



Maryland Transportation Authority

BOARD MEETING

THURSDAY, JANUARY 25, 2024

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HIGHWAY
BALTIMORE, MD 21224

IN-PERSON AND LIVESTREAM



MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

2310 Broening Highway * Training Room – 2nd Floor * Baltimore, MD 21224

JANUARY 25, 2024 9:00 AM

This meeting will be livestreamed on the [MDTA Board Meeting Page](#)

NOTES:

- This is an In-Person Open Meeting being conducted via livestreaming.
- The public is welcomed to watch the meeting at the link above.
- *If you wish to comment on an agenda item please email your name, affiliation, and the agenda item to nhenson@mdta.state.md.us no later than 5:00 p.m. on January 23rd. You **MUST** pre-register and attend the meeting in person in order to comment.* Once pre-registered, all pertinent information will be emailed to you.

AGENDA

OPEN SESSION – 9:00 AM

Call Meeting to Order

- | | | |
|---|-------------------|---------|
| 1. <u>Approval</u> – <u>Open Session Meeting Minutes of December 21, 2023</u> | Chairman | 5 min. |
| 2. <u>Approval</u> – <u>Closed Session Meeting Minutes of December 21, 2023</u> | Chairman | 5 min. |
| 3. <u>Approval</u> – <u>Open Session Meeting Minutes of January 11, 2024</u> | Chairman | 5 min. |
| 4. <u>Approval</u> – <u>Closed Session Meeting Minutes of January 11, 2024</u> | Chairman | 5 min. |
| 5. <u>Resolutions</u> – <u>Years of Service Recognition</u> – Recognition for One Retired Employee | Percy Dangerfield | 10 min. |
| 6. <u>Approval</u> – <u>Contract Award</u> | Jeffrey Davis | 5 min. |
| • MT-00210896 – Janitorial Services – Francis Scott Key (FSK) Facility | | |
| 7. <u>Approval</u> – <u>Board Resolution 24-01</u> – Toll Revenue Bonds Refinancing | Allen Garman | 10 min. |
| 8. <u>Update</u> – <u>Legislative Report Submitted to the Legislature</u> | Mary O’Keeffe | 10 min. |
| • Tolling at the Francis Scott Key Bridge (I-695) Facility | James Kittleman | |
| 9. <u>Update</u> – <u>Legislative Session</u> | Bradley Ryon | 10 min. |
| 10. <u>Update</u> – <u>Executive Director’s Report</u> – Verbal | Percy Dangerfield | 10 min. |

Vote to go into Closed Session

CLOSED SESSION – Expected Time 10:15 AM

- | | | |
|--|---------------------|---------|
| 11. To Discuss Public Security | Col. Joseph Scott | 15 min. |
| 12. To Discuss Pending Litigation – Update on Status of Pending Litigation Matters | Kim Millender, Esq. | 15 min. |

Vote to Return to Open Session

Vote to Adjourn Meeting

TAB 1

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

THURSDAY, DECEMBER 21, 2023
9:00 A.M.

2310 BROENING HIGHWAY, BALTIMORE MD 21224
IN-PERSON & LIVESTREAMED OPEN MEETING

OPEN SESSION

Paul J. Wiedefeld, Chairman

MEMBERS ATTENDING:

Dontae Carroll
William H. Cox, Jr.
W. Lee Gaines, Jr.
Mario J. Gangemi
Cynthia D. Penny-Ardinger
Samuel D. Snead
John F. von Paris

STAFF ATTENDING:

Jeffrey Brown
Percy Dangerfield
Donna DiCerbo
Tonya Dorsey
Allen Garman
David Goldsborough
Chantelle Green
James Harkness
Natalie Henson
Christopher Imms
Richard Jaramillo
Selena McKissick
Kelly Melhem
Kimberly Millender, Esq.
Mary O'Keeffe
Tia Rattini
Acting Colonel Joseph Scott
Linda Sfakianoudis
Jennifer Stump
Paul Trentalance
John Wedemeyer

At 9:02 a.m. Chairman Paul J. Wiedefeld called the meeting of the Maryland Transportation Authority (MDTA) Board to order. The meeting was held in-person at MDTA Headquarters, 2310 Broening Highway, Baltimore MD 21224 and was livestreamed on the MDTA Board Meeting web page.

APPROVAL – OPEN SESSION MEETING MINUTES OF NOVEMBER 29, 2023

Upon motion by Member William H. Cox, Jr. and seconded by Member Mario J. Gangemi, the open session meeting minutes of the MDTA Board meeting held on November 29, 2023 were unanimously approved.

APPROVAL – CONTRACT AWARD

- **J01B4600002 – Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training**

Ms. Donna DiCerbo requested approval from the MDTA Board to execute Contract No. J01B4600002 – Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training with Advanced Computer Concepts, Inc. in the amount of \$736,781.30.

Ms. DiCerbo explained that this Small Business Reserve Contract is for the provision of a one-time purchase of Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, Training, and Extended Warranties for use by the MDTA ICC Data Center Site and the MDTA JFK Data Center Site.

Upon motion by Member W. Lee Gaines, Jr. and seconded by Member Dontae Carroll, the Members unanimously gave approval to execute Contract No. J01B4600002 – Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training.

- **MT-00211148 – Janitorial Services – William Preston Lane, Jr. Memorial (Bay) Bridge (WPL)**

Originally, Ms. Donna DiCerbo reported out on the incorrect Contract (Janitorial Services for the Frances Scott Key Facility). However, she came back before the Board at 9:42 a.m. and presented the correct contract.

Ms. Donna DiCerbo requested approval from the MDTA Board to execute Contract No. MT-00211148 – Janitorial Services – William Preston Lane, Jr. Memorial (Bay) Bridge (WPL) with National Center on Institutions and Alternatives, Inc. (NCIA) in the amount of \$1,366,583.80.

Ms. DiCerbo explained that this Community Services contract provides comprehensive janitorial services including supervision, supplies, labor, and equipment at the WPL Memorial Bridge facilities. The Community Services Provider is NCIA. The Pricing and Selection Committee approved the rates for these services on November 16, 2023. Janitorial supplies are included in the contract total and the contract specifies that supplies be purchased from Blind Industries of Maryland, also a Community Service Provider.

Upon motion by Member William H. Cox, Jr. and seconded by Member W. Lee Gaines, Jr., the Members unanimously gave approval to execute Contract No. MT-00211148 – Janitorial Services – William Preston Lane, Jr. Memorial (Bay) Bridge (WPL).

- **SV-00210586 – Right of Way Services**

Ms. Donna DiCerbo requested approval from the MDTA Board to execute Contract No. SV-00210586 – Right of Way Services with Johnson, Mirmiran, & Thompson, Inc. in the amount of \$11,467,000.00.

Ms. DiCerbo explained that this contract is for the provision of professional Right of Way support services, such as project management, the development of right-of-way cost estimates, real estate appraisals and appraisal reviews, real estate surveys and survey reviews, support for acquisitions and dispositions, support for relocations, support for settlements, condemnation support, GIS (Geographic Information System Mapping) support, title services, and other related right-of-way services. The resulting contract will assist Real Estate Services staff in meeting its short-term and long-term goals, as it supports the customer service, mobility, and financial needs of Real Estate Services.

Upon motion by Member Mario J. Gangemi and seconded by Member W. Lee Gaines, Jr., the Members unanimously gave approval to execute Contract No. SV-00210586 – Right of Way Services.

APPROVAL – BOARD RESOLUTION NO. 23-02 – TOLL REVENUE BONDS REFINANCING

Mr. Allen Garman requested MDTA Board approval of Board Resolution 23-02 to authorize the issuance of toll revenue bonds to refinance the Series 2009B and 2010B Build America Bonds for economic savings and reduced risk.

Mr. Garman explained that the market dependent refinancing could occur as soon as February 2024 and will be sized to account for the call premium, refinancing bond premium, and costs of issuance, including funding a debt service reserve.

The \$747 million of Series 2009B and 2010B taxable Build America Bonds (BABs) were issued with a make-whole call provision that makes economic refinancings unlikely, but the current abnormal market environment has created a unique opportunity for debt restructuring savings. Of the original BABs issued, \$721 million remains outstanding with maturities extending to 2043. Coupons range from 5.16% to 5.89%. The IRS subsidy payments are designed to cover 35% of the coupons, so the net coupons should range between 3.35% to 3.83%. However, the federal budget sequestrations have reduced the federal subsidies and increased net interest costs and risks.

Upon motion by Member Cynthia D. Penny-Ardinger and seconded by Member Dontae Carroll, Board Resolution 23-02 was unanimously approved.

APPROVAL – QUARTERLY REVIEW OF INVESTMENT STRATEGY AND BENCHMARKS

Mr. Allen Garman requested MDTA Board approval to continue with the current investment strategies and benchmarks for all accounts and adding a firm to the authorized dealers list.

Mr. Garman explained that for the trailing twelve-month period ended September 30, 2023, investments conformed to Investment Policy limitations. The longer duration strategies employed in certain reserves generate higher return volatility with expected higher average annual returns over multiyear periods. Portfolio structuring by account adhered to Board approved strategy and should remain consistent, despite short-term return volatility associated with the rising interest rate environment. No changes in performance strategy or benchmark are recommended.

Mr. Garman also explained that the MDTA's investment policy generally requires a competitive bid/offer process for bond transactions with dealers included in the Qualified Institutions list. Dealers are prescreened for required SEC registration, experience, and minimum net capital. Within the Operating Policy, the MDTA Board reserves authority for approving additions to the broker/dealer list.

Following the standard Request for Qualifications screening, the Investment Committee recommends and is seeking approval to add the Academy Securities to the Qualified Institutions list.

Upon motion by Member Mario J. Gangemi and seconded by Member John F. von Paris, continuation of the current investment strategy and adding the new firm to the Qualified Institutions list was unanimously approved.

UPDATE – 1ST QUARTER OPERATING BUDGET COMPARISON

Mr. Jeffrey Brown updated the MDTA Board on actual versus projected year-to-date spending for the first quarter of Fiscal Year (FY) 2024 Operating Budget. As of September 30, 2023, 15% of the budget was spent compared to a target of 23%. All Objects are at or below the targeted spending level. The primary drivers for the underspending are personnel vacancies and the seasonality of expenses.

