



REVENUE INCREASE SUMMARY

REVENUE INCREASE SUMMARY

The **Transportation Infrastructure Investment Act of 2013** (Transportation Act) was 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. This historic legislation moves Maryland forward with the first new major transportation projects in more than eight years and allows the State to activate long-term strategies to invest in Maryland's transportation systems 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, as well as 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 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 a federally mandated program that will invest approximately \$1 billion in water quality improvement projects by 2025. The allocation of General Obligation Bonds from FY 2015 to FY 2019 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

REVENUE INCREASE SUMMARY

milestone goals per the Watershed Implementation Plan and to keep this initiative 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 Bus 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 that 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, which was implemented in December 2013, 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 will 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. 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 "New Starts" grants to state and local governments for the development of new and improved transit facilities, and MTA has received past direct grants 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.

REVENUE INCREASE SUMMARY

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 P3 delivery, which may include some combination of 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 described above. 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 direct grant of \$3 million and reimbursement of \$55.2 million in formula funds to be expended in FY 2014. New Starts funds would fund 34 percent 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 15	FY 16	FY 17	FY 18	FY19	FY 20	FY 21	FY 22	FY 23	FY 24	Total
-	\$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 serve 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 to FY 2019 period. To date, Baltimore City and Baltimore County governments are examining 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.

REVENUE INCREASE SUMMARY

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 access to existing radial Metrorail lines, increasing transit capacity in congested corridors, supporting economic development consistent with regional long range transportation plans and local master plans, and reducing overall environmental impacts.

The Board of Public Works has approved the Purple Line as a public-private partnership (P3). 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 the design, constructing, operating, and maintaining the asset, and 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. In December, MTA received Statements of Qualifications from six teams; MTA intends to

select up to four of these teams to be short-listed and therefore eligible to submit a Proposal for the Purple Line P3.

In the P3, MTA will be responsible for completing federal environmental documentation, acquiring rights-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 percent of the total Purple Line cost. In federal fiscal year (FFY) 2010, it received a \$3 million direct grant 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.

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

FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Total
\$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 rights-of-way, utility relocations, construction of supporting facilities or environmental mitigation that serves the

REVENUE INCREASE SUMMARY

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 to FY 2019 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.

The **Maryland Port Administration (MPA)** has received a \$10 million U.S. Department of Transportation (USDOT) Transportation Investment Generating Economic Recovery (TIGER) grant to increase its cargo handling capacity and provide rail access at its Fairfield Marine Terminal. The \$29 million project will use dredged material from the Port's main access channel to fill an aging basin and create a 7.6-acre cargo staging area in a prime location near the vessel berth. Rail access will also be added at Fairfield to improve the Port's handling of autos and roll on/roll off equipment. The project will utilize \$19 million from the Transportation Act to match the \$10 million TIGER grant to move this project forward.

SHA Revenue Increase Projects

(all figures in thousands of dollars)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Project Total
<u>Safety Projects</u>							
BA - I-695 at Leeds Avenue (CO)	-	9,976	21,258	18,906	9,239	-	59,379
CO/TA – replace MD 331 Dover Bridge (CO)	-	14,026	17,273	15,946	10,404	-	57,649
HO - I-95 Lawyers Hill Sound Barrier (CO)	-	-	3,541	4,536	503	-	8,580
MO – MD 97 Relocated (Brookville) (CO)	-	-	-	5,680	10,153	9,299	25,132
PG - US 1 College Park Phase I (R/W)	100	1,000	10,000	6,000	2,476	-	19,576
QA - US 301/MD 304 (R/W, CO)	500	9,378	19,982	22,196	-	-	52,056
SM - MD 5 at MD 246 and MD 471 intersection improvements (PE)	250	550	1,000	1,000	1,000	1,200	5,000
SO - UMES Roundabout (MD 675 from MD 363 to MD 822) (CO)	1,481	1,760	-	-	-	-	3,241
<i>Sub-total for Safety Projects</i>	2,331	36,690	73,054	74,264	33,775	10,499	230,613
<u>Economic Development Projects</u>							
AA - MD 175 at MD 295 (BRAC Ft. Meade) (R/W)	1,000	2,000	11,000	10,000	4,467	-	28,467
HA - BRAC intersection improvements at APG (R/W, CO)	2,615	4,709	11,390	14,186	6,051	5,008	43,959
FR - US 15/Monocacy Blvd. (R/W, CO)	3,748	12,433	10,598	10,992	10,992	10,992	68,950
MO - I-270/Watkins Mill (entire project) (CO)	-	-	9,760	30,415	37,224	45,169	122,568
PG - MD 210/Kerby Hill Road Intg. (R/W, CO)	250	10,220	22,084	22,061	24,996	6,215	85,826
PG - I-495/MD 5 Branch Avenue Phase II (R/W, CO)	7,047	13,016	13,691	12,901	-	-	46,655
PG - Greenbelt Metro Access (PE)	500	998	2,500	2,500	500	-	7,000
<i>Sub-total for Economic Development Projects</i>	15,160	43,376	81,023	103,055	84,230	67,384	403,425
<u>Community Safety and Enhancement Projects</u>							
CA - MD 231 @ MD 765 (R/W, CO)	2,100	463	3,213	2,325	-	-	8,101
CL - MD 30 from CSX Railroad to North Woods Trail (CO)	-	-	1,245	8,283	6,843	3,140	19,511
FR - MD 144 from New Market Elementary to Bye Alley (CO)	-	1,323	3,202	1,475	-	-	6,000
HA - MD 755 from Willoughby Beach Road to MARC Station (CO)	436	3,034	1,667	-	-	-	5,137
PG - MD 5/MD 637 Branch Ave and Naylor Rd Metro Stations (RW,CO)	6	5,207	3,996	238	-	-	9,447
PG - MD 201 from Kenilworth Towers to MD 410 (R/W,CO)	342	2,475	2,664	625	-	-	6,106
PG - MD 500 from MD 410 to MD 208 (CO)	631	6,137	3,832	-	-	-	10,600
<i>Sub-total for Community Safety and Enhancement Projects</i>	3,515	18,639	19,819	12,946	6,843	3,140	64,902

