



REVENUE INCREASE SUMMARY

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The **Transportation Infrastructure Investment Act of 2013** (Transportation Act) is very welcome news to the Maryland Department of Transportation (MDOT). Despite the great recession, MDOT continued to properly manage fiscal resources while focusing on safety and system preservation projects. However, thanks to the leadership of Governor Martin O'Malley, Lieutenant Governor Anthony G. Brown, Senate President Thomas V. Mike Miller, Jr., House Speaker Michael E. Busch and members of the Maryland General Assembly, the Transportation Act was signed into law on May 16, 2013. The Transportation Act is a historic transportation bill that allows Maryland to move forward with the first new major transportation projects in more than eight years. With the Transportation Act, which allows Maryland to activate long-term strategies to invest in Maryland's transportation systems, the State is putting people back to work in the transportation industry with \$4.4 billion in new investments in the next six years. Maryland will create hundreds of millions of dollars in economic activity and provide Marylanders with the transportation infrastructure necessary to grow and prosper for decades to come. The Transportation Act supports 57,200 jobs and creates a sustainable transportation funding source that is sensitive to inflation, enabling Maryland's Transportation Trust Fund to keep pace with the ever-increasing demand for highways, transit and rail projects, and the growing cost of materials and labor needed to build major infrastructure projects. Improving Maryland's transportation infrastructure is vital to quality of life and economic prosperity.

Before the passage of the Transportation Act, the **Maryland State Highway Administration** (SHA) faced many financial challenges trying to tackle statewide system preservation priorities, safety improvements and advance the occasional phase of a major project. The passage of the Transportation Act created an opportunity for SHA to start many delayed transportation expansion improvements across Maryland that will now be constructed in the next six years. The increased funding provided by the Transportation Act has also been programmed to deliver safety and system preservation needs beyond previous funding levels. The additional funds will result in SHA maintaining current performance levels set for the highway system in high risk areas such as safety, pavement condition, bridge condition, drainage and for various supporting assets. SHA will allocate funding to specifically focus on projects such as resurfacing, bridge replacement/rehabilitation, safety improvements, bicycle and pedestrian accommodations, community safety and enhancement, traffic management, drainage improvement, etc. *Key projects are listed in the matrix at the end of this section.*

Additionally, SHA will be able to deliver environmental investments to manage water quality impacts associated with storm water runoff from SHA facilities and meet the mandated Chesapeake Bay Restoration – Watershed Implementation Plan and the Total Maximum Daily Load requirements from the U.S. Environmental Protection Agency. This is an aggressive program that will invest approximately \$1 billion in water quality improvement projects by 2025. The allocation of General Obligation Bonds from FY15 to FY19 has significantly reduced the need to utilize Transportation Trust Fund revenues traditionally targeted for transportation improvements delivered by SHA. The significant additional funding provided will allow SHA to program the appropriate water quality strategies to meet the established FY 2017 milestone goals per the Watershed Implementation Plan and to keep this initiative

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on track through FY 2019. With this additional funding made available, SHA will fund stormwater facility improvements, pipe outfall stabilization, street sweeping, inlet cleaning, stream restoration and reforestation projects that are crucial to improving the watersheds that SHA's facilities cross.

The Transportation Act enables the **Maryland Transit Administration** (MTA) to proceed with investments in renewal of aging infrastructure, including replacement of Metro Subway railcars and construction of the second and final phase of a new bus garage to replace the 65-year old Kirk Division. The Transportation Act also allows MTA to expand the statewide transit network. Examining a new MARC maintenance and storage facility and adding new diesel locomotives position the MTA for future expansion of the MARC Train which serves nine counties. Investments advancing rapid bus lines in both Howard and Montgomery counties will look to meet local transportation needs by reducing travel times in heavily traveled corridors.

