



# I-495 & I-270 P3 Program

## MDTA Board Meeting

April 30, 2020





## Program Solution: Traffic Relief Plan (TRP) Innovative Improvements

- Balanced approach to addressing congestion with both transit and highway improvements
- Governor Hogan's ambitious plan to bring innovative solutions to address challenges on Maryland's most congested roads
  - I-495 & I-270 P3 Program – National Capital Region & largest TRP component
  - I-95 ETL Extension – Baltimore Region
- More than just addressing traffic, it's an opportunity to improve quality of life and enhance Maryland's economic vitality and growth

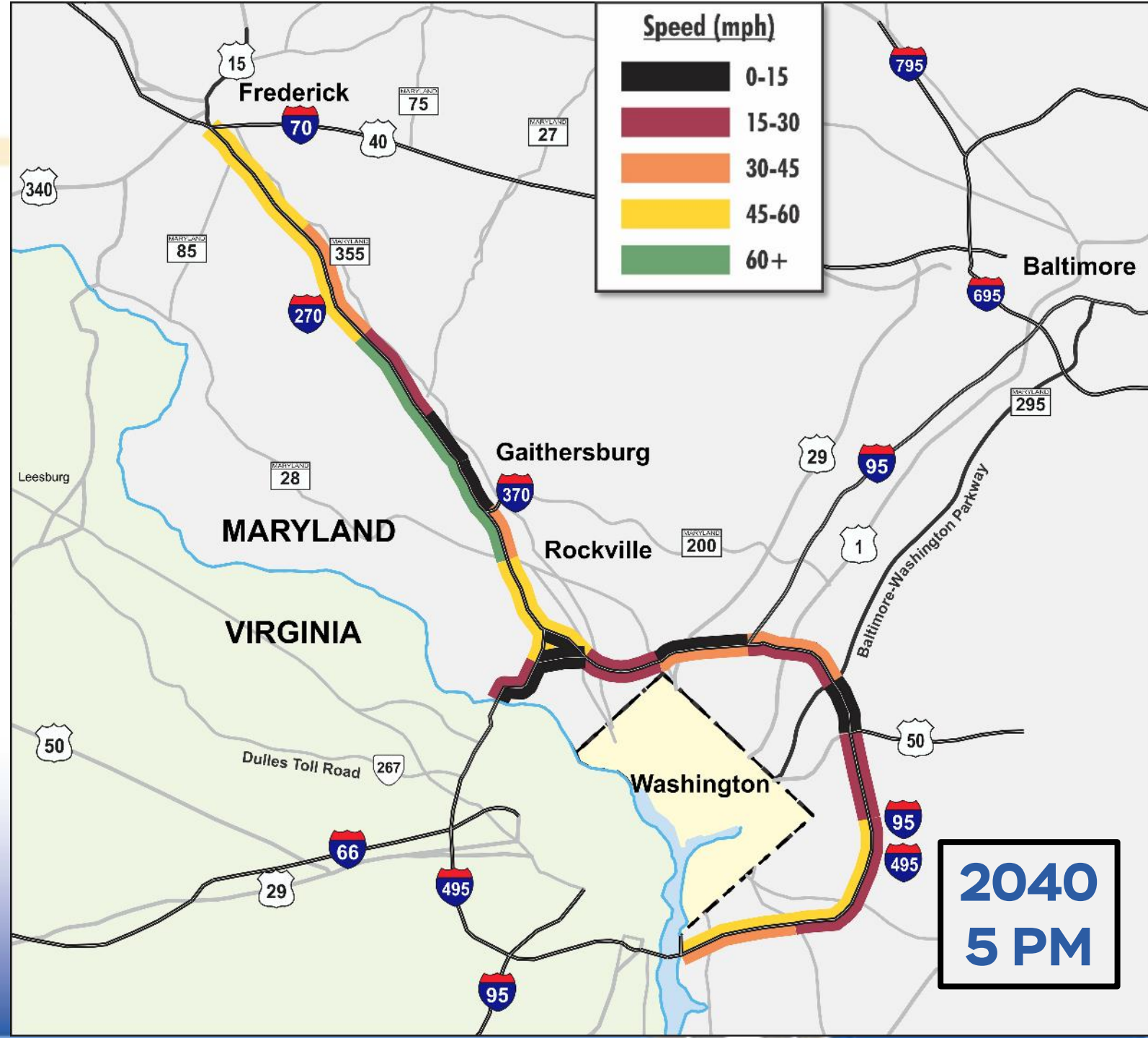




## I-495 & I-270 Traffic Congestion

- 2<sup>nd</sup> highest commuting times in the country
- **Daily severe congestion** averaging:
  - 7 hours on I-270
  - 10 hours on I-495
- National Capital Region commuters lose an average **of 11 work days** and **over \$2,000** to congestion annually
- Annual cost of congestion to the NCR in Maryland is over \$1.7 billion

