project. Pursuant to the Settlement Agreement, the MDOT MTA paid a $250 million settlement payment to the departing design-build contractor, which settled all outstanding financial claims and terminated litigation. PLTP continued as the Concessionaire and remained responsible for procuring a replacement design-build contractor and for obtaining new financing to cover the remaining cost to complete the project.

PLTP utilized a two-step RFQ and RFP process to select a new design-build contractor. The RFQ was issued in January 2021 and in November 2021, PLTP announced Maryland Transit Solutions (MTS), a joint venture between Dragados and OHL USA, North American division of international construction company Obrascón Hurte Lain, S.A. (OHL), as the selected bidder. In January 2022, the BPW unanimously approved a modification to the Purple Line P3 Agreement to select MTS as the replacement design-build team to complete the Purple Line, adjust the agreement cost, and modify the start of operations. In March of 2024, BPW approved an additional modification to the P3 Agreement which shifted the start of operations to late 2027. This modification also included funding for businesses impacted by Purple Line construction, and enhanced incentives for environmental compliance and pedestrian access during construction.

The modified P3 Agreement has a cost of $9.8 billion, which includes the design-build cost for the project, debt repayment costs, and the cost to operate and maintain the service for 30 years. Reflecting the post-pandemic market, the total project cost increase reflected rising material and labor costs across the industry, material shortages due to supply chain challenges, and increases in the insurance market, as well as other factors.

Over 6,300 jobs will be directly created over the course of Purple Line construction. That includes an estimated 4,800 construction jobs, 1,500 professional, scientific, and technical service jobs, and 425 jobs in operations and maintenance.

Construction

The Purple Line's year of transformation wraps up with several achievements. As of November 30, 2025, the project is reporting construction at 87.4% complete, including nearly 154,000 of 193,100 feet of track laid overall, bringing rail progress to 79.8%. All 28 LRVs are delivered, weeks ahead of schedule, to the Glenridge Operations and Maintenance Facility in Prince George's County.

Crews continued with systems installation, including communications, train control equipment and signalization equipment for highway grade crossings and at the Glenridge (Prince George's County) and Lyttonsville (Montgomery County) Operations and Maintenance Facilities. All Wayside Equipment Cabinets are installed. Traction Power Substation (TPSS) Q6 was energized, and functional performance testing began. Parallel feeders for traction power have been installed and temporarily spliced through University of Maryland campus. In Segment 7, overhead conflicts with the catenary are resolved and crews completed catenary installation. Integration system testing, including live-wire LRV testing, continues from New Carrollton to College Park. Operator training is ongoing.

Station work across the alignment continues with cabling and lighting installations progressing. Station signage identifying neighborhoods was installed on platforms, and Art in Transit installations progressed. Canopy structures and columns were installed at Woodside Station, and steel structures on the north side of the Silver Spring WMATA Mezzanine were completed. Acoustic walls were installed at Bethesda Station, and roofing the over main stairs was installed at Connecticut Avenue Station.

Train control system installation work continues from Riverdale Park - Kenilworth to Piney Branch Road. Trackwork on Bonifant Street crossing Georgia Avenue was completed in October, as well as trackwork through the intersection of Bonifant Street and Ramsey Avenue intersection. Trackwork on Wayne Avenue from Fenton Street to Cedar is ongoing.

In Silver Spring, crews completed Pier 1 & 2 concrete work for the Spring Street bridge and erected the bridge’s span 2 steel girders. Pile driving has started for the new bridge abutments.

At the Bethesda shaft, work advanced on elevator and ejector pit walls, backfilling and mud mat placement at the bottom of the shaft. In Chevy Chase, crews began grading and prep for reconstruction of Chevy Chase Lake Drive.

Overall construction of the Capital Crescent Trail is at 67%. In October, CCT work continued on various retaining walls adjacent to the trail, as well as final grading of subbase on portions of the trail west of Jones Mill Road and landscaping west of Connecticut Avenue. Crews placed the precast arches over the Purple Line track and over the CCT to complete Phase 2 of Jones Mill Bridge construction. Work continued in November on various retaining walls adjacent to the trail and drainage work in the Woodside area of the CCT, and crews successfully reopened Jones Mill Road to pedestrian and vehicular traffic.