MTA also will add more service for the key Baltimore/Washington Region commuter rail lines. This will include weekend service on the Penn Line between Baltimore and Washington for the first time and more trains on the Camden Line. The Transportation Act also will be adding operating funds to local bus service subsidies that have been falling short of the State's obligation in recent years. *Key capital projects and operating service are listed in the matrix at the end of this section.*

Among MDOT's highest priorities is the advancement of projects that expand the fixed guideway transit network, including two light rail projects and a bus rapid transit project. Known as the "New Starts" program, each project provides faster, more direct, high capacity transit in corridors where ridership warrants this investment. The projects are closely coordinated with local and regional long range plans, and could foster development and redevelopment adjacent to new stations. Each line includes connections to existing rail and bus services, either by providing boarding locations adjacent to existing services or, in the case of the Red Line, an underground pedestrian tunnel. These projects represent a significant investment, and rely in part on federal grants that are awarded for this purpose. Specifically, the Federal Transit Administration offers discretionary Section 5309 grants to state and local governments for the development of new and improved transit facilities, and MTA has received past earmarks for both the Red Line and the Purple Line. Through the planning and preliminary engineering processes, MTA has developed project delivery plans for each project which determines how each is to be financed.

The **Baltimore Red Line** is a 14-mile double track light rail line between Woodlawn in Baltimore County and Bayview Medical Center in Baltimore City. The Red Line will provide faster, more reliable transportation between residential and major employment areas. It will enhance access to existing rail lines and bus service, increase transit capacity in congested corridors, support economic development consistent with local master plans, and reduce overall environmental impacts.

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MTA intends to develop the Red Line using a primarily design-bid-build approach, and award a sequence of contracts according to a contract packaging plan. The exception is a group of project elements that could be delivered through a public-private partnership (P3), a long-term, performance-based agreement between MTA and a private entity where appropriate risks and benefits will be allocated in a cost-effective manner between the contractual partners. Design-bid-build contracts will be utilized to deliver the majority of project elements including tunnels, structures, surface segments, surface and underground stations, elevators and escalators, utility relocations and stormwater management facilities. A group of transit elements will be examined for third-party P3 provision to include the railcars, operations and maintenance facility, track, signals, and power, as well as maintenance of those elements. The private entity would be responsible for designing, constructing, operating, and maintaining the specific assets that are within the scope of the rolling stock and systems elements of the overall project. In return, MDOT will pay the private entity periodic payments, subject to performance deductions, which will provide strong incentives for the concessionaire to deliver high quality service for the assets under its responsibility. The Red Line is proposed to be funded with Transportation Trust Funds, federal funds, regional contributions and investments by the private entity.

The funding plan assumes that MTA receives a grant of \$900 million in federal Section 5309 New Starts funds, including a federal fiscal year (FFY) 2010 earmark of \$3 million and reimbursement of \$55.2 million in formula funds to be expended in FY 2014. New Starts funds would fund 34% of the total Red Line cost. To realize the value of the federal grant within the peak construction period, MDOT would issue short term bonds (Grant Anticipation Notes) backed by the federal grant. Uses of federal funds, including issuance of Grant Anticipation Notes, are presented in Table 1.

Table 1: Red Line Uses of Section 5309 Funds (YOE \$M)

FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Total
\$3	-	\$55.2	-	\$44.8	\$100	\$192	\$393.7	\$114.3	-	-	-	-	\$900

In recognition of both regional and local benefits of the project, MDOT is seeking regional contributions. Regional contributions may be county funds or in-kind contributions such as right of way, utility relocations or environmental mitigation that serves the purpose of reducing the project cost. For the Red Line, regional contributions are assumed to total \$250 million, of which \$75 million is received during the FY 2014-19 period. To date, Baltimore City and Baltimore County governments have pledged investments and in-kind contributions. Investments by the private entity are also assumed to finance the project cost. This amount will be determined through the solicitation process.

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The **Purple Line** is a 16-mile double track light rail line that will operate between Bethesda in Montgomery County and New Carrollton in Prince George's County. The Purple Line meets MDOT policy objectives by providing faster, more reliable transportation between residential and major employment areas. It will enhance access to existing radial Metrorail lines, increase transit capacity in congested corridors, support economic development consistent with regional long range transportation plans and local master plans and reduce overall environmental impacts.