UPDATE – 1ST QUARTER CAPITAL BUDGET COMPARISON

Ms. Jennifer Stump updated the MDTA Board on the first quarter Fiscal Year (FY) 2024 Capital Budget Comparisons. As of September 30, 2023, 9.1% of the FY 2024 budget was spent as compared to the targeted spending level of 25%. The total budget for FY 2024 is \$539.6 million. The actual spending through the first quarter was \$49.3 million. The first quarter percentage is low because there are outstanding accruals for work completed in FY 2023.

UPDATE – TRAFFIC AND REVENUE

Ms. Chantelle Green gave a quarterly and year-to-date update to the MDTA Board regarding traffic and toll revenue trends compared to the previous year and the forecast.

Ms. Green explained the quarterly review looks at traffic and toll revenue trends and compares actual system-wide experience with traffic and toll revenue forecasts. CDM Smith continues to track and evaluate the performance of traffic at the lane level and traffic and revenue collected on a cash basis.

She further explained that the key takeaways are: 1) Passenger vehicle traffic continues to track closely to pre-pandemic levels; 2) Commercial vehicle traffic continues to outperform pre-pandemic levels; and 3) For the first quarter of FY 2024, there is practically no variance in the forecast vs. actuals. Actual traffic and revenue were used in the first three months of the forecast.

UPDATE – MAJOR PROJECTS UPDATE

Mr. Jim Harkness updated the MDTA Board on the status of Major Projects in the Capital Program. Mr. Harkness explained that as of December 14, 2023, there are twelve major projects in the Capital Program. Nine of the projects are under construction, one project is in procurement, and two projects are under design. This update includes projects funded for construction in the current CTP and includes six projects valued in excess of \$100 million. There are four projects from the \$1.1 billion I-95 ETL Northbound Expansion program.

UPDATE – DIVISION OF INFORMATION TECHNOLOGY (DOIT) MAJOR PROJECTS UPDATE

Mr. David Goldsborough updated the MDTA Board on the Division of Information Technology (DoIT) major projects. As of December 21, 2023, the DoIT maintains an active portfolio of 21 projects and provides continued support of the third-generation tolling system (3G) program. As a result of the enterprise risk assessment, the first IT audit for the CSC vendor (Transcore) has commenced, which will cover various controls around backup and restore, access controls, etc. DoIT has also completed several recruitments including the new Maximo Systems Supervisor and Lead Database and Systems Administrator and is currently in the offer process for two (2) Senior Project managers.

DoIT also completed the annual tabletop disaster recovery exercise on November 6, 2023. Staff is scheduled to perform a live failover exercise in Quarter 1 of 2024. The annual financial audit has concluded for DoIT. All deliverables have been forwarded to Clifton Larsen Allen.

Mr. Goldsborough also went over some of the significant initiatives that DoIT continues to work on, including the following:

- HR Central Conversion
- Web-Based Appointment Scheduler
- Miss Utility Conversion
- Maximo Spatial
- Open Text Upgrade
- Dynamics SL Upgrade
- HRIS

- Data Center Enhancements Project
- Clearing House Tracking for Health and Safety

UPDATE – CIVIL RIGHTS AND FAIR PRACTICES (CRFP) SOCIOECONOMIC PROGRAMS STATUS

Ms. Tia Rattini updated the MDTA Board on MDTA’s progress toward achieving the legislatively mandated socioeconomic program goals for the 1st Quarter of Fiscal Year (FY) 2024, which covers the performance period of July 1, 2023 to September 30, 2023 (Q1 FY 2024).

These programs include the following:

- Disadvantaged Business Enterprise (DBE) Program;
- Minority Business Enterprise (MBE) Program;
- Small Business Reserve (SBR) Program; and
- Veteran-Owned Small Business Enterprise (VSBE) Program.

In addition, Ms. Rattini reported on current strategies focused on outreach, training, and data analysis. These included: PRISM Contract Compliance System; In-Person Outreach Events; Training with the Office of Engineering and Construction; Credit Card Purchases made with DBE, MBE, SBR, and VSBE Vendors; Identifying Additional Opportunities for DBE/MBE/VSBE Participation; and Outstanding DBE/MBE/VSBE Subcontracting Partner Award.

UPDATE – AUDIT COMMITTEE

Member Cynthia D. Penny-Ardinger presented an update on the Audit Committee meeting that took place on December 5, 2023. The Office of Audits is on track to complete the thirteen audits in the Fiscal Year (FY) 2024 Audit Plan. Currently one audit is complete and five are in progress.

One internal audit report (DriveEzMD Customer Service Centers Compliance Audit) was presented and the Committee was satisfied with the results of this audit.

UPDATE – EXECUTIVE DIRECTOR’S REPORT

Mr. Percy Dangerfield gave the Executive Director’s Report. Mr. Dangerfield began by announcing that he has approved the 2024 Holiday Toll Schedule for the I-95 Express Toll Lanes.

Mr. Dangerfield then announced some of MDTA’s notable 2023 accomplishments. These included:

- Division of Finance
 - Accelerated the \$200 million TIFIA loan draw which allowed MDTA to take advantage of the favorable rate environment.
 - For the 10th consecutive year, MDTA received the Certificate of Achievement for Excellence in Financial Reporting for the production of the Fiscal Year 2022 Annual Comprehensive Financial Report.

- Office of Environment, Safety, & Risk Management and Asset Control & Damage Recovery
 - Recovered nearly \$662,000 from property damage claims impacting MDTA facilities.
 - On May 6, the office led a shoreline clean-up at the MDTA Police Headquarters building where 32 MDTA employees, families, and community members participated to clean up 1,500 pounds of miscellaneous debris.
- Division of Procurement
 - Completed 79 procurements totaling roughly \$170 million including 40 new requests, 10 renewals, and 29 modifications.
 - To date 17 of 19 MDTA Procurement Officers have acquired their Certified Maryland Procurement Officer designations with 12 of them getting certified in 2023.
- Office of Human Resources and Workforce Development
 - Organized successful hiring events in the Central Region, at the ICC, Bay Bridge, and JFK which led to filling all of the Facility Maintenance Technician vacancies.
 - Organized a first of its kind MDTA Open House at MDTA Police Headquarters.
- Diversity, Equity, and Inclusion
 - In January, launched a DEI Climate Survey to tap into employees' perspectives and opinions about DEI.
 - In August, posted the MDTA DEI Commitment Statement to the public website.
 - Developed a dedicated DEI intranet page to serve as a single source for employees seeking information about the DEI program.
 - Began distribution of monthly DEI newsletters to all of MDTA.
- Division of Operations
 - Entered into MOUs with the Maryland Aviation Administration and the Maryland Port Administration for CDL training. This allows MDTA access to a driver training closed course, training manuals, and documentation that staff previously did not have access to and in return, MDTA trains their employees. This resulted in a \$615,000 savings in the calendar year.
- Division of Civil Rights and Fair Practices
 - Held quarterly in-person outreach events in March, June, and September. Total combined attendance was 212 members of the business community which included MBE/DBE/VSBE/SBR firms.
 - Prepared for the launch of the PRISM Compliance Software System which is set to go live in January 2024.
- Division of Policy, Innovation, and Performance
 - Led efforts to update the MDTA's Strategic Plan.
- Multi-Division Collaboration
 - In March, due to the collaboration between many Divisions, MDTA launched MDTA's first mobile app for E-ZPass Maryland customers. In November, the DriveEzMD mobile app was expanded to serve Pay-By-Plate and Video Tolling customers. In December, in response to customer feedback, staff added biometrics login. As of December 11, MDTA has more than 80,000 users, nearly 6,000 accounts opened on the app and nearly 47,000 payments made on the app across more than 16,000 individual accounts.

Mr. Dangerfield then continued with some 2023 project milestones, that included:

- As part of the ongoing Bay Crossing Study Tier 2, the project team conducted a Virtual Transit and Bicycle/Pedestrian Listening Session and three Open Houses. In addition, the team has also attended over 20 community engagement events.
- MDTA implemented the Automated Lane Closure System at the Bay Bridge that uses lane use control signals, dynamic messaging signs, and horizontal gates to respond to traffic demand or control traffic during incidents.
- The Nice/Middleton bridge project successfully demolished the old bridge's roadway, sub-structure, and piers. On June 10, launched lane sharing bicycle access on the bridge from dawn to dusk on Saturdays, Sundays, and State holidays.
- Following an extensive public comment process that began in January, in June the Board approved toll rate ranges for the I-95 Express Toll Lanes Northbound Extension and I-695 Ramps. These ranges are identical to the existing tolling plan.

Ms. Mary O'Keeffe then announced that on November 30, the Dean of Doctoral Studies for Grand Canyon University conferred the Doctor of Philosophy degree to Percy E. Dangerfield. The focus of Mr. Dangerfield's PhD is Industrial and Organizational Psychology. His dissertation entitled, "A Qualitative Descriptive Study: Motivating Factors Influencing Professional Success in the Public Transportation Sector" highlights research that seeks to understand employees' first-hand experienced with motivation and how it translates to profession success. The academic and practical contributions of the research will be used to develop career enhancement and employee engagement programs further.

Lastly Mr. Dangerfield expressed his gratitude to all the MDTA employees who supported this years MDTA Police Toys for Tots Campaign that collected 2,611 toys and \$4,089.99 in currency.

He then wished everyone a safe and happy holiday season.

VOTE TO GO INTO CLOSED SESSION

At 10:35 a.m, upon motion by Member William H. Cox, Jr. and seconded by Member W. Lee Gaines, Jr., the Members voted unanimously to move into Closed Session under the Maryland Open Meetings Act, the MDTA Board met in Closed Session under the General Provisions Article, Section 3-305(b)(9) to discuss matters related to pending collective bargaining negotiations with FOP 34 to reopen its contract related to take-home vehicles, which negotiations are ongoing and not yet been ratified.