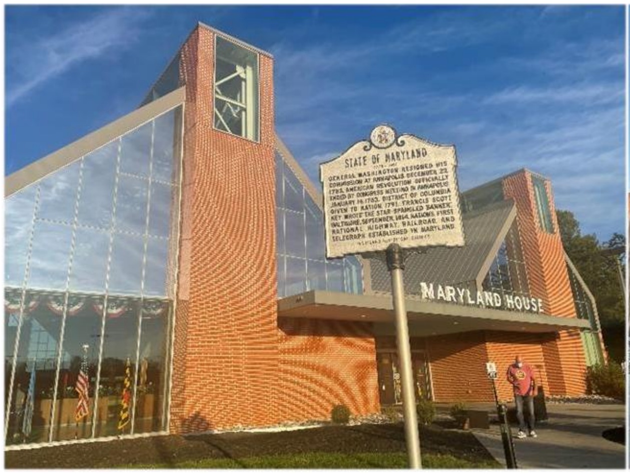
Completion Category	% Complete (as of 11/30/2025)	% Complete (as of 11/30/2024)
Overall Project	87.4%	74.2%
Utility Relocations	98.9%	94.1%
Civil Design	100.0%	100.0%
Systems Design	89.5%	84.2%
Construction Possession of Property Acquisitions	100.0%	100.0%
Civil Construction	90.3%	66.5%
Rail Installation	80.8%	29.2%
Systems and Station Construction	81.7%	26.0%
Glenridge Operations and Maintenance Facility	100.0%	95.0%
Rail Vehicles Ready to Ship	100.0%	92.9%
Capital Crescent Trail Construction	67.1%	51.5%

Purple Line track installation at Silver Spring Library (October 21, 2025)

Seg 7 Testing - Site View of the Light Rail Vehicle No. 102A turning onto Kenilworth Ave. (11.20.25)

Existing MDTA P3s

I-95 Travel Plazas Redevelopment



Exterior, Maryland House

Exterior, Chesapeake House

Overview of the Project
At its opening in 1963, the original John F. Kennedy Memorial Highway (Interstate 95) included the Maryland House Travel Plaza in Harford County, which provided a restaurant and two automotive service stations for highway travelers. The second travel plaza, the Chesapeake House, opened in 1975 north of the Susquehanna River in Cecil County. Since their opening, the facilities have been operated by third-party vendors under revenue-generating contracts with the State. Engineering studies conducted in 2004 and 2005 identified a need for 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.

P3 Solicitation
On March 11, 2011, the MDTA submitted a letter to the legislative budget committees, as required under Section 4-406(c)(1) of the Transportation Article of the Annotated Code of Maryland (later repealed), notifying them of the intent to issue a public notice of solicitation for a P3 for the redevelopment, financing, operation, and maintenance of the two Travel Plazas located on I-95 in Maryland. The project had three goals:

- Obtain new or like-new facilities using a P3;
- Ensure that the facility design and operations will provide a positive customer experience; and
- Provide a fair return to the State and to provide for transfer of the facilities in satisfactory condition at the end of the term.

The MDTA issued an RFP in June 2011 and proposals were due in November 2011. In March 2012, the BPW approved a lease and concession agreement between the MDTA and Areas USA MDTP, LLC (Areas USA) for the project.

The P3 Agreement includes:

- Complete replacement of the Maryland House and Chesapeake House at a combined cost of $56 million;
- Estimated revenue payments to the 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.

Project Status

The redevelopment of the Travel Plazas resulted in appropriately sized primary service facilities accommodating all functional requirements and a separate fuel service station with a canopy, 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 firms.

In 2015, both Maryland House and Chesapeake House Travel Plazas received “silver” certification from the U.S. Green Building Council’s Leadership in Energy & Environmental Design (LEED) program. They also received the 2015 Maryland Excellence in Design Award from the American Institute of Architects. Sunoco gas stations at the Travel Plazas consistently receive awards for excellence in customer service and appearance, while the facilities also offer electric vehicle charging stations for customers.