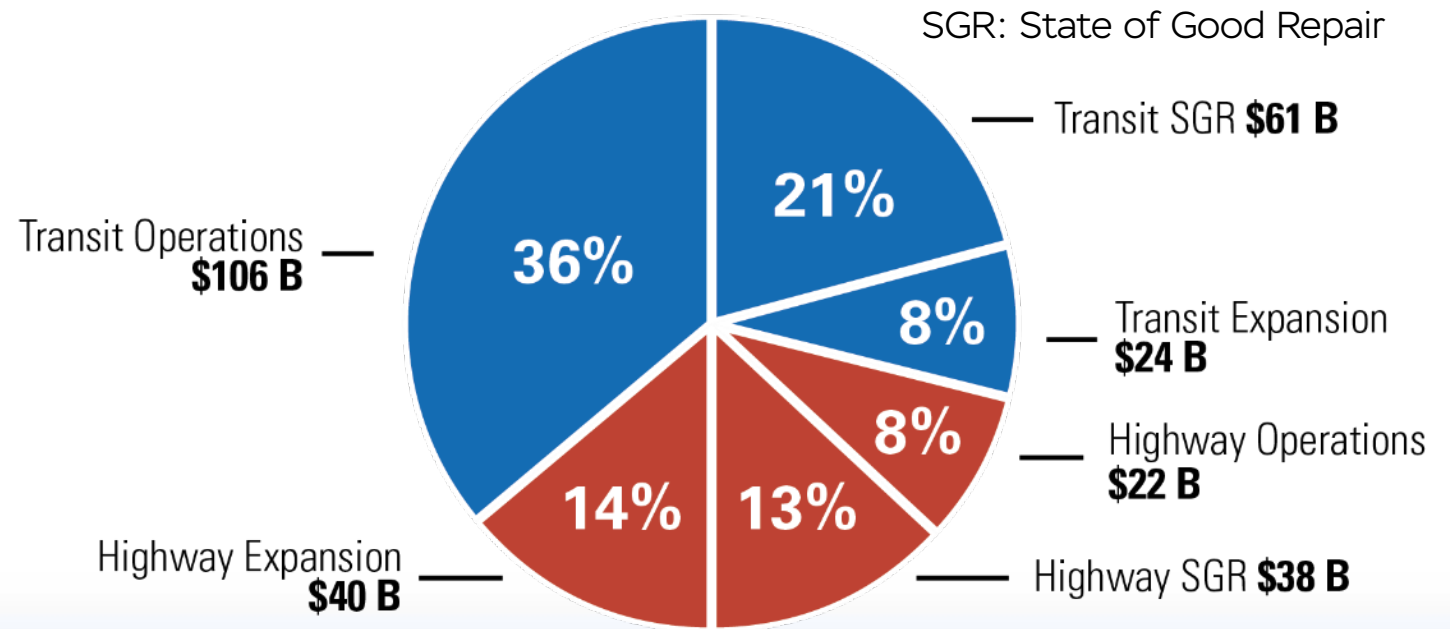
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## Visualize 2045 – Regional Long Range Transportation Plan

- The Regional Plan calls for more spending on Transit than on Highway investments:
  - **66% Public Transportation** (\$191 B)
  - **34% Highways** (\$100 B)
- Approved Regional Plan includes new managed lanes on all of I-495 and I-270