In attendance for the Closed Session were Chairman Paul Wiedefeld; Members Carroll, Cox, Gaines, Gangemi, Penny-Ardinger, Snead, and von Paris; Kimberly Millender, Esq.; Acting Col. Joseph Scott; Percy Dangerfield, Tonya Dorsey, Chantelle Green, Jeffrey Brown, Samantha Biddle, and Natalie Henson.

VOTE TO ADJOURN CLOSED SESSION

At 11:22 a.m., a motion was made by Member Dontae Carroll and seconded by Member W. Lee Gaines, Jr., which was unanimously approved, to adjourn the Closed Session and return to Open Session. There were no actions taken in Closed Session that require ratification.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member Mario J. Gangemi and seconded by Member Dontae Carroll, the Members unanimously voted to adjourn the meeting at 11:26 a.m.

The next MDTA Board Meeting will be held on Thursday, January 25, 2024 at 9:00 a.m. at MDTA, 2310 Broening Highway, Baltimore MD and will be livestreamed on the MDTA Board webpage.

APPROVED AND CONCURRED IN:

Paul J. Wiedefeld, Chairman

TAB 2

**CLOSED SESSION
MINUTES**

VERBAL

TAB 3

MARYLAND TRANSPORTATION AUTHORITY
SPECIAL BOARD MEETING

THURSDAY, JANUARY 11, 2024
10:00 A.M.

VIRTUAL AND LIVESTREAMED OPEN MEETING

OPEN SESSION

Paul J. Wiedefeld, Chairman

MEMBERS ATTENDING:

Dontae Carroll
William H. Cox, Jr.
W. Lee Gaines, Jr.
Mario J. Gangemi
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
Samuel D. Snead
John F. von Paris

STAFF ATTENDING:

Natalie Henson
Kimberly Millender, Esq.

OTHERS ATTENDING:

Samantha Biddle, MDOT Deputy Secretary, MDOT TSO

At 10:00 a.m. Chairman Paul Wiedefeld called the meeting of the Maryland Transportation Authority (MDTA) Board to order. The meeting was held virtually via video conference and was livestreamed on the MDTA Board Meeting web page.

VOTE TO GO INTO CLOSED SESSION

At 10:02 a.m., upon motion by Member Mario J. Gangemi and seconded by Member Dontae Carroll, the Members voted unanimously to move into Closed Session under the Maryland Open Meetings Act, the MDTA Board will meet in Closed Session under the General Provisions Article, Section 3-305(b)(1) to discuss the appointment and qualifications of a specific individual to serve as the MDTA Executive Director.

In attendance for Closed Session was Chairman Paul J. Wiedefeld, Members Carroll, Cox, Gaines, Gangemi, Penny-Ardinger, Rosen, Snead, and von Paris; and Natalie Henson, Kim Millender, Samantha Biddle, and Bruce Gartner.

VOTE TO ADJOURN CLOSED SESSION

At 10:25 a.m., a motion was made by Member Mario J. Gangemi and seconded by Member William H. Cox, Jr., which was unanimously approved, to adjourn the Closed Session and return to Open Session.

RATIFICATION TAKEN IN CLOSED SESSION

Upon motion by Member Dontae Carroll and seconded by Member William H. Cox, Jr., the Members ratified their approval of Mr. Bruce Gartner as MDTA's Executive Director effective January 31, 2024.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member Jeffrey S. Rosen and seconded by Member W. Lee Gaines, Jr., the Members unanimously voted to adjourn the meeting at 10:27 a.m.

The next MDTA Board Meeting will be held on Thursday, January 25, 2024 at 9:00 a.m. at MDTA, 2310 Broening Highway, Baltimore MD and will be livestreamed on the MDTA Board webpage.

APPROVED AND CONCURRED IN:

Paul J. Wiedefeld, Chairman

TAB 4

**CLOSED SESSION
MINUTES**

VERBAL

TAB 5

MDTA Senior Officer Christopher Heisey
MDTA Police Senior Officer
MDTA Police

WHEREAS, MDTA Police Senior Officer Christopher Heisey
(Pronounced High Sea) began his career with the Maryland Transportation
Authority as an MDTA Police Officer I on December 8, 1993, and

WHEREAS, Senior Officer Heisey continued to progress in the law-
enforcement field and was promoted to MDTA Police Officer II on
December 8, 1994, and to MDTA Police Senior Officer on March 7,
2012, a position held until retirement, and

WHEREAS, He is an invaluable member of the team, and his coworkers
expressed the fact that his dedication and teamwork will be missed, now

THEREFORE BE IT RESOLVED, On the occasion of Senior Officer
Christopher Heisey's retirement from his distinguished career of
exemplary service, the Chairman and Members of the Maryland
Transportation Authority Board hereby express to Senior Officer Heisey
their most sincere appreciation for his excellence and commitment, and

BE IT FURTHER RESOLVED, That this Resolution be entered into
the minutes of the MDTA Board meeting of January 25, 2024, and a
copy, appropriately framed, be presented to Senior Officer Heisey as an
expression of the MDTA Board's appreciation and esteem.

TAB 6



MEMORANDUM

TO: MDTA Board
FROM: Operations Support Services (OSS) Contract Manager Toni Caschera
THROUGH: OSS Contracts and Projects Program Administrator, Catherine Anderson
SUBJECT: Contract No. MT-00210896, Janitorial Services – Francis Scott Key (FSK) Memorial Bridge Facilities
DATE: January 25, 2024

PURPOSE OF MEMORANDUM

To seek approval to execute Contract No. MT-00210896, Janitorial Services for Francis Scott Key (FSK) Memorial Bridge Facilities.

SUMMARY

This contract provides comprehensive janitorial services including supervision, supplies, labor, and equipment at the FSK Memorial Bridge facilities. This contract will be performed by Community Service Provider Alliance, Inc. The Pricing and Selection Committee approved the rates for these services on December 21, 2023. Janitorial supplies are included in the contract total and the contract specifies that supplies be purchased from Blind Industries of Maryland, also a Community Service Provider.

This Contract exceeds the delegated procurement authority of the MDTA; and therefore, will be presented to the Board of Public Works on February 14, 2024.

RECOMMENDATION

To provide approval to execute Contract No. MT-00210896, Janitorial Services for FSK Memorial Bridge Facilities.

ATTACHMENT

- Authority Committee Project Summary



Maryland
Transportation
Authority

AUTHORITY BOARD PROJECT SUMMARY

Contract No. MT-00210896 Janitorial Services - Francis Scott Key (FSK) Memorial Bridge Facilities

PIN NUMBER N/A
CONTRACT NUMBER MT-00210896
CONTRACT TITLE Janitorial Services - Francis Scott Key (FSK) Facilities

PROJECT SUMMARY This (Community Services) contract provides comprehensive janitorial services including supervision, supplies, labor, and equipment at the (FSK) Memorial Bridge facilities: Alliance, Inc. The Pricing and Selection Committee approved the rates for these services on December 21, 2023. Janitorial supplies are included in the contract total and the contract specifies that supplies be purchased from Blind Industries of Maryland, also a Community Service Provider.

| | | MBE PARTICIPATION (N/A) | | |
|-----------------------------|---|------------------------------------|----------------------------|--------------------------|
| | | MBE PARTICIPATION - OVERALL | ADVERTISED GOAL (%) | PROPOSED GOAL (%) |
| SCHEDULE | | OVERALL MBE | 0.00% | 0.00% |
| ADVERTISEMENT DATE | N/A | VSBE | 0.00% | 0.00% |
| ANTICIPATED NTP DATE | 3/1/2024 | | | |
| DURATION/TERM | Three (3) Years w/one 2-Year Renewal Option | | | |

| | | |
|--------------------|------------|-----------|
| BID PROTEST | YES | NO |
| | | ✓ |

| | |
|--|---|
| NAME OF COMPANY Alliance, Inc. | PRICING \$2,068,596.34 (NTE) Cost for 5 Years |
|--|---|

TAB 7



MEMORANDUM

TO: MDTA Board
FROM: Deputy Director of Finance Allen W. Garman
SUBJECT: MDTA Board Resolution No. 24-01, Toll Revenue Bonds Refinancing
DATE: January 25, 2024

PURPOSE OF MEMORANDUM

Request the MDTA Board's approval of Resolution No. 24-01 authorizing the issuance of toll revenue bonds to refinance a portion of outstanding debt for economic savings and reduced risk.

The resolution supersedes Resolution No. 23-02 approved in December 2023 to increase the authorized par and expand the targeted bond series to include tender candidates. The Finance Committee reviewed the proposed changes at the January 11, 2024 meeting related to the Tender Component and recommended that the amended financing resolution move forward to the full board for approval. The amended Resolution No. 24-01 also clarifies that projected dissavings associated with the BABs refunding may be accepted for the purpose of risk reduction.

SUMMARY

Key Refinancing Goals

1. Make-Whole Call - Build America Bonds, Series 2009B/2010B
 - a. Interest Cost Savings
 - i. Net Present Value cash flow savings of combined initial refinancing and subsequent refunding, with modeled continuing reductions in the federal subsidies.
 1. Acceptable dissavings when modeling the federal subsidies at current levels, absent the projected savings derived from a subsequent refinancing.
 - b. Risk reduction associated with sequestration and uncertain federal subsidy payments.
 - i. The fixed rate nature of the coupons has been unexpectedly variable as a function of less than promised federal subsidies.
 - ii. Risk of future subsidy cuts.
2. Debt Tender Offer - Series 2017, 2020, 2021
 - a. Interest Cost Savings - Net Present Value cash flow savings.

The prior Resolution No. 23-02 approved in December authorized refunding bonds to refinance the Series 2009B and 2010B taxable Build America Bonds for economic savings utilizing the make-whole call provision. Savings and dissavings characterized in the resolution are typically on a cash flow to maturity basis. However, economic savings projections with BABs should include some estimates for continuing federal subsidy cuts and conservative modeling of projected subsequent refinancing savings derived from the 10-year par call of the refunding bonds, essentially cash flows to the call date and cash flows after the second refinancing to maturity, as the result of a refunding transaction to be authorized in a future resolution.