With preliminary consent by the Board of Public Works, MTA intends to pursue a public-private-partnership for the Purple Line. This delivery method would involve a long-term, performance-based agreement between MTA and a private entity where appropriate risks and benefits will be allocated in a cost-effective manner between the contractual partners. The private entity will perform some functions normally undertaken by the government, but MTA remains ultimately accountable for the Purple Line and its public function, including fare policy and environmental commitments. MTA is anticipating a 35-year contract, including approximately five years of construction and 30 years of operations. The private entity will be responsible for finishing designing, constructing, operating, and maintaining the asset, as well as financing a portion of construction. In return, MDOT will pay the private entity periodic payments during the operating period. The payments will be subject to performance deductions, which will provide strong incentives for the private entity to deliver high quality service, similar to operating contracts MTA has in place for MARC train, commuter bus and mobility paratransit services.

During construction, MTA will be responsible for completing federal environmental documentation, acquiring right-of-way, and providing quality control and oversight. These elements are included in the capital cost as MTA-retained costs. MTA also will fund a portion of construction in the form of construction progress payments.

In addition to Transportation Trust Funds, the Purple Line is funded with federal funds, regional contributions and investments by the private entity. The funding plan assumes that federal Section 5309 New Starts funds would fund 38% of the total Purple Line cost. In federal fiscal year (FFY) 2010, it received a \$3 million earmark in Section 5309 appropriations and these funds were spent in FY 2012 during the Preliminary Engineering phase. MTA is requesting a total of \$900 million in New Starts funds, including \$15 million in FFY 2015. Uses of federal funds are presented in Table 2.

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Table 2: Purple Line Uses of Section 5309 Funds (YOE \$M)

FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Total
\$3	-	-	\$15	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$82	\$900

In recognition of both regional and local benefits of the project, MDOT is seeking regional contributions. Regional contributions may be county funds or in-kind contributions such as right of way, utility relocations or environmental mitigation that serves the purpose of reducing the project cost. For the Purple Line, regional contributions are assumed to total \$220 million, of which \$60 million is received during the FY 2014-19 period. To date, county governments have pledged investments and in-kind contributions. Investments by the private entity are also assumed to finance the project cost. This amount will be determined through the solicitation process.

The **Corridor Cities Transitway (CCT)** is a 15-mile bus rapid transit line between Shady Grove Metrorail Station and the former COMSAT facility in Montgomery County. The line would be constructed in two phases: from Shady Grove to Metropolitan Grove MARC Station and from Metropolitan Grove MARC Station to COMSAT. The CCT will provide faster, more direct transportation between residential and major employment areas in the I-270 corridor. It will enhance access to the Shady Grove METRO station and employment areas, increase transit capacity in congested corridors, support economic development consistent with local master plans and reduce overall environmental impacts.

The CCT is currently in the project planning phase. Definitive cost and schedule estimates are under development, and the project delivery approach will be developed during the current fiscal year. The CTP does reflect a preliminary commitment of \$225 million of Transportation Trust Funds which will be fully allocated when a delivery approach and matching funds are identified.

The **Maryland Aviation Administration (MAA)** has a multi-phase development plan to modernize the terminal at the Baltimore Washington Thurgood Marshall International Airport. Funding from the Transportation Act will help this plan by enabling the financing of the construction of a new secure connector between Concourse D and Concourse E, create a new security checkpoint to serve domestic and international travelers and configure airline gates to support additional international flights. The project will move forward with a \$25 million investment from the Transportation Act and \$100 million provided by Passenger Facility Charges collected with each airline ticket. The planned improvements will help ensure excellent service for our airport customers while providing the opportunity for further growth by the airlines serving Maryland and beyond.