**Total: \$291.1 Billion**

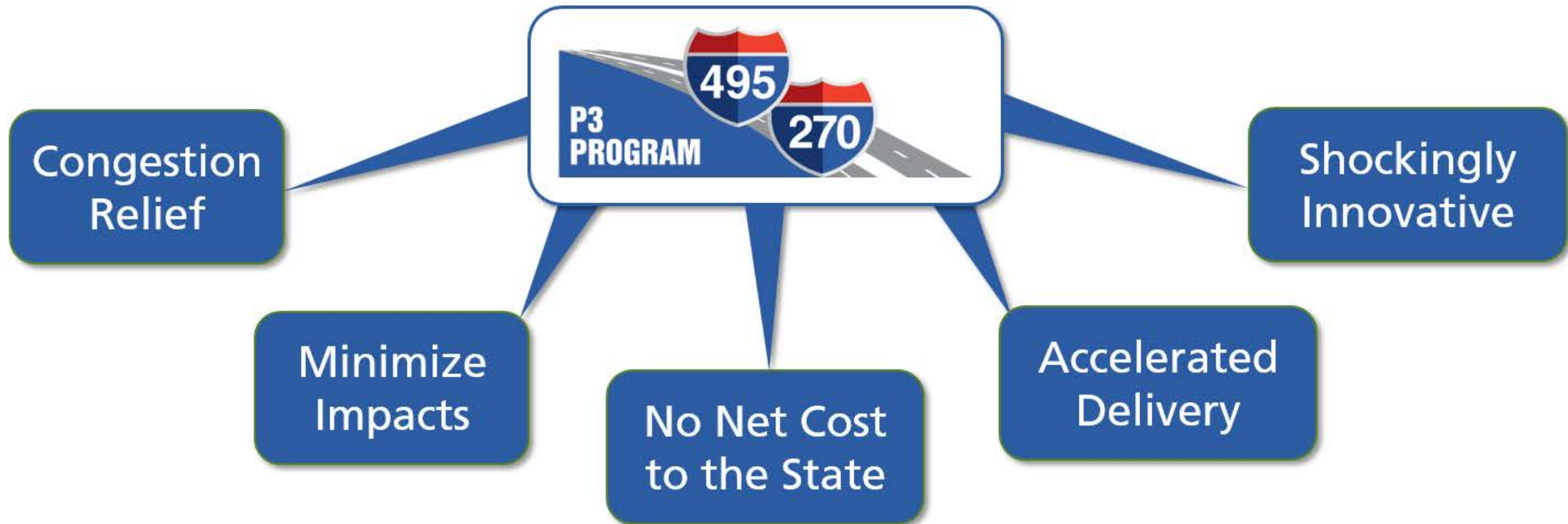
\*Units in Billions







## P3 Program Delivery Goals



# I-495 & I-270 P3 Program Elements

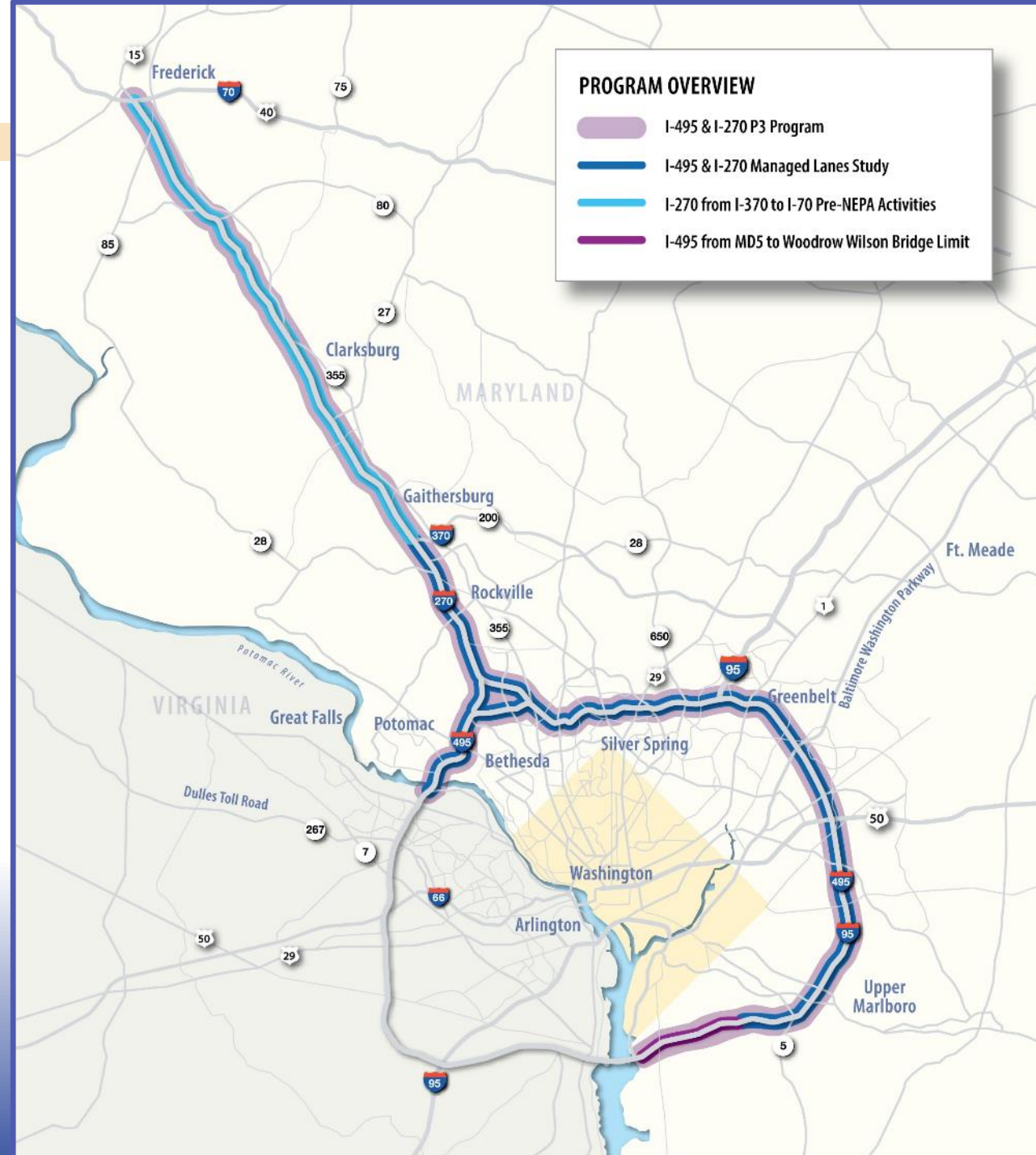




# I-495 & I-270 P3 Program Environmental Studies

The I-495 & I-270 P3 Program includes over 70 miles of highway improvements

- I-495 & I-270 Managed Lanes Study (48 miles)
- I-270 from I-370 to I-70 Pre-NEPA Activities (23 miles)
- I-495 from MD 5 to the Woodrow Wilson Bridge (future study)





## VDOT 495 Northern Extension (NEXT) Project

Graphic courtesy of VDOT

- Environmental Study underway independently by VDOT
- MDOT SHA coordinating closely with VDOT as the project advances







## Capital Beltway Accord

Maryland Governor Larry Hogan announced the historic bi-state agreement with Virginia Governor Ralph Northam in November 2019.