Resolution No. 24-01 expands the authorization to include economic refinancings for certain maturities of the Series 2017, 2020, and 2021 bonds through a secondary market tender process.

The market dependent refinancings could occur as soon as February 2024 and will be sized to account for the call/tender premiums or discounts, refinancing bond premiums, and costs of issuance, including funding a debt service reserve.

The Executive Director and Chief Financial Officer (CFO) will have the authority to manage the bond sale and closing, including the award of the 2024 bonds to the successful underwriting firm(s) and/or negotiation of terms for a private placement. The resolution also provides for authority to select other service providers and to prepare and execute all closing documents, certificates, and bond forms.

Resolution No. 24-01 contains the following limiting and reporting provisions:

1. Par Amount – Limited to \$1.07 billion.
2. Economic Savings
 - a. Build America Bonds Refunding – Targeted to provide at least \$1 Million of economic savings, but may be restructured to accept modest dissavings in exchange for eliminating federal subsidy risks.
 - b. Tender Option Candidates – Must Exceed \$1 million.
3. Bond Sale Date – No later than December 31, 2024.
4. Bond Sale Reports on Results – Provided by the Executive Director and CFO at the first Board meetings after the sale dates.

Tender Opportunity Considerations

Specific to the debt tender candidates, certain maturities of the outstanding tax-exempt toll revenue bonds were issued with low coupons and are now trading in the secondary market at large discounts to face value. Bond prices declines may be exacerbated in a higher rate environment as a function of the IRS Market Discount Rule that unfavorably taxes a portion of a bond's gain to par through maturity.

1. Tender solicitation may yield only a small portion of the desired securities, e.g., 25% of a targeted \$300 million.
2. Market distortions may create greater NPV savings opportunities, focus on purchasing bonds trading at discounts to par.
3. Given the uncertainty and small size, tender process is more economic in conjunction with another larger financing.
 - a. Small tender based refinancing shares costs of issuance in terms of Official Statement preparation and credit ratings fees.
4. Analysis of call option value lost and call option value gained by reissuing premium structure bonds with longer call dates.

5. Analysis of refunding efficiency, capture of savings today relative to expected future savings from par call.

Build America Bonds Refunding Economics

- Projected nominal savings \$9.6 million to maturity, NPV savings \$6.8 million, annual debt service savings \$0.5 million.
- Projected subsequent refinancing savings associated with the gained 10-year par call of \$40 million that may be realized in the final ten years to maturity as the result of a refunding transaction to be authorized in a future resolution.

SAVINGS

Maryland Transportation Authority
Transportation Facilities Projects Revenue
Bonds
Refunding of Series 2009B and 2010B Build America Bonds
MMD and UST as of January 18, 2024

—
Base Case: 5.00% Coupons with 10-Yr Par Call

| Date | Prior Debt Service | Prior Adjustments | Prior Receipts | Prior Net Cash Flow | Refunding Debt Service | Savings | Annual Savings | Present Value to 03/08/2024 @ 3.0316901% |
|------------|--------------------|-------------------|----------------|---------------------|------------------------|----------------|----------------|--|
| 03/08/2024 | - | - | 23,331,373.26 | -23,331,373.26 | - | -23,331,373.26 | - | -23,331,373.26 |
| 07/01/2024 | 45,449,119.75 | -6,899,404.72 | - | 38,549,715.03 | 15,043,270.14 | 23,506,444.89 | 175,071.63 | 23,285,477.90 |
| 01/01/2025 | 20,222,647.45 | -6,674,484.79 | - | 13,548,162.66 | 15,759,875.00 | -2,211,712.34 | - | -2,158,206.57 |
| 07/01/2025 | 45,627,647.45 | -6,674,484.79 | - | 38,953,162.66 | 36,199,875.00 | 2,753,287.66 | 541,575.32 | 2,646,562.31 |
| 01/01/2026 | 19,517,113.55 | -6,441,623.33 | - | 13,075,490.22 | 15,248,875.00 | -2,173,384.78 | - | -2,057,942.91 |
| 07/01/2026 | 45,792,113.55 | -6,441,623.33 | - | 39,350,490.22 | 36,638,875.00 | 2,711,615.22 | 538,230.44 | 2,529,245.18 |
| 01/01/2027 | 18,765,703.45 | -6,193,620.43 | - | 12,572,083.02 | 14,714,125.00 | -2,142,041.98 | - | -1,968,144.64 |
| 07/01/2027 | 45,960,703.45 | -6,193,620.43 | - | 39,767,083.02 | 37,084,125.00 | 2,682,958.02 | 540,916.04 | 2,428,337.67 |
| 01/01/2028 | 17,987,926.15 | -5,936,915.03 | - | 12,051,011.12 | 14,154,875.00 | -2,103,863.88 | - | -1,875,767.48 |
| 07/01/2028 | 46,172,926.15 | -5,936,915.03 | - | 40,236,011.12 | 37,594,875.00 | 2,641,136.12 | 537,272.24 | 2,319,627.86 |
| 01/01/2029 | 17,181,797.25 | -5,670,852.19 | - | 11,510,945.06 | 13,568,875.00 | -2,057,929.94 | - | -1,780,427.45 |
| 07/01/2029 | 46,351,797.25 | -5,670,852.19 | - | 40,680,945.06 | 38,083,875.00 | 2,597,070.06 | 539,140.12 | 2,213,316.53 |
| 01/01/2030 | 16,347,433.85 | -5,395,470.55 | - | 10,951,963.30 | 12,956,000.00 | -2,004,036.70 | - | -1,682,409.45 |
| 07/01/2030 | 46,497,433.85 | -5,395,470.55 | - | 41,101,963.30 | 38,556,000.00 | 2,545,963.30 | 541,926.60 | 2,105,447.10 |
| 01/01/2031 | 15,475,345.55 | -5,107,637.79 | - | 10,367,707.76 | 12,316,000.00 | -1,948,292.24 | - | -1,587,129.86 |
| 07/01/2031 | 46,735,345.55 | -5,107,637.79 | - | 41,627,707.76 | 39,141,000.00 | 2,486,707.76 | 538,415.52 | 1,995,488.71 |
| 01/01/2032 | 14,562,618.80 | -4,806,392.34 | - | 9,756,226.46 | 11,645,375.00 | -1,889,148.54 | - | -1,493,333.47 |
| 07/01/2032 | 46,982,618.80 | -4,806,392.34 | - | 42,176,226.46 | 39,745,375.00 | 2,430,851.46 | 541,702.92 | 1,892,845.99 |
| 01/01/2033 | 13,616,002.95 | -4,493,961.77 | - | 9,122,041.18 | 10,942,875.00 | -1,820,833.82 | - | -1,396,668.49 |
| 07/01/2033 | 47,121,002.95 | -4,493,961.77 | - | 42,627,041.18 | 40,267,875.00 | 2,359,166.18 | 538,332.36 | 1,782,574.64 |
| 01/01/2034 | 12,637,628.95 | -4,171,049.44 | - | 8,466,579.51 | 10,209,750.00 | -1,743,170.49 | - | -1,297,463.71 |
| 07/01/2034 | 47,342,628.95 | -4,171,049.44 | - | 43,171,579.51 | 40,889,750.00 | 2,281,829.51 | 538,659.02 | 1,673,033.80 |
| 01/01/2035 | 11,624,164.80 | -3,836,555.59 | - | 7,787,609.21 | 9,442,750.00 | -1,655,140.79 | - | -1,195,425.81 |
| 07/01/2035 | 56,624,164.80 | -3,836,555.59 | - | 52,787,609.21 | 50,592,750.00 | 2,194,859.21 | 539,718.42 | 1,561,566.63 |
| 01/01/2036 | 10,313,923.90 | -3,404,110.58 | - | 6,909,813.32 | 8,414,000.00 | -1,504,186.68 | - | -1,054,196.96 |
| 07/01/2036 | 56,908,923.90 | -3,404,110.58 | - | 53,504,813.32 | 51,459,000.00 | 2,045,813.32 | 541,626.64 | 1,412,382.04 |
| 01/01/2037 | 8,957,181.80 | -2,956,317.85 | - | 6,000,863.95 | 7,337,875.00 | -1,337,011.05 | - | -909,258.45 |
| 07/01/2037 | 57,202,181.80 | -2,956,317.85 | - | 54,245,863.95 | 52,367,875.00 | 1,877,988.95 | 540,977.90 | 1,258,089.53 |
| 01/01/2038 | 7,552,332.70 | -2,492,647.41 | - | 5,059,685.29 | 6,212,125.00 | -1,152,439.71 | - | -760,506.44 |
| 07/01/2038 | 57,512,332.70 | -2,492,647.41 | - | 55,019,685.29 | 53,327,125.00 | 1,692,560.29 | 540,120.58 | 1,100,259.17 |
| 01/01/2039 | 6,097,483.10 | -2,012,474.30 | - | 4,085,008.80 | 5,034,250.00 | -949,241.20 | - | -607,846.04 |
| 07/01/2039 | 57,827,483.10 | -2,012,474.30 | - | 55,815,008.80 | 54,329,250.00 | 1,485,758.80 | 536,517.60 | 937,198.30 |
| 01/01/2040 | 4,591,023.85 | -1,515,267.42 | - | 3,075,756.43 | 3,801,875.00 | -726,118.57 | - | -451,187.32 |
| 07/01/2040 | 58,156,023.85 | -1,515,267.42 | - | 56,640,756.43 | 55,376,875.00 | 1,263,881.43 | 537,762.86 | 773,609.59 |
| 01/01/2041 | 3,031,058.10 | -1,000,400.73 | - | 2,030,657.37 | 2,512,500.00 | -481,842.63 | - | -290,527.27 |
| 07/01/2041 | 44,121,058.10 | -1,000,400.73 | - | 43,120,657.37 | 42,102,500.00 | 1,018,157.37 | 536,314.74 | 604,731.73 |
| 01/01/2042 | 1,829,254.40 | -603,745.41 | - | 1,225,508.99 | 1,522,750.00 | -297,241.01 | - | -173,909.27 |
| 07/01/2042 | 32,299,254.40 | -603,745.41 | - | 31,695,508.99 | 31,237,750.00 | 457,758.99 | 160,517.98 | 263,825.67 |
| 01/01/2043 | 932,217.60 | -307,678.42 | - | 624,539.18 | 779,875.00 | -155,335.82 | - | -88,189.72 |
| 07/01/2043 | 32,597,217.60 | -307,678.42 | - | 32,289,539.18 | 31,974,875.00 | 314,664.18 | 159,328.36 | 175,978.58 |
| | 1,184,524,836.15 | -152,941,815.46 | 23,331,373.26 | 1,008,251,647.43 | 998,587,520.14 | 9,664,127.29 | 9,664,127.29 | 6,799,684.35 |

RECOMMENDATION

Approve Board Financing Resolution No. 24-01 superseding Resolution No. 23-02.

