



Purple Line Light Rail P3 Project

NASTO Presentation

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Actions Leading up to the Purple Line P3

- In 2013, Maryland enacted a new P3 law with Purple Line in mind
 - Factors considered in MTA's P3 decision:
 1. Purple Line is self-contained and isolated from existing MTA operations
 2. Appropriate size for concessionaires to bid
 3. Enough complexity for innovation
 4. Reasonable risk allocation
 5. Potential value for money
- In November 2013, MTA initiated a P3 procurement for the Purple Line, shortlisting 4 of the 6 teams responding to the RFQ

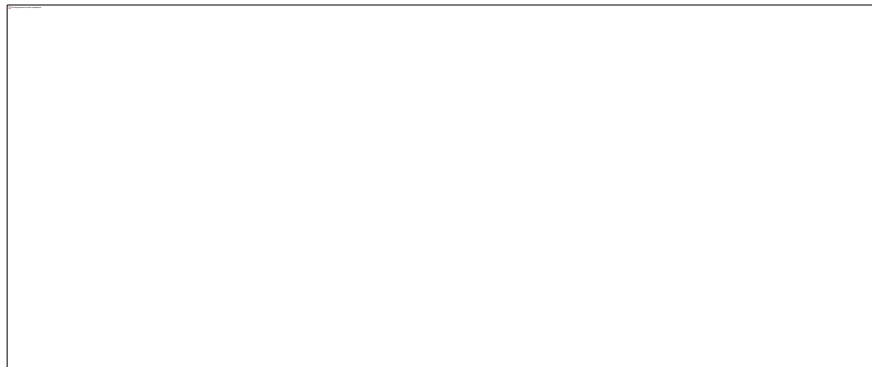
Recap of Recent Purple Line P3 Events

- All four of the shortlisted bidding teams submitted P3 proposals in November 2015.
- Governor Hogan announced Purple Line Transit Partners (PLTP) is the selected proposer in March 2016.
- MTA and PLTP achieved Commercial Close in April 2016.
- Financial Close is expected to occur in June 2016
- FTA Full Funding Grant Agreement is expected to be finalized this summer.

3

Project Description

- 16.2 mile east-west light rail line between Bethesda in Montgomery County and New Carrollton in Prince George's County
- Operates mostly on the surface with 21 stations



4

Connecting Maryland's Transit Systems

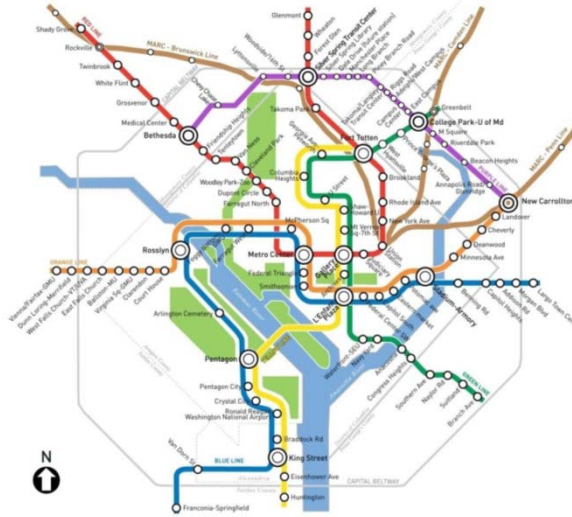
Links with Metro at:

- Red Line at Bethesda
- Red Line at Silver Spring
- Green Line at College Park
- Orange Line at New Carrollton

Connects to all three MARC lines.

Connects to Amtrak Northeast Corridor at New Carrollton.

Links up with regional and local bus services.



Project Characteristics

- 59,500 daily riders in 2022 when the Purple Line is up and running for passenger service and more than 74,000 daily riders in 2040.
- Trains will arrive every 7.5 minutes during peak periods and 10-15 minutes off-peak.
- Approximately 30% of riders will use Metrorail or MARC for a portion of their trips.
- End-to-end travel time is just over an hour; majority of riders will take shorter trips.

Project Benefits