### Key Elements:

- Provide a new American Legion Bridge and infrastructure for connections between George Washington Memorial Parkway in Virginia to River Road in Maryland.
- New bicycle and pedestrian access to connect trails on both sides of the Potomac River.
- Coordination with extension of VDOT I-495 Next Project
- Funding shared between Virginia and Maryland



# Priced Managed Lanes





## Express Toll Lane (ETL) / High Occupancy Toll (HOT) Lanes

ETL or HOT Lanes would be separated and tolled to maintain traffic speeds or throughput



General purpose lanes (GPLs) continue to function as unrestricted free lanes

### Provides Options

- Opportunity to choose to pay a toll that varies to maintain constant speeds, more reliable and reduced travel times
- All unrestricted free lanes remain free
- Reducing travel times for those using free general-purpose lanes

### Upgrades System

- New bridges and smoother pavement for all users

### Reduces Traffic on Local System

- Less local road traffic off the interstates

### Job Accessibility

- Improved job access throughout the region







## What is Congestion Pricing?

- Congestion Pricing is a way of harnessing the power of the market to reduce the waste associated with traffic congestion. (FHWA)
- Toll Rates vary based on predicted (Time of Day) or dynamically measured congestion to ensure a specified travel speed.
- COMAR 11.07.05.05 Procedures for Increases on Variably Priced Toll Facilities Using Dynamic Pricing updated and approved
  - Further revisions pending review and approval by MDTA Board to better define soft caps.

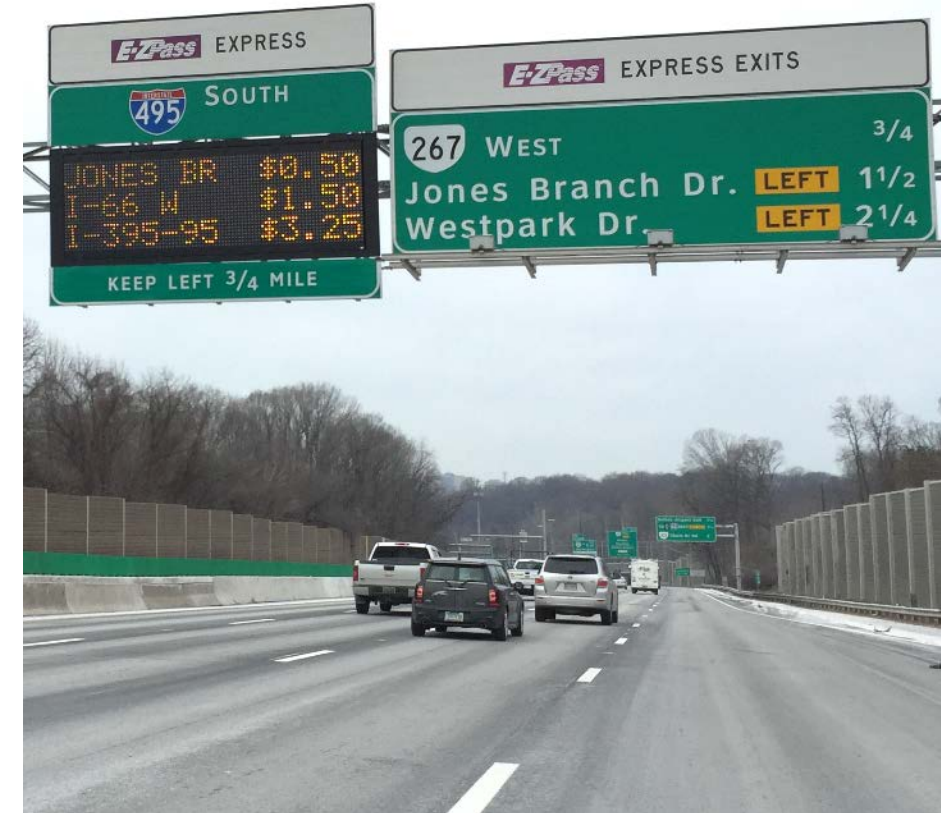






## How Does Dynamic Pricing Work?

- MDTA Board will establish the toll rate range for the facility
- Developer will develop the algorithm for setting specific toll rates within that range
- Toll Rates are adjusted in response to real-time conditions
  - Travel speeds
  - Traffic density
  - Traffic volumes





## Significant Travel Time Savings Throughout Corridor

- Serves significant **Latent Demand** (+/- 40% diverted trips) using local roads
- MWCOG model estimates **Induced Demand** (new trips) will be less than 1%.