ATTACHMENT

- MDTA Board Resolution No. 24-01, Toll Revenue Bonds Refinancing

**MARYLAND TRANSPORTATION AUTHORITY
RESOLUTION 24-01**

A RESOLUTION REGARDING THE ISSUANCE BY THE MARYLAND TRANSPORTATION AUTHORITY (THE “MDTA”) OF ITS SPECIAL OBLIGATION REVENUE BONDS, SERIES 2024 (THE “2024 BONDS”) FOR THE PURPOSE OF (REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE MDTA ISSUED FOR THE PURPOSE OF FINANCING AND REFINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN TRANSPORTATION FACILITIES PROJECTS; APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY AND A FINAL OFFICIAL STATEMENT, A SUPPLEMENTAL TRUST AGREEMENT, AN ESCROW DEPOSIT AGREEMENT AND OTHER TRANSACTION DOCUMENTS; AUTHORIZING THE SOLICITATION AND SELECTION OF PROVIDERS OF PROFESSIONAL SERVICES; AUTHORIZING CERTAIN OFFICERS TO DETERMINE MATTERS PERTAINING TO THE SALE AND ISSUANCE OF THE 2024 BONDS, INCLUDING THE FINANCING STRUCTURE AND TERMS; AND AUTHORIZING, SPECIFYING, DETERMINING AND APPROVING CERTAIN OTHER MATTERS PERTAINING TO THE 2024 BONDS.

WHEREAS, the MDTA is authorized under Sections 4-101 through 4-405 of the Transportation Article of the Annotated Code of Maryland (the “Act”) to finance “transportation facilities projects” (as defined in the Act), to issue revenue bonds for the purpose of financing the cost of transportation facilities projects, to issue revenue bonds for the purpose of refunding any of its outstanding revenue bonds and to perform any actions necessary or convenient to carry out the powers granted in the Act; and

WHEREAS, the MDTA has entered into the Second Amended and Restated Trust Agreement dated as of September 1, 2007 (as previously amended and supplemented, the “**Master Trust Agreement**”), with The Bank of New York Mellon (successor to The Bank of New York), as trustee (the “**Trustee**”); and

WHEREAS, pursuant to Sections 2.01 and 2.04 of the Master Trust Agreement, the MDTA has issued its Transportation Facilities Projects Revenue Bonds, Series 2009B (Federally Taxable Build America Bonds – Direct Payment) dated December 10, 2009 (the “**Series 2009 Bonds**”), its Series 2010B (Federally Taxable Build America Bonds – Direct Payment) dated July 28, 2010 (together, the “**Series 2010 Bonds**”), its Transportation Facilities Projects Revenue Refunding Bonds, Series 2012 (Tax-Exempt Bonds) dated February 28, 2012 (the “**Series 2012 Bonds**”), its Transportation Facilities Projects Revenue Refunding Bonds, Series 2017 (Tax-Exempt Bonds) dated July 27, 2017 (the “**Series 2017 Bonds**”), its Transportation Facilities Projects Revenue Refunding Bonds, Series 2019 (Tax-Exempt Bonds) dated June 19, 2019 (the “**Series 2019 Bonds**”), its Transportation Facilities Projects Revenue Bonds, Series 2020 (Tax-Exempt Bonds) dated June 25, 2020 (the “**Series 2020 Bonds**”), its Transportation Facilities Projects Revenue Bonds, Series 2021A dated April 7, 2021 (the “**Series 2021 Bonds**”), its Governor Harry W. Nice Memorial/Senator Thomas "Mac" Middleton Bridge Replacement Project (TIFIA – 20221007A) TIFIA Bond (the “**2022 TIFIA Bond**”), and its Transportation Facilities Projects Revenue Refunding Bonds Series 2022 (Tax-Exempt Bond) dated May 5, 2022 (the “**Series 2022 Bonds**”); and

WHEREAS, the Series 2009 Bonds, the Series 2010 Bonds, Series 2012 Bonds, the Series 2017 Bonds, the Series 2019 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, the 2022

RESOLUTION 24-01

Page Two

TIFIA Bond, and the Series 2022 Bonds currently outstanding (the “**Outstanding Prior Bonds**”) were issued for the purpose of financing and refinancing the design, construction and equipping of Transportation Facilities Projects (as defined in the Master Trust Agreement) or any Improvements (as defined in the Master Trust Agreement); and

WHEREAS, Section 2.04 of the Master Trust Agreement provides that the MDTA may from time to time issue Additional Bonds (as defined in the Master Trust Agreement) in accordance with the terms and conditions set forth in the Master Trust Agreement for the purpose, among others, of (i) providing funds for refunding all or a portion of the bonds then outstanding of any or all series, whether or not such bonds are then subject to redemption, including providing for the payment of any redemption premium due or to become due thereon, interest to accrue to the selected redemption date or maturity date, any serial maturities to become due prior to the selected redemption or maturity date and any expenses in connection with such refunding; and

WHEREAS, pursuant to the terms of Section 11.01 of the Master Trust Agreement, the MDTA desires to enter into a supplemental trust agreement supplementing the Master Trust Agreement to provide for the issuance of Additional Bonds (the “**2024 Bonds**,” as defined herein) to be secured by the Master Trust Agreement and a supplemental trust agreement equally and ratably with any portion of the Outstanding Prior Bonds that may remain outstanding after issuance of the 2024 Bonds;

WHEREAS, the MDTA adopted Resolution 23-02 on December 21, 2023, to authorize the sale and issuance of the 2024 Bonds for the purpose of refunding all or a portion of the Outstanding Prior Bonds or all or a portion of any principal maturities thereof (collectively, the “**Refunded Bonds**”), and

WHEREAS, the MDTA desires to supersede Resolution 23-02 with this Resolution 24-01 to increase the amount of 2024 Bonds that may be issued and to authorize the option of utilizing a tender or exchange of the Prior Bonds as part of the refunding and to set forth certain other matters as further set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE MARYLAND TRANSPORTATION AUTHORITY, as follows:

Section 1. MDTA hereby authorizes an increase in the amount of the issuance of its Special Obligation Revenue Bonds, Series 2024 (the “**2024 Bonds**”), in one or more series as the bond issue may be further designated by the Executive Director of the MDTA (the “**Executive Director**”), to an aggregate principal amount not to exceed One Billion Seventy Million Dollars (\$1,070,000,000) for the purpose of (i) refunding and redeeming all or a portion of the Refunded Bonds, provided that the refunding results in a restructuring of the obligations of MDTA to provide more certainty in the budgeting of the debt service payments by removing the uncertainty and dependence on the federal subsidy that is provided for the Series 2009 Bonds and the Series 2010 Bonds (the “**Restructuring**”). It is anticipated that the refunding will provide MDTA with at least (a) One Million (\$1,000,000) of economic savings in the form of an aggregate Net Present Value reduction in debt service based on the current rates in the bond market as provided to MDTA by BofA Securities, Inc., *provided, however*, that should the refunding provide dissavings, MDTA

RESOLUTION 24-01

Page Three

may still proceed with the refunding of the Refunded Bonds to achieve the Restructuring and (b) at least One Million (\$1,000,000) of Net Present Value cash flow savings for bonds refinanced through a secondary market purchase via tender offer (the “Tender Offer”), (ii) optionally depositing funds into a debt service reserve fund or for the purchase of a Reserve Subaccount Insurance Policy (defined in the Master Trust Agreement), and (iii) paying the costs related to the issuance of the 2024 Bonds.

Section 2. The 2024 Bonds shall be issuable as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof, and sold in one or more series. The 2024 Bonds are special obligations of the MDTA payable, as to principal and interest, solely from the revenues and funds pledged thereto under the Master Trust Agreement, as amended and supplemented, and are not and shall not be deemed (i) to be general obligations of the MDTA, (ii) to constitute obligations of the Department of Transportation of Maryland, or (iii) to constitute a debt or a pledge of the faith and credit or the taxing power of the State of Maryland or any political subdivision thereof.

Section 3. Bond Sale and Tender Offer.

(a) The MDTA hereby authorizes its Executive Director to sell the 2024 Bonds in one or more sales by either competitive bidding or private negotiation (including but not limited to a direct placement with a financial institution) as determined by the Executive Director, with the advice of the Chief Financial Officer of the MDTA (the “**Chief Financial Officer**”), its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, to be the most advantageous for the MDTA, provided that such sales must occur no later than December 31, 2024, unless a later sale date is approved by a future resolution of the MDTA.

(b) The MDTA hereby authorizes its Executive Director to authorize, execute and deliver an Invitation to Tender or Exchange Bonds (the “**Tender Invitation**”) in connection with the Tender Offer, as determined by the Executive Director, with the advice of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, to be the most advantageous for the MDTA, provided that such Tender Offer must occur no later than December 31, 2024, unless a later date is approved by a future resolution of the MDTA.

(b) The Executive Director is authorized to determine, with the advice of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, the rate or rates of interest to be borne by the 2024 Bonds or the method of determining the rates (such rates of all or a portion of the 2024 Bonds may be fixed or variable), if all or a portion of the 2024 Bonds will be sold with taxable or tax-exempt interest, the dates of principal and interest payments and final maturity of the 2024 Bonds, provided that the date of final maturity of the 2024 Bond shall not exceed the final maturity of the Refunded Bonds.