SHA Revenue Increase Projects

(all figures in thousands of dollars)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Project Total
<u>Capacity/Congestion Relief</u>							
AA- US 50 Severn River Bridge (PP)	150	1,000	850	-	-	-	2,000
AL - US 220 Tier 2 Planning Study (PP)	250	1,180	1,400	1,400	770	-	5,000
BA - MD 140 at Painter's Mill (RW)	1,300	1,000	629	-	-	-	2,929
BA – widen outer loop I-695 US 40 to MD 144 (CO)	-	-	18,219	25,189	25,982	16,159	85,549
BA - I-695 from MD 41 to MD 147 & Harford Road Interchange(CO)	-	6,619	11,832	10,836	-	-	29,287
CA - MD 2/4 Phase 2 (R/W)	10	500	7,500	5,264	-	-	13,274
CH - US 301 Waldorf Study - finish NEPA (PP)	200	1,740	1,640	1,420	-	-	5,000
CO/TA – MD 404 Phase 1B (CO)	2,168	7,283	9,210	10,934	-	-	29,595
HO – widen northbound US 29 (Phase 1B) (CO)	13,271	15,704	19,082	-	-	-	48,057
HO - US 29 Middle Patuxent River to Broken Land Pky Phase II (PE)	450	700	700	700	450	-	3,000
MO - MD 124 widening Phase 2 (PE)	-	292	550	1,058	-	-	1,900
MO - US 29 at Musgrove/Fairland (PE)	350	1,175	1,825	1,825	1,825	-	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)	1,558	14,333	33,691	47,974	30,543	21,205	149,304
PG - MD 197 from Kenhill Drive to MD 450 relocated (PE)	400	1,000	3,800	3,800	2,000	-	11,000
PG - MD 5/MD 373 interchange (R/W)	1,233	4,867	5,976	-	-	-	12,093
SM/CA – Engineer TJ bridge replacement (PE)	500	3,750	3,750	3,750	1,875	1,375	15,000
SM - MD 4 at MD 235 right turn lane extension (CO)	1,236	1,510	-	-	-	-	2,746
WA – widen I-81 bridge over Potomac (CO)	-	-	-	9,678	13,372	12,722	44,327
WO - US 113 Phase 3 (R/W)	1,000	5,000	4,699	-	-	-	10,700
<i>Sub-total for Capacity/Congestion Relief</i>	24,376	68,553	126,453	124,528	76,817	51,461	480,761
Total Projects	\$ 45,382	\$ 167,258	\$ 300,349	\$ 314,793	\$ 201,665	\$ 132,484	\$ 1,179,701
SHA System Preservation							\$ 543,000
SHA WIP Projects							\$ 427,100
HIGHWAY TOTAL							\$ 2,149,801

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	850	1,905	17,000	34,000	32,000	150,000	235,755
MARC - Purchase New Locomotives	27,000	10,000	5,000	2,000	-	-	44,000
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	-	1,000	-	-	-	-	1,000
LOTS Calvert County Transit Center - Design	-	500	1,500	-	-	-	2,000
Southern Maryland Transit Corridor - US301/MD-5	1,000	3,000	1,000	-	-	-	5,000
Howard County, Bus Rapid Transit System - Planning	-	500	1,500	-	-	-	2,000
Montgomery County, Bus Rapid Transit System - Engineering	-	4,200	5,800	-	-	-	10,000
Light Rail - Safety Enhancements	-	2,000	1,200	-	-	2,200	5,400
Red Line	32,455	64,753	28,323	95,631	325,795	142,323	689,280
Purple Line	21,292	143,877	190,232	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	102,859	251,829	318,555	306,631	505,795	420,266	1,905,935
<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
MARC Camden Line additional service	1,300	2,000	2,050	2,150	2,200	2,300	12,000
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	20,165	29,765	39,115	40,015	40,965	41,975	212,000
							CCT Balance to Complete
							125,000
							TRANSIT TOTAL
							2,242,935
							TOTAL with SHA, MTA, MAA & MPA
							4,436,736