#	Destination Point	2040 Travel Time No-Build	2040 Travel Time HOT or ETL Lanes / Gen. Purpose (GP) Lanes	Minutes Saved in HOT or ETL Lanes	Minutes Saved in GP Lanes (Max. Time Savings for All Alternatives)
1.	I-270 at I-370	30	12 / 18	18	12
2.	I-495 at Conn. Ave.	73	8 / 20	65	53
3.	I-495 at I-95	103	16 / 36	87	67
4.	I-495 at US 50	123	23 / 45	100	78
5.	I-495 at MD 4	139	31 / 54	108	85

Travel Times from American Legion Bridge – PM Peak





## Carpool Incentives

HOT, Carpools, Vanpools and Travel Demand Management are complimentary to Managed Lanes

- Incentivizes HOVs
- Increase corridor person throughput
- Encourage use of “Commuter Connections” and Incentrip App

**100K**

daily HOV users  
across the network  
(HOV+3)



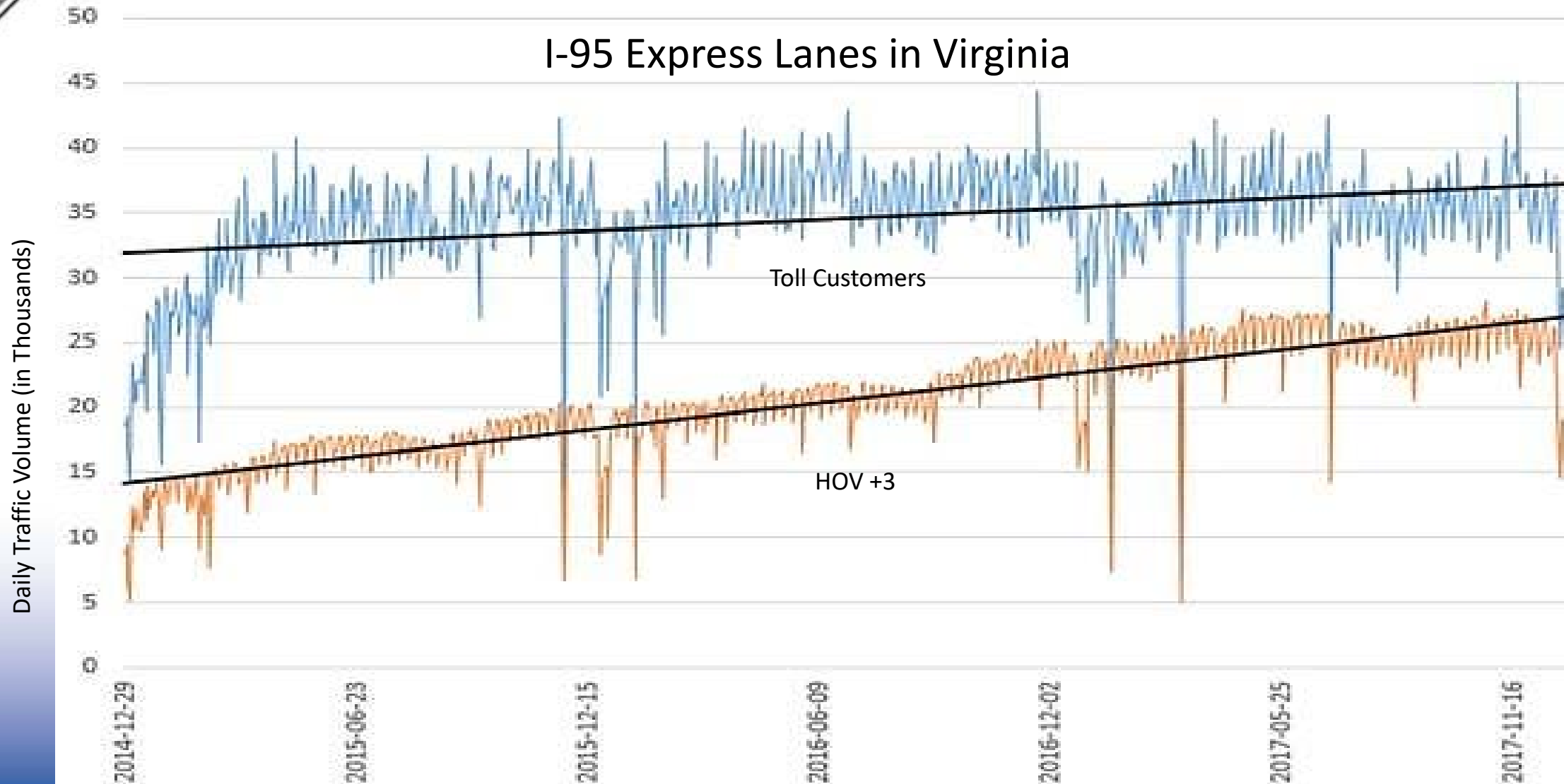
VA I-495 and I-95 Express Lanes





## Express Highway Network: *Growth*

### I-95 Express Lanes in Virginia

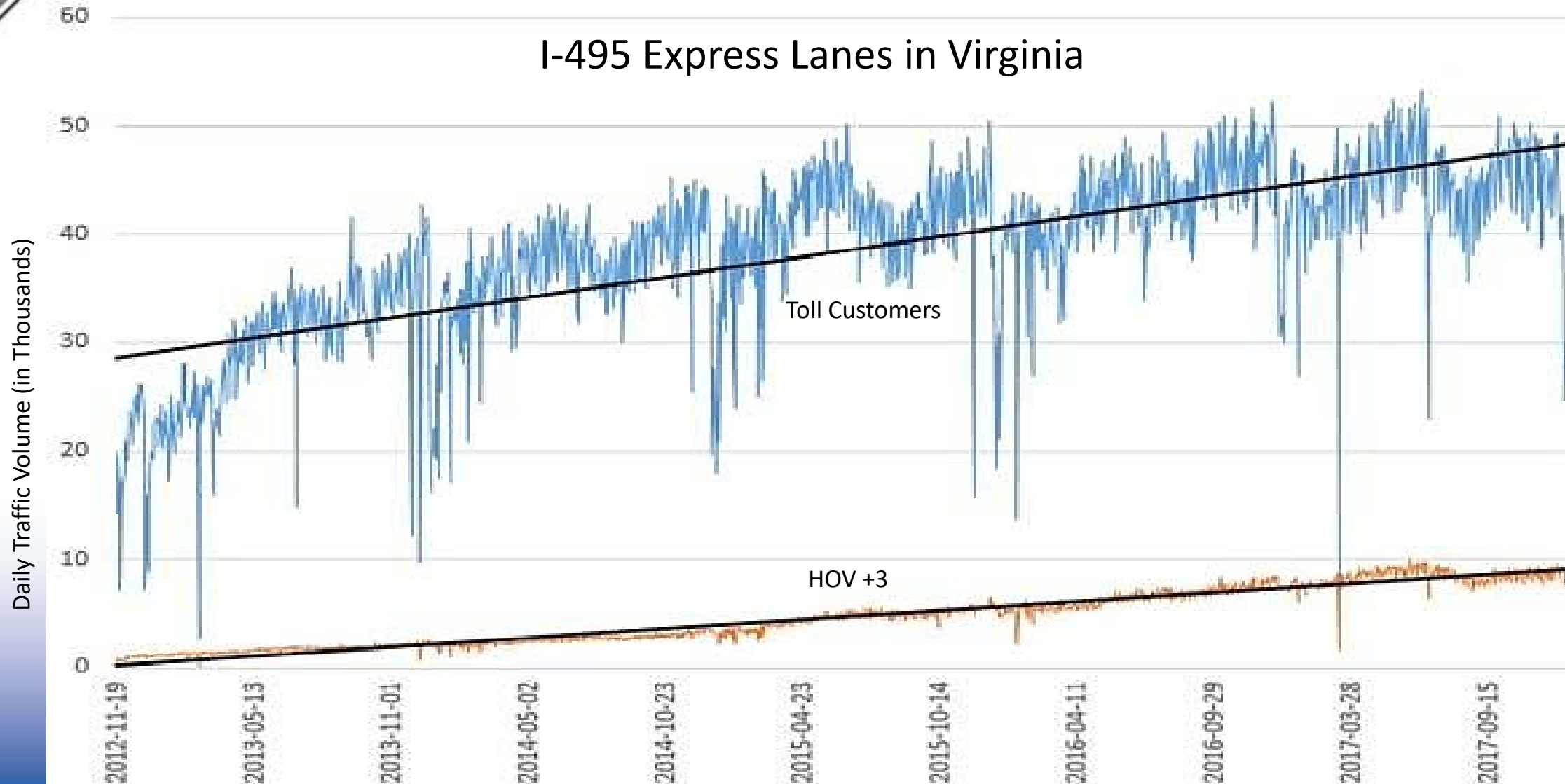






## Express Highway Network: *Growth*

### I-495 Express Lanes in Virginia



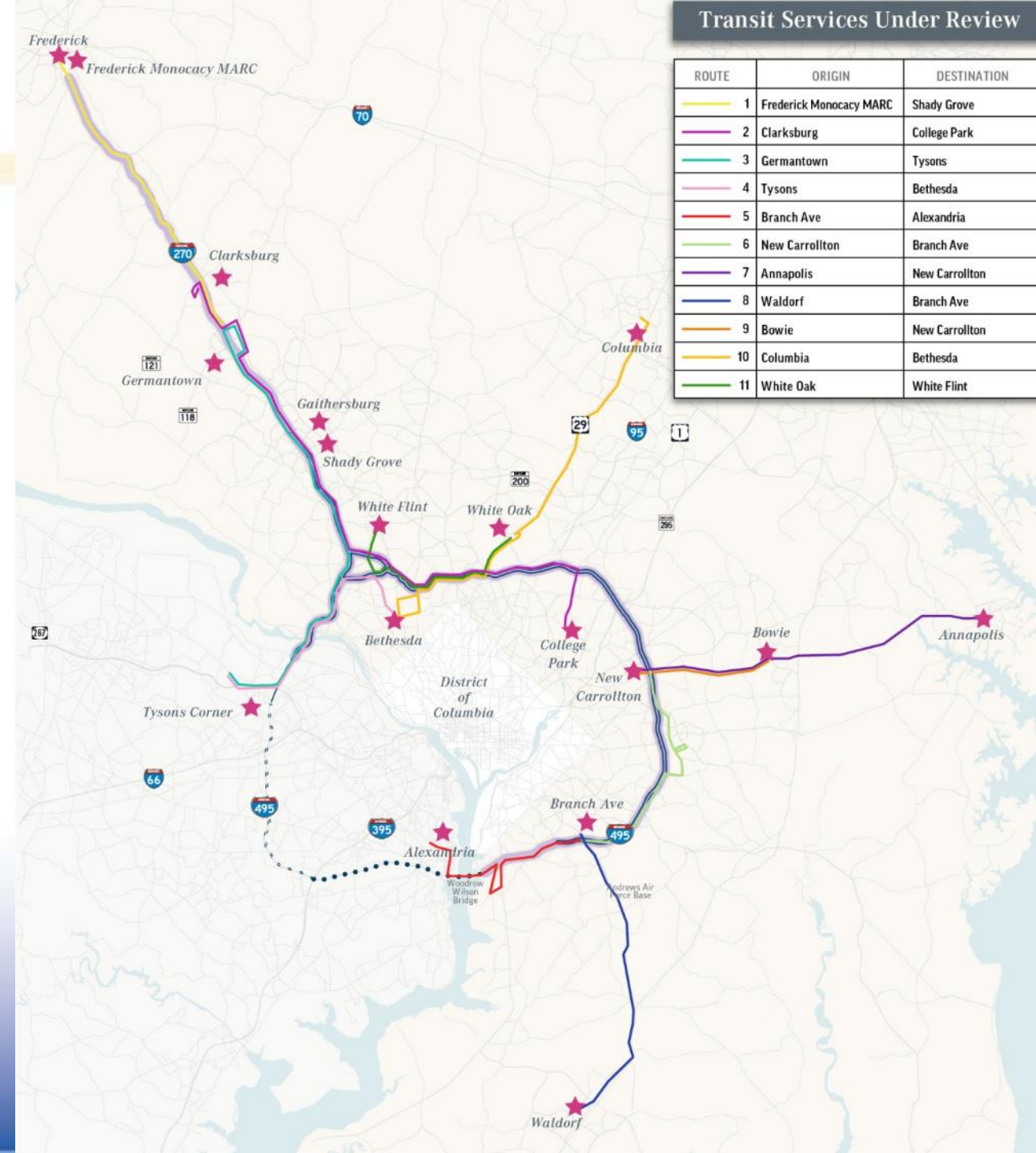


## Benefits to Transit

- Faster, more reliable bus trips and travel times
- Potential new express bus routes to Virginia
- Underserved suburb-to-suburb transit markets service opportunities