(c) If the Executive Director determines to sell all or a portion of the 2024 Bonds by the solicitation of competitive bids, the MDTA hereby authorizes the Executive Director, with the assistance of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, (1) to determine the means for the submission

RESOLUTION 24-01

Page Four

of competitive bids, including but not limited to electronic bids via such service provider as the Executive Director deems appropriate, (2) to determine the terms and conditions for such sale, including but not limited to, the conditions for acceptance of bids and the criteria for the selection of a winning bidder, subject to the limitations set forth in this Resolution, (3) to prepare a notice of sale setting forth the terms and conditions of such sale (the “**Notice of Sale**”), and (4) to advertise such sale, including but not limited to publication of the Notice of Sale or a summary thereof by any electronic medium, financial journal or such other manner as the Executive Director shall deem appropriate, at least ten days before the date set for the receipt of bids.

(d) If the Executive Director determines to negotiate the terms of the sale of all or a portion of the 2024 Bonds, the MDTA hereby authorizes the Executive Director, with the assistance of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, (1) to solicit and accept proposals for the sale of the 2024 Bonds on a private, negotiated basis, and (2) to negotiate an agreement for the purchase of the 2024 Bonds (a “**Bond Purchase Agreement**”), in accordance with the limitations set forth in this Resolution.

(e) The Executive Director and the Chief Financial Officer shall each provide a report of the results of the any sale of the 2024 Bonds at the first meeting of the MDTA Board occurring after the 2024 Bonds sale.

Section 4. The Executive Director is hereby authorized to engage, as appropriate, the services of a trustee, a registrar, a paying agent, an escrow agent, a verification agent, an underwriter, a dealer manager, a feasibility consultant, engineers, accountants, printers and such other service providers as the Executive Director deems appropriate from time to time with respect to the 2024 Bonds, the Refunded Bonds and the Tender Offer. The Executive Director in consultation with the Principal Counsel, bond counsel, and financial advisors may determine that it is advantageous for MDTA to seek the tender and/or exchange of all or a portion of the Prior Bonds.

Section 5. The MDTA hereby authorizes the Executive Director, Chief Financial Officer and other staff of the MDTA, with the assistance of its bond counsel and its financial advisors, to prepare a preliminary official statement, a final official statement, a private placement memorandum or any other form of offering document (each referred to herein as, an “**Official Statement**”) for the sale of the 2024 Bonds in connection with the Tender Offer, and to distribute each Official Statement to the entities that they shall deem appropriate.

Section 6.

(a) Subject to the terms set forth in this Resolution, the MDTA hereby authorizes its Executive Director, with the assistance of other officers of the MDTA, counsel to the MDTA, its bond counsel, financial advisors, and staff, to prepare (i) one or more supplements to the Master Trust Agreement (each, a “**Supplemental Trust Agreement**”), (ii) one or more bond certificates for the 2024 Bonds (each, a “**Bond Certificate**”), (iii) an escrow deposit agreement or an escrow letter (the “**Escrow Deposit Agreement**”), if required, (iv) one or more continuing disclosure agreements (each, a “**Continuing Disclosure Agreement**”) to assist the underwriters of the 2024

RESOLUTION 24-01

Page Five

Bonds in complying with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, and (v) a municipal bond debt service reserve insurance policy (a “**Reserve Fund Policy**”) as the same may be amended from time to time.

(b) Subject to the terms set forth in this Resolution, the MDTA hereby authorizes its Executive Director, in consultation and with the assistance of other officers of the MDTA, counsel to the MDTA, its bond counsel, financial advisors, and staff, to prepare (i) the Tender Invitation, (ii) a Dealer Manager Agreement (the “**Dealer Manager Agreement**”), and (iii) any and all documents and instruments, deemed necessary or advisable in connection with the Tender Offer.

Section 7. The Chairman of the MDTA (the “**Chairman**”) and the Executive Director are hereby authorized to execute and deliver on behalf of the MDTA each Bond Certificate by their manual or facsimile signatures. The Executive Director is hereby authorized to cause an original or facsimile of the official seal of the MDTA to be imprinted on each Bond Certificate.

Section 8. The MDTA hereby authorizes the Chairman and the Executive Director, or either of them, to execute and deliver on behalf of the MDTA, as appropriate, an Official Statement, a Supplemental Trust Agreement, a Bond Purchase Agreement, an Escrow Deposit Agreement, a Continuing Disclosure Agreement, a Reserve Fund Policy, a Tender Invitation, a Dealer Manager Agreement and such other documents and agreements deemed appropriate by the Chairman or the Executive Director in connection with the issuance of the Series 2024 Bonds and the Tender Offer (collectively, together with the Bond Certificates, the “**Bond Documents**”). The execution and delivery by them of the Bond Documents shall be conclusive evidence of their final approval.

Section 9. The MDTA hereby covenants that it will take, or refrain from taking, any and all actions necessary to comply with the provisions of Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the “**Code**”), applicable to the 2024 Bonds in order to preserve the status of the interest on the 2024 Bonds as excluded from gross income for federal income tax purposes. Without limiting the generality of the covenant set forth in the preceding sentence, (a) the MDTA will not use or permit the use of any of the proceeds of the 2024 Bonds or any of the funds of the MDTA in such manner as would cause the interest on the 2024 Bonds to be included in gross income for federal income tax purposes, (b) the MDTA will regulate the investment of the proceeds of the 2024 Bonds so as not to cause any of the 2024 Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (c) the MDTA will, if and to the extent necessary make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, (d) the MDTA will prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, and (e) the Executive Director and Chief Financial Officer are hereby authorized and directed to prepare or cause to be prepared and to execute and deliver any certificate or other document which may be required in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150 of the Code, and the Income Tax Regulations thereunder.

RESOLUTION 24-01

Page Six

Section 10. The Chairman and the Executive Director are hereby authorized to specify, prescribe, determine, provide for or approve, all within the limitations of this Resolution and the Act, all other matters, details, forms, documents and procedures pertaining to the sale(s), security, issuance, delivery and payment of or for the 2024 Bonds and the Tender Offer, including (without limitation) the execution, acknowledgment, sealing and delivery of Bond Documents by the Chairman, Executive Director or any other duly qualified employee, agent or officer of the MDTA as are or may be necessary or appropriate to consummate the transactions contemplated by this Resolution in accordance with the Act and this Resolution.

Section 11. The MDTA hereby authorizes its Executive Director and all other proper officers of the MDTA to create, supplement, amend, execute, and deliver documents, notices and agreements related to the Refunded Bonds and to take such actions or cause to be taken such actions as shall be necessary, proper and convenient for carrying out the purposes of this Resolution, including expending funds and incurring costs.

Section 12. This Resolution supersedes MDTA Resolution No. 23-02 and shall be effective immediately upon its adoption.

Dated as of: January 25, 2024

WITNESS:

MARYLAND TRANSPORTATION AUTHORITY

Percy E. Dangerfield, PhD
Acting Executive Director

Paul J. Wiedefeld
Chairman

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Kimberly A. Millender
Assistant Attorney General

TAB 8



MEMORANDUM

TO: MDTA Board
FROM: Chief of Staff Mary O’Keeffe
Assistant Manager of Government Relations James Kittleman
SUBJECT: Legislative Report on Tolling at the Francis Scott Key Bridge (I-695) Facility
DATE: January 25, 2024

PURPOSE OF MEMORANDUM

To provide the Maryland Transportation Authority (MDTA) Board with a summary of the Joint Chairmen’s Report (JCR) issued by the MDTA regarding Tolling at the Francis Scott Key Bridge (I-695) Facility.

SUMMARY

The budget bill language on page 85 of the 2023 Joint Chairmen’s Report (JCR) states:

It is the intent of the committees to ensure that all travelers are being assessed the appropriate tolls based on vehicle classifications and entry and exit points at Maryland Transportation Authority (MDTA) facilities across the State. Given concern regarding travelers accessing the Port of Baltimore for business purposes, the agency should provide a report examining the issue of travelers accessing the Port of Baltimore via I-695 without crossing the Key Bridge to determine if tolls currently being assessed are appropriate. The report should include a map of the entire Key Bridge facility and all entry and exit points, including toll rates for each route.

The MDTA reassessed the toll rates at the Francis Scott Key (FSK) facility when preparing this report. Absent the option to implement trip construction (the Intercounty Connector methodology), all travelers are being assessed the appropriate tolls based on vehicle classifications and entry and exit points.

Francis Scott Key Bridge (FSK) Facility

The FSK facility opened in 1977 and is 10.9 miles in length, consisting of 40 lane miles. The facility spans from I-695 (Baltimore Beltway) Exit 2 in Glen Burnie in Anne Arundel County to I-695 Exit 42 in Edgemere in Baltimore County. The facility also includes one mile of Broening Highway from the Exit 44 ramp to Maryland Avenue/Avon Beach Road intersection in Dundalk in Baltimore County. The facility extends over three separate bodies of water: Bear Creek, Patapsco River, and Curtis Creek.

The 10.9-mile facility includes 22 bridges in addition to the Key Bridge, 7 small structures, 167 ancillary structures, and 40 lane miles of highway (including 1.5 lane miles of Broening Highway), all of which must be maintained exclusively by toll dollars.

Over the past five years, approximately \$38 million has been spent on maintenance, repair, and inspection of the northern section of the Key Bridge facility (north of the Key Bridge). Within the next few years, major projects totaling between \$60 million and \$70 million are required to maintain the northern section in a state of good repair.

On October 26, 2023, the MDTA Board approved a \$33.2 million contract for the I-695 Repairs and Rehabilitation project at Sparrows Point near Bear Creek in Baltimore County. This system preservation project is necessary to address significant settlement of I-695 that has occurred since it was widened to a multi-lane, median-divided highway in the 1990s. Additional work will be completed to rehabilitate and enhance the safety of I-695 in this area. This project is in addition to the expenditures for maintenance, repair, and inspections of the northern section of the FSK facility.

Tolling Locations

The MDTA's Trust Agreement with its bondholders requires the MDTA to collect a toll for the use of its bridges, causeways, approaches, entrance plazas, interchanges, service facilities, and toll stations, all of which are defined as part of the Transportation Facilities Project under Section 4-101(h)(1) of the Transportation Article.