SHA Revenue Increase Projects

(all figures in thousands of dollars)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
<u>Safety Projects</u>							
BA - I-695 at Leeds Avenue (CO)	-	9,976	21,258	18,907	9,239	-	59,380
CO/TA – replace MD 331 Dover Bridge (CO)	3,736	18,999	19,538	11,169	-	-	53,442
HO - I-95 Lawyers Hill Sound Barrier (CO)	-	2,209	4,456	1,915	-	-	8,580
MO – MD 97 Relocated (Brookville) (CO)	-	-	-	8,902	15,396	834	25,132
PG - US 1 College Park Phase I (R/W)	5,880	9,800	3,896	-	-	-	19,576
QA - US 301/MD 304 (R/W, CO)	720	9,858	19,187	22,197	-	-	51,962
SM - MD 5 at MD 246 and MD 471 intersection improvements (PE)	750	1,000	1,000	1,000	1,000	250	5,000
SO - UMES Roundabout (MD 675 from MD 363 to MD 822) (CO)	1,696	2,004	-	-	-	-	3,700
<i>Sub-total for Safety Projects</i>	12,782	53,846	69,335	64,090	25,635	1,084	226,772
<u>Economic Development Projects</u>							
AA - MD 175 at MD 295 (BRAC Ft. Meade) (R/W)	2,000	15,000	10,000	2,000	-	-	29,000
HA - BRAC intersection improvements at APG (R/W, CO)	3,572	6,337	12,930	12,484	7,332	421	43,076
FR - US 15/Monocacy Blvd. (R/W, CO)	3,748	13,523	13,757	12,986	12,986	12,986	69,986
MO - I-270/Watkins Mill (entire project) (CO)	-	-	9,760	30,415	37,225	45,169	122,569
PG - MD 210/Kerby Hill Road Intg. (R/W, CO)	11,025	13,489	16,461	21,682	24,996	6,215	93,868
PG - I-495/MD 5 Branch Avenue Phase II (R/W, CO)	6,952	12,050	11,663	11,994	14,347	-	57,006
PG - Greenbelt Metro Access (PE)	500	1,000	1,000	1,500	1,500	1,500	7,000
<i>Sub-total for Economic Development Projects</i>	27,797	61,399	75,571	93,061	98,386	66,291	422,505
<u>Community Safety and Enhancement Projects</u>							
CA - MD 231 @ MD 765 (R/W, CO)	2,050	2,927	3,657	1,466	-	-	10,100
CL - MD 30 from CSX Railroad to North Woods Trail (CO)	-	1,998	8,238	5,997	3,278	-	19,511
FR - MD 144 from New Market Elementary to Bye Alley (CO)	276	1,928	2,350	1,446	-	-	6,000
HA - MD 755 from Willoughby Beach Road to MARC Station (CO)	1,010	4,777	872	-	-	-	6,659
PG - MD 5/MD 637 Branch Ave and Naylor Rd Metro Stations (RW,CO)	2,582	4,879	1,986	-	-	-	9,447
PG - MD 201 from Kenilworth Towers to MD 410 (R/W,CO)	749	2,690	2,517	150	-	-	6,106
PG - MD 500 from MD 410 to MD 208	631	6,137	3,832	-	-	-	10,600
<i>Sub-total for Community Safety and Enhancement Projects</i>	7,298	25,336	23,452	9,059	3,278	-	68,423