- New transit service/routes incentives with free use of managed lanes
- Park and ride and managed lanes integration
- Transit service improvements developed collaboratively with affected counties
- Specific transit investment to be part of P3 agreements approved by BPW

Transit Services Under Review

ROUTE	ORIGIN	DESTINATION
1	Frederick Monocacy MARC	Shady Grove
2	Clarksburg	College Park
3	Germantown	Tysons
4	Tysons	Bethesda
5	Branch Ave	Alexandria
6	New Carrollton	Branch Ave
7	Annapolis	New Carrollton
8	Waldorf	Branch Ave
9	Bowie	New Carrollton
10	Columbia	Bethesda
11	White Oak	White Flint



# Solicitation Approach





## Why P3 Approach Is Necessary

- Delivering Priced Managed Lanes (PML) and congestion relief sooner with multiple Phase Solicitations
- Provide \$9-11 billion congestion relief funding Maryland would not have for decades – even devoting entire MDOT SHA capital expansion budget system could not provide system until 2045
- Address \$1.7 billion state of good repair bridge and roadway replacement/rehabilitation needs for I-495 and I-270 in the existing general-purpose lanes
- Deliver entire 70-mile system through multiple long-term P3 agreements with private developers that design, build, finance, operate and maintain the priced managed lanes, also providing:
  - Whole Lifecycle Planning and Cost Optimization
  - Innovation in Design
  - Risk Transfer
  - No net-cost to the State







## Reporting Agencies: MDTA and MDOT

- Interagency Agreement executed defining roles and responsibilities as reporting agencies:
  - **MDTA:** state entity with the authority to set and fix tolls for State transportation facilities, responsible for rights and obligations under the P3 Program related to tolling or toll revenues
  - **MDOT:** state entity responsible for the rights and obligations under the P3 Program related to program development, solicitation(s) and long-term program management over the P3 term





## MDTA's Role

- Maintain customer accounts and interactions
- Issue toll payments to Developer
- Utilize existing Customer Service Center
- Utilize MDTA updated Back Office System
- Bonds
- Establish Operating Reserve
  - Funded by tolls from the P3 Program (net of MDTA's transaction cost)
  - Shortfalls, if any, will be the responsibility of MDOT
  - Use is for payments to the Developer(s)
- Participate in the selection process