Since the opening of the FSK facility in 1977, tolls have been collected for all vehicles traversing midpoint locations. The MDTA has been tolling the Bear Creek/Broening Highway only movement since the facility opened. The conversion to All-Electronic Tolling (AET) did not change the vehicle movements that are tolled and the placement of the AET toll gantries at the FSK facility were installed to allow a consistent tolling practice and to meet bondholder expectations.

The FSK facility includes three tolling locations. These locations include I-695 Northbound (NB) and I-695 Southbound (SB), north of the Key Bridge, and Broening Highway/Service Road adjacent I-695. Certain vehicle movements that traverse the FSK Facility do not incur a toll (and have never incurred a toll). In the NB direction these vehicle movements include vehicles entering I-695 via Exits 43 – Bethlehem Boulevard/Peninsula Expressway and vehicles exiting I-695 via Exit 2 – Route 10 and Exit 1 – MD 173. In the SB direction these vehicle movements include vehicles entering I-695 via Exits 1 – MD 173 and Exit 2 – Route 10 and vehicles exiting I-695 via Exit 43 Bethlehem Boulevard.

Travelers accessing the Port of Baltimore via I-695 without crossing the Key Bridge

The primary concern conveyed by customers is the belief that a toll should not be charged when a customer does not traverse the Key Bridge (Patapsco River). The best way to address this concern is continued education about the footprint of the entire FSK facility, trust agreement obligations, costs to maintain the facility, and discount programs available. The MDTA has and will continue to support efforts to educate the local community and businesses on its trust agreement obligations, costs to maintain the facility, and discount programs available. In 2016, the MDTA implemented reduced toll rate for 3+axle vehicles entering the facility from Broening Highway and traveling north and vehicles entering the north side of the facility and exiting at Broening Highway. The reduced toll rate ranges from \$6.00 to \$12.00 (\$2.00 per axle) compared to the toll rate when crossing the Key Bridge which ranges from \$8.00 to \$30.00.

ATTACHMENT

- Report to the Maryland General Assembly, Senate Budget and Taxation Committee, and House Appropriation Committee regarding Tolling at Francis Scott Key Bridge (I-695) Facility (2023 JCR, p.85) December 2023.

Tolling at Francis Scott Key Bridge (I-695) Facility
(2023 JCR, p. 85)

A Report to the Maryland General Assembly
Senate Budget and Taxation Committee
and
House Appropriations Committee

December 2023

Maryland Department of Transportation
Maryland Transportation Authority

The Maryland Transportation Authority (MDTA) submits the following report in response to budget bill language contained on page 85 of the 2023 Joint Chairmen’s Report (JCR). The language states:

It is the intent of the committees to ensure that all travelers are being assessed the appropriate tolls based on vehicle classifications and entry and exit points at Maryland Transportation Authority (MDTA) facilities across the State. Given concern regarding travelers accessing the Port of Baltimore for business purposes, the agency should provide a report examining the issue of travelers accessing the Port of Baltimore via I-695 without crossing the Key Bridge to determine if tolls currently being assessed are appropriate. The report should include a map of the entire Key Bridge facility and all entry and exit points, including toll rates for each route.

The MDTA reassessed the toll rates at the Francis Scott Key (FSK) Facility when preparing this report. Absent the option to implement trip construction (e.g., the Intercounty Connector), all travelers are being assessed the appropriate tolls based on vehicle classifications and entry and exit points. Being mindful of local businesses and Maryland customers, the MDTA has implemented several reduced toll rates and discount programs.

Background – Tolling Authority

In 1971, the General Assembly established the MDTA to finance, construct, operate, and improve the State’s toll facilities. The Francis Scott Key Bridge (I-695) toll facility - commonly referred to as the Key Bridge - is a statutorily defined transportation facility project, and the MDTA retains the sole legal authority to fix, revise, charge, and collect tolls and other charges and revenues for the State’s tolling facilities.

The MDTA is a self-sufficient, non-budgeted State agency and generally receives no money from the State’s General Fund or the Transportation Trust Fund. The MDTA is financed by toll revenues and such revenues are reinvested in the operation and maintenance of the toll facilities. The MDTA’s Trust Agreement, between the MDTA and its Trustee, is for the benefit of bondholders and outlines how these funds may be used.

MDTA’s Closed and Open Tolling System

Nearly two-thirds of toll roadway facilities in the United States are closed systems and allow for no free movement on the toll facility and the remainder are open systems. An open system with very little free movements is generally a long-distance toll roadway with only one or two free movements (when a vehicle travels on a toll facility without being charged a toll) spanning between minor, relatively less traveled interchanges, representing 12 percent of total toll systems.

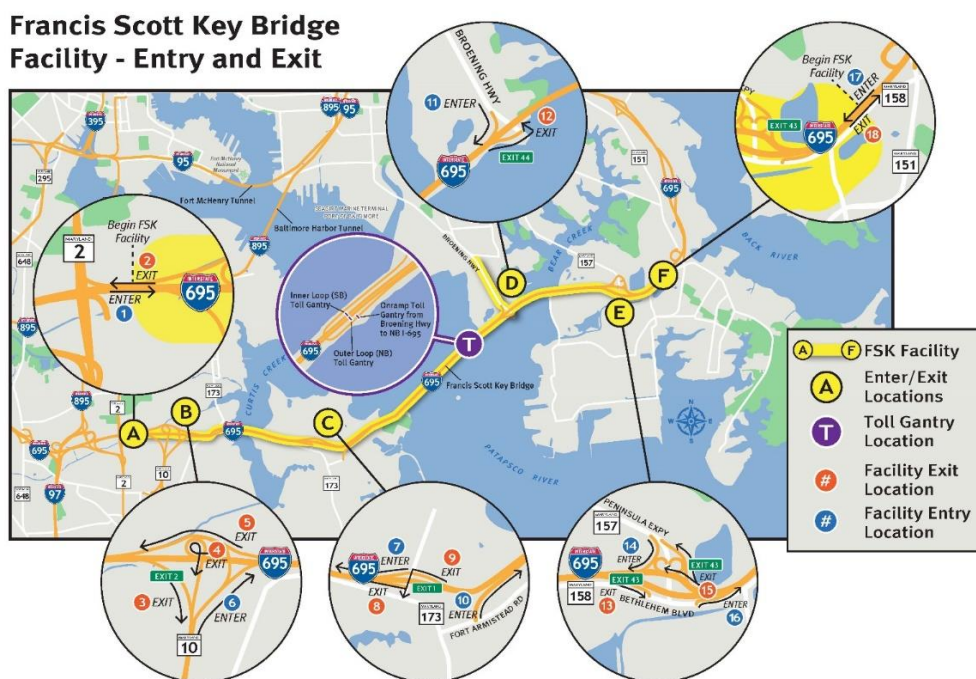
The MDTA operates both open and closed toll roadway facilities. Free movements are seen as a credit negative by rating agencies; therefore, the amount of free movement facilities across the country are limited by tolling agencies whenever feasible.

| MDTA Toll Roadway Facilities | Closed | Open with Very Limited Free Movement | Open with Some Free Movement |
|--|--------|--------------------------------------|------------------------------|
| Key Bridge | | • | |
| Fort McHenry Tunnel | | | • |
| Baltimore Harbor Tunnel | | • | |
| Intercounty Connector (ICC) | • | | |
| John F. Kennedy (JFK) Memorial Highway | | | • |

The MDTA has toll roadway facilities with some free movement controlled by federal tolling agreements established when those toll facilities were constructed. The MDTA has managed the credit negative perspective of open systems by not expanding the portion of free movement toll facilities. Tolling the Bear Creek/Broening Highway only movement is an example of consistently tolling sections of the roadway that have been tolled from initial construction. The placement of the new toll gantries at the FSK facility were installed to allow a consistent tolling practice and to meet bondholder expectations with the transition to All-Electronic Tolling.

Francis Scott Key Bridge (FSK) Facility

The FSK facility opened in 1977 and is 10.9 miles in length, consisting of 40 lane miles. The facility spans from I-695 (Baltimore Beltway) Exit 2 (mile marker 1.4) in Glen Burnie in Anne Arundel County to I-695 Exit 42 (mile marker 43.7) in Edgemere in Baltimore County. The facility also includes one mile of Broening Highway from the Exit 44 ramp to Maryland Avenue/Avon Beach Road intersection in Dundalk in Baltimore County. The facility extends over three separate bodies of water: Bear Creek, Patapsco River, and Curtis Creek. The image below depicts the FSK facility and all entry and exit points.



Motorists can enter the facility at the following entry points:

Northbound (NB)

- Point 1: I-695, North of Route 10 – Exit 2
- Point 6: Exit 2: Route 10
- Point 10: Exit 1: MD 173
- Point 11: Exit 44: Broening Highway
- Point 16: Exit 43: Bethlehem Boulevard/Peninsula Expressway

Southbound (SB)

- Point 17: I-695: North of Route 151 - Exit 42
- Point 14: Exit 43: Bethlehem Boulevard/Peninsula Expressway
- Point 11: Exit 44: Broening Highway
- Point 7: Exit 1: MD 173

Tolling Locations

The FSK facility includes three tolling locations, as indicated on the above map. These locations include I-695 Northbound (NB) and I-695 Southbound (SB), north of the Key Bridge, and Broening Highway/Service Road adjacent I-695. Since the opening of the FSK facility in 1977, tolls have been collected for all vehicles traversing these midpoint locations. The conversion to All-Electronic Tolling did not change the vehicle movements that are tolled.

The following vehicle movements are charged when traversing Bear Creek, Patapsco River, Curtis Creek, or a combination of these facilities.

I-695 vehicles NB that entered the highway:

- Prior to Exit 2 – Route 10;
- Exit 2 – Route 10;
- Exit 1 – MD 173; or
- Exit 44 – Broening Highway.

I-695 vehicles SB that entered the highway:

- Prior to Exit 42 – Route 151;
- Exit 42 – Route 151;
- Exit 43 – Bethlehem Boulevard/Peninsula Expressway; or
- Exit 44 – Broening Highway.