Areas USA is committed to philanthropic activities and partnering with local organizations, supporting local charities, and contributing to charitable causes. The Concessionaire has reported combined customer and company donations of over $1 million since 2014.

The Concessionaire has also constructed the Maryland Women in Military Service Monument at the Chesapeake House. This site is a gathering place for many veterans’ groups throughout the year as the MDTA and Concessionaire honor those who have served the country. In August 2025, the Maryland House hosted over 700 attendees at the America’s 9/11 Ride event. This number includes motorcyclists, support crew, local and out of state first responders. Areas USA and its suppliers provided snacks and water to all the riders, support personnel and law enforcement. The America’s 9/11 Ride event raises scholarship funds for the children of first responders and equipment for various agencies.

Recent facilities upgrades to the fuel stations in 2021 and 2022 include new canopies, LED lighting, restrooms, and new soda fountains and coffee machines. Additionally, in 2023 the ramps and several parking lots were milled, paved, and restriped. New beverage stations and case goods were installed leading to a cleaner and more contemporary look. Other improvements include a dog park at the Maryland House and a new fountain dedicated to veterans at the Chesapeake House.

In 2024, MDTA received $4.5 million in concession revenue from operations of the Travel Plazas driven by an estimated 11.8 million guests.

P3s in Development by MDOT

Eastern Shore Freight Rail Lines

Overview of the Project

MDOT owns approximately 150 miles of federally regulated railroad corridors, including supporting facilities and real estate, which are part of the general railroad system of the United States. These railroad lines were acquired from the estate of the Penn Central Railroad in 1982 as part of a larger effort to preserve the railroad system in rural and low traffic areas.

Approximately 92 miles of rail lines, including 56 miles of rail lines in active use, are located on the Eastern Shore of Maryland and are currently managed through a Basic Maintenance of Way contract between the present operator and MDOT. The State of Maryland does not directly operate a common carrier freight railroad itself and has historically relied on private operators to perform this function rather than manage operations as part of its core business.

There is now renewed interest in operating railroad lines by private entities and renewed railroad competition between short-line and regional operators nationally. MDOT has an opportunity to develop a new approach to management of these lines that allows for a P3 for financing, improvement, operation, maintenance, and management of MDOT-owned freight railroad lines. A P3 approach will enable private investments in the rail corridor properties which provides MDOT greater opportunities to adequately plan, coordinate, and leverage the synergies of a P3 partnership that address further capital investment needs and ensure continued service.

Additionally, the P3 meets the goals of the Maryland State Rail Plan, with the overall net economic effect being to benefit the industries and communities that rely on the continuing operation of the freight rail lines.

A successful P3 partnership will allow a selected Concessionaire greater ability to operate MDOT-owned lines profitably and leverage their own capital for maintenance needs and improvements. While confidential and proprietary revenue data cannot be shared, asset lifecycle costs can be examined and estimated for known major maintenance costs. A successful P3 Agreement must therefore, to the greatest extent possible, encourage the wise use of private and public capital and should leverage the availability of any federal railroad infrastructure funding as it is made available.

On December 18, 2024, the Board of Public Works approved a request from the MDOT MTA to (1) designate MDOT MTA-owned freight rail lines on the Eastern Shore as a public infrastructure asset delivered through a P3 and (2) use a competitive solicitation to select a private sector partner to design, build, and finance improvements to the rail lines and operate and maintain the facilities for a term of 40 years.

Solicitation Process

A two-step procurement process is being utilized to select a P3 Operator. An RFQ was issued on June 13, 2025, and MDOT will shortlist no more than four Proposers to receive the draft RFP.

In response to the final RFP, each Shortlisted Proposer will be invited to submit a proposal, inclusive of a detailed technical and financial proposal. MDOT will then review all Proposals and identify the Proposal that provides the best value to the State through a formal evaluation process. Once the selection process is completed, MDOT will provide an opportunity for review and comment by the Comptroller, the Treasurer, the Assembly, and the public prior to seeking approval by the BPW in early 2026.