## Phased Approach

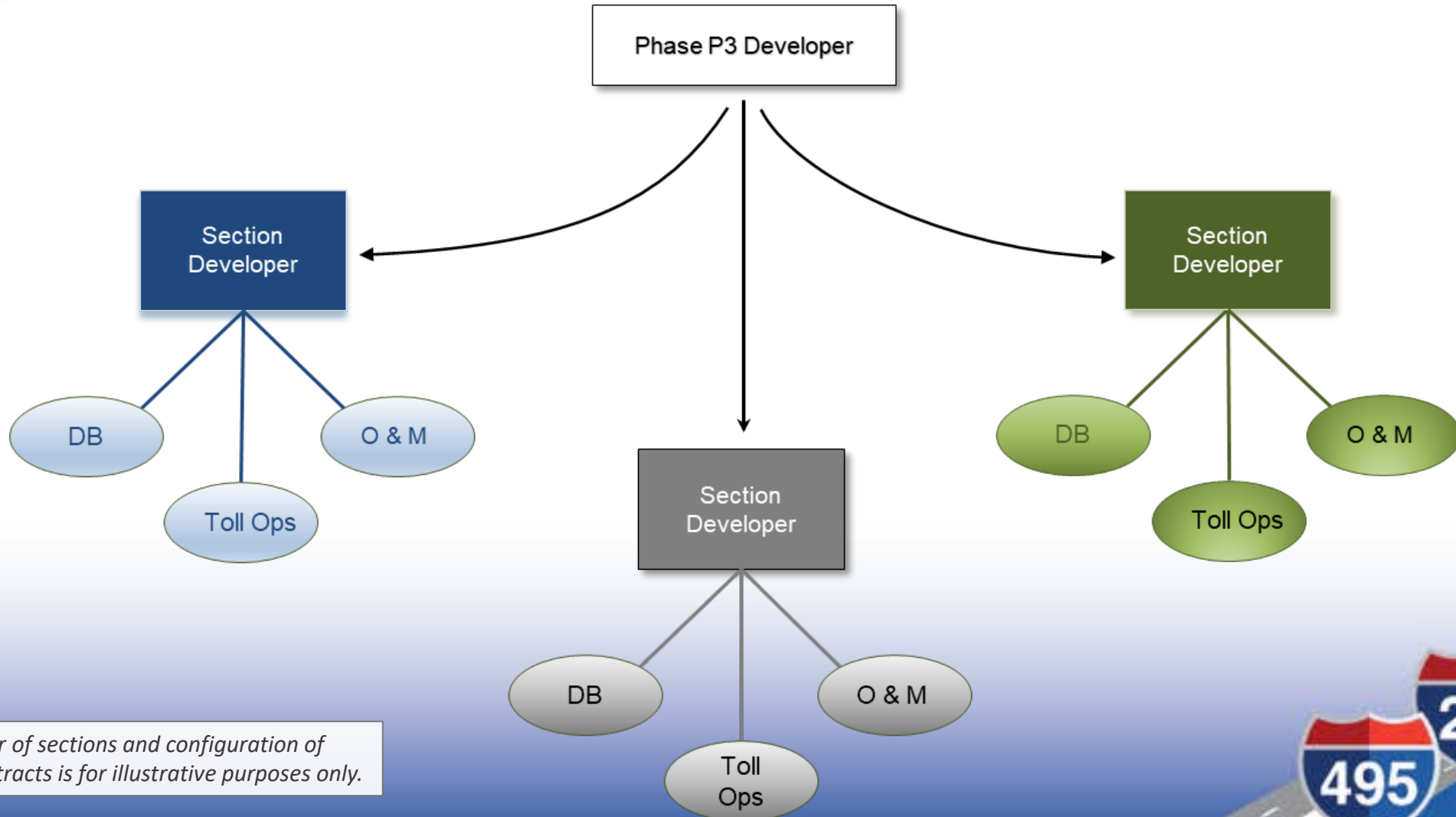
- Multi-step competitive selection process for a Phase Developer, which will enter a Phase P3 Agreement Phase Developer will oversee predevelopment work in coordination with MDOT
- Phase Developer will facilitate the development of specific sections leading to the execution of Section P3 Agreement(s)
- Approach Benefits:
  - Ensure sufficient market participation
  - Allow for improved Design-Build market pricing
  - Engage the Phase Developer in stakeholder outreach
  - Facilitate more collaborative dialogue between, state, local communities and Phase Developers
  - Ensure all sections of a Phase are delivered efficiently







## Phased Approach Structure



*Number of sections and configuration of subcontracts is for illustrative purposes only.*





## Phase P3 Agreement

- Establishes roles and responsibilities for predevelopment process
- Open Book and/or Competition to ensure pricing reasonableness for major components
- Goal of initial financial close of first section by Fall 2022
- Requires BPW approval





## Request for Qualifications (RFQ)

- Issued and posted to **eMaryland Marketplace Advantage (eMMA)** on February 7, 2020
- **Solicitation Schedule:**
  - Statement of Qualifications (SOQ) Due – May 20, 2020
  - Anticipated Notification of Shortlist – July 2, 2020





## Request for Proposals (RFP)

- RFP only provided to Shortlisted Proposers
- Innovative Dialogue Process (IDP) to facilitate understanding and incorporate feedback in final RFP
- Best value evaluation based on plan, approach, and financial commitment to predevelopment process
- **Proposed Schedule:**
  - Issue Draft Request for Proposals (RFP) to Shortlist – July 2020
  - Issue Final RFP to Shortlist – December 2020
  - Proposals Due – February 2021
  - Identification of Selected Proposers – March 2021
  - Seek BPW Approval on and Execute Phase P3 Agreement – May 2021







## Next Steps

- Continue to brief MDTA Board
- Seek MDTA Board approval to initiate toll rate setting process – Summer 2020
- Provide 60-day Public Comment Period – Summer/Fall 2020
- Hold Public Hearings (in affected counties) – Fall 2020
- Present public comments and seek MDTA Board approval of toll rate range – Fall 2020





# Thank you!

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