SHA Revenue Increase Projects

(all figures in thousands of dollars)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
<u>Capacity/Congestion Relief</u>							
AA- US 50 Severn River Bridge (PP)	500	1,000	500	-	-	-	2,000
AL - US 220 Tier 2 Planning Study (PP)	29	1,400	1,400	1,400	771	-	5,000
BA - MD 140 at Painter's Mill (RW)	550	1,189	1,190	-	-	-	2,929
BA – widen outer loop I-695 US 40 to MD 144 (CO)	-	-	18,219	25,189	25,981	16,160	85,549
BA - I-695 from MD 41 to MD 147 (CO)	5,000	7,000	7,000	5,700	-	-	24,700
BA - Harford Road interchange improvements (CO)	-	3,532	279	-	-	-	3,811
CA - MD 2/4 Phase 2 (R/W)	1,000	7,500	3,800	985	-	-	13,285
CH - US 301 Waldorf Study - finish NEPA (PP)	-	581	1,257	1,581	1,581	-	5,000
CO/TA – MD 404 Phase 1B (CO)	3,257	11,889	14,376	12,502	-	-	42,024
HO – widen northbound US 29 (Phase 1B) (CO)	15,653	17,629	14,776	-	-	-	48,058
HO - US 29 Middle Patuxent River to Broken Land Pky Phase II (PE)	750	750	750	750	-	-	3,000
MO - MD 124 widening Phase 2 (PE)	-	292	550	1,058	-	-	1,900
MO - US 29 at Musgrove/Fairland (PE)	500	1,000	1,500	1,500	1,500	1,000	7,000
MO - MD 28, improvements between MD 97 and MD 182 (PP)	300	900	1,100	700	-	-	3,000
PG - MD 4 @ Suitland Parkway, interchange construction (R/W, CO)	7,000	24,359	46,703	42,816	29,903	-	150,781
PG - MD 197 from Kenhill Drive to MD 450 relocated (PE)	250	750	1,000	1,000	1,000	7,000	11,000
PG - MD 5/MD 373 interchange (R/W)	2,500	4,500	5,093	-	-	-	12,093
SM/CA – Engineer TJ bridge replacement (PE)	1,875	3,750	3,750	3,750	1,875	-	15,000
SM - MD 4 at MD 235 right turn lane extension (CO)	1,696	2,004	-	-	-	-	3,700
WA – widen I-81 bridge over Potomac (CO)	-	-	-	12,086	15,853	16,042	43,981
WO - US 113 Phase 3 (R/W)	3,567	3,567	2,972	-	-	-	10,106
<i>Sub-total for Capacity/Congestion Relief</i>	44,427	93,592	126,215	111,017	78,464	40,202	493,917
Total Projects	\$ 92,304	\$ 234,173	\$ 294,573	\$ 277,227	\$ 205,763	\$ 107,577	\$ 1,211,617
SHA System Preservation							\$ 512,000
SHA WIP Projects							\$ 427,100
HIGHWAY TOTAL							\$ 2,150,717

MTA Revenue Increase Projects

(all figures in thousands of dollars)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
<u>MTA Capital Projects</u>							
Metro Railcar Replacement/Metro Signal System Replacement	152	3,048	15,000	34,000	32,000	162,000	246,200
MARC - Purchase New Locomotives	15,000	20,000	3,000	2,000	-	-	40,000
Agencywide Parking Improvements	512	1,901	2,000	2,000	2,000	2,000	10,413
Kirk Bus Division - Phase II	2,610	93	45,000	20,000	7,000	-	74,703
Charles Center TOD - Entrance Relocation Study - Planning	392	536	-	-	-	-	928
LOTS Calvert County Transit Center - Design	-	2,000	-	-	-	-	2,000
Southern Maryland Transit Corridor - US301/MD-5	1,000	3,000	1,000	-	-	-	5,000
Howard County, Bus Rapid Transit System - Planning	-	2,000	-	-	-	-	2,000
Montgomery County, Bus Rapid Transit System - Engineering	-	5,000	5,000	-	-	-	10,000
Light Rail - Safety Enhancements	-	2,000	1,200	-	-	2,200	5,400.0
Red Line	32,455	76,313	21,140	91,254	325,795	142,323	689,280
Purple Line	46,401	121,000	188,000	118,000	118,000	119,743	711,144
CCT	10,240	10,000	20,000	35,000	21,000	4,000	100,240
MARC System Preservation	5,700	5,600	-	-	-	-	11,300
MTA System Preservation & Enhancement	1,200	2,500	-	-	-	-	3,700
Capital Total	115,662	254,991	301,340	302,254	505,795	432,266	1,912,308
<u>MTA Operating Service Additions</u>							
Weekend Penn Line MARC service	4,000	8,000	8,200	8,400	8,600	8,800	46,000.0
MARC Camden Line additional service	1,300	2,000	2,050	2,150	2,200	2,300	12,000.0
Montgomery County Ride On	6,000	8,000	17,000	17,500	18,000	18,500	85,000
Prince George's County The Bus	5,565	5,665	5,765	5,865	5,965	6,175	35,000
Baltimore City Charm City Circulator	2,000	2,000	2,000	2,000	2,000	2,000	12,000
MTA Commuter Bus	1,300	2,100	2,100	2,100	2,200	2,200	12,000
MTA LOTs increase	-	2,000	2,000	2,000	2,000	2,000	10,000
Operating Total	14,865	19,765	28,865	29,465	30,165	30,875	212,000
							CCT Balance to Complete
							<u>125,000</u>
							<u>TRANSIT TOTAL</u>
							<u>2,249,308</u>