Certain vehicle movements that traverse the FSK Facility do not incur a toll (and have never incurred a toll). In the NB direction these vehicle movements include vehicles entering I-695 via Exits 43 – Bethlehem Boulevard/Peninsula Expressway and vehicles exiting I-695 via Exit 2 – Route 10 and Exit 1 – MD 173. In the SB direction these vehicle movements include vehicles entering I-695 via Exits 1 – MD 173 and Exit 2 – Route 10 and vehicles exiting I-695 via Exit 43 Bethlehem Boulevard.

Toll Payment Methods and Rates

Customers have the option to pay their tolls via three payment methods. These methods include *E-ZPass*[®], Pay-by-Plate, and Video Tolls. Additional information regarding these payment methods can be found at driveEZMD.com. Additional discounts and reduced toll rates are offered to Maryland *E-ZPass* customers.

The FSK Facility toll rates on I-695 (Tolling Locations A and B) are as follows:

| Vehicle Classification | Commuter Plan | Maryland <i>E-ZPass</i> | Non-Maryland <i>E-ZPass</i> and Pay-By-Plate | Video Toll Rates |
|------------------------|---------------|-------------------------|--|------------------|
| 2-axle | \$1.40 | \$3.00 | \$4.00 | \$6.00 |
| 3-axle | N/A | \$8.00 | \$8.00 | \$12.00 |
| 4-axle | N/A | \$12.00 | \$12.00 | \$18.00 |
| 5-axle | N/A | \$24.00 | \$24.00 | \$36.00 |
| 6-axle+ | N/A | \$30.00 | \$30.00 | \$45.00 |

The FSK toll rates at Broening Highway/Service Road (Tolling Location C) are reduced as follows for Maryland *E-ZPass* customers.

| Vehicle Classification | Maryland <i>E-ZPass</i> | Savings |
|------------------------|-------------------------|----------------|
| 3-axle | \$6.00 | \$2.00 or 25% |
| 4-axle | \$8.00 | \$4.00 or 33% |
| 5-axle | \$10.00 | \$14.00 or 58% |
| 6-axle+ | \$12.00 | \$18.00 or 60% |

In January 2016, the MDTA, in collaboration with the Maryland Motor Truck Association, implemented a toll rate discount for trucks with three or more axles when crossing Bear Creek and using Broening Highway without crossing the Key Bridge. The discounted truck toll rates equate to \$2.00 per axle, a discount of 25 percent to 60 percent from I-695 rates (Locations A and B) rate when crossing the Key Bridge¹.

For the period of July 1, 2022 to June 30, 2023, vehicles with three or more axles paid tolls totaling roughly \$965,000.

| Payment Method | Annual trips | Annual Tolls |
|-----------------------------------|--------------|--------------|
| <i>E-ZPass</i> (Maryland Account) | 15,600 | \$ 151,000 |
| <i>E-ZPass</i> (Non-Maryland) | 31,000 | 518,000 |
| Video Toll | 9,500 | 296,000 |
| Total | 56,100 | \$ 965,000 |

¹ The \$2.00 per axle discount is also offered at the Baltimore Harbor Tunnel (BHT) Childs Street, in which vehicles travel on BHT without going through the tunnel.

Maryland *E-ZPass* customers traversed the Bear Creek bridge and Broening Highway without crossing the Key Bridge 15,600 times and incurred tolls totaling \$151,000, resulting in a 56 percent discount totaling \$195,000 –a direct benefit to many local trucks that frequent the Port of Baltimore and Tradepoint Atlantic.

Maryland *E-ZPass* five or more axle customers are also eligible to receive additional savings through the post-usage and supplemental rebate programs. The post-usage rebate is an account-based discount calculated on the dollar amount of tolls paid on a business account per month. There is no limit on the number of transponders that can be assigned to this program. The supplemental rebate is a transponder-based discount calculated on the number of times a vehicle traverses a MDTA facility in a month . These rebate program discounts are not mutually exclusive².

| <u>Post Usage Rebate</u> | | <u>Supplemental Rebate</u> | |
|--------------------------|--------------------------|----------------------------|---------------|
| Rebate | Monthly Tolls | Rebate | Monthly Trips |
| 10% | \$150.00 to \$1,999.99 | 10% | 60 to 79 |
| 15% | \$2,000.00 to \$7,499.99 | 15% | 80 to 99 |
| 20% | \$7,500 or more | 20% | 100 or more |

Trip Construction Option

An alternative to the current tolling structure along the FSK facility is to implement trip construction (*e.g.*, the Intercounty Connector). As shown in the exhibit below, the estimated toll would range from \$1.00 for customers that only cross the Bear Creek facility to \$4.00 for customers that cross the Bear Creek, Key Bridge, and Curtis Creek facilities. Under this scenario, of the approximately 307,000 customers that use the FSK facility annually, it is estimated that 27 percent of customers would experience a toll increase, 28 percent of customers would experience a toll decrease, 40 percent of customers would experience no change from the current toll rate, and 5 percent would choose not to travel the facility.

| Facility | Proposed Toll | Annual Customers |
|-------------------|---------------|------------------|
| Bear Creek Only | \$1.00 | 1,900 |
| Key Bridge Only | \$1.70 | 7,900 |
| Curtis Creek Only | \$1.30 | 81,000 |
| Bear + Curtis | \$2.70 | 47,000 |
| Key + Curtis | \$3.00 | 29,400 |
| Through Trip | \$4.00 | 123,800 |

² Intercounty Connector (ICC - MD 200) and I-95 Express Toll Lanes (ETL) are congestion priced facilities and as such are not eligible for program discounts.

Customer Concerns When Accessing the Port of Baltimore and Broening Highway

The primary concern conveyed by customers is the belief that a toll should not be charged when a customer does not traverse the Key Bridge (Patapsco River). One option to address this concern is continued education about the footprint of the entire FSK facility, trust agreement obligations, costs to maintain the facility, and discount programs available.

FSK Footprint

To expand on the information regarding the entire FSK Facility presented above, the MDTA is responsible for the entire 10.9-mile facility, which includes 22 bridges in addition to the Key Bridge, 7 small structures, 167 ancillary structures, and 40 lane miles of highway (including 1.5 lane miles of Broening Highway), all of which must be maintained exclusively by toll dollars.

Trust Agreement

The MDTA's Trust Agreement with its bondholders requires the MDTA collect a toll for the use of its bridges, causeways, approaches, entrance plazas, interchanges, service facilities, and toll stations, all of which are defined as part of the Transportation Facilities Project under Section 4-101(h)(1) of the Transportation Article. If the MDTA does not collect tolls, it is depriving bondholders of a property interest in those revenues that were previously collected.

Costs

Over the past five years, approximately \$38 million has been spent on maintenance, repair, and inspection of the northern section of the Key Bridge facility. Within the next few years, major projects totaling between \$60 million and \$70 million are required to maintain the northern section in a state of good repair. On October 26, 2023, the MDTA Board approved a \$33.2 million contract for the I-695 Repairs and Rehabilitation project at Sparrows Point near Bear Creek in Baltimore County. Expected to begin major construction early in 2024, this system preservation project is necessary to address significant settlement of I-695 that has occurred since it was widened to a multi-lane, median-divided highway in the 1990s. Additional work will be completed to rehabilitate and enhance the safety of I-695 in this area. This project is in addition to the expenditures for maintenance, repair, and inspections of the northern section of the FSK facility.

Reduced Toll Options and Discount Programs

In an effort to reduce ITOLS, or image tolls, (tolling based upon the axle count of a vehicle and license plate match to an *E-ZPass* account), the MDTA's *E-ZPass* Operations often engage with businesses with large fleets to educate them on ITOLS and the benefits of having a Maryland *E-ZPass*. This is important to help travelers receive the best toll rates from their *E-ZPass* account, as ITOLS do not receive the discount. In 2019, the MDTA distributed informational flyers about the commercial vehicle discount program to those using the Broening Highway turnaround. Additionally, MDTA's *E-ZPass* Customer Service Division is staffed with experienced Customer Service Representatives who are available to work with both individual commercial vehicle drivers and commercial vehicle companies to educate them on how the FSK Commercial Vehicle Turnaround discount works with an *E-ZPass* Maryland account.

Educational efforts also include the impact trucks have on transportation infrastructure compared to passenger vehicles. Truck traffic is a major contributor to the cost of maintaining the MDTA's bridges, structures, and highway lane miles. According to the U.S. Government Accountability Office, a five-axle tractor-trailer loaded to 80,000 lbs., which is the federal limit, has the same impact on an interstate highway as 9,600 automobiles. As truck axle weights increase, pavement damage increases at an even faster rate. For example, while a truck axle carrying 18,000 lbs. is only 9 times heavier than a 2,000-pound automobile axle, it does 5,000 times more damage.

Federal Grant to Study an Interchange at I-695 and Exit 44 (Broening Highway)

The MDTA has been supportive of local efforts to study the feasibility of an interchange at I-695 and Exit 44 (Broening Highway). In 2022, Baltimore County was awarded a \$1 million federal earmark to study a full interchange at I-695 and Exit 44 (Broening Highway). These federal funds are to support launching the initial planning of a full interchange at I-695 and Exit 44.

In requesting the earmark, Baltimore County said it would partner with the State Highway Administration to complete the planning stage, which will identify additional state and federal project income sources. MDTA participated in Baltimore County's kick off meeting on February 23, 2023, and will provide data for the study when needed and requested by either Baltimore County or the State Highway Administration.

Conclusion

All travelers are being assessed for the appropriate tolls based on vehicle classifications and entry and exit points. As noted in the report, the MDTA is responsible for maintaining the entire footprint of the FSK facility with toll dollars – not just the FSK Bridge. To date, several reduced toll rates and discount programs have been implemented to assist local businesses and Maryland customers. The MDTA has and will continue to support efforts to educate the local community and businesses on its trust agreement obligations, costs to maintain the facility, and discount programs available.

TAB 9

VERBAL

TAB 10

VERBAL

TAB 11

CLOSED SESSION

TAB 12

CLOSED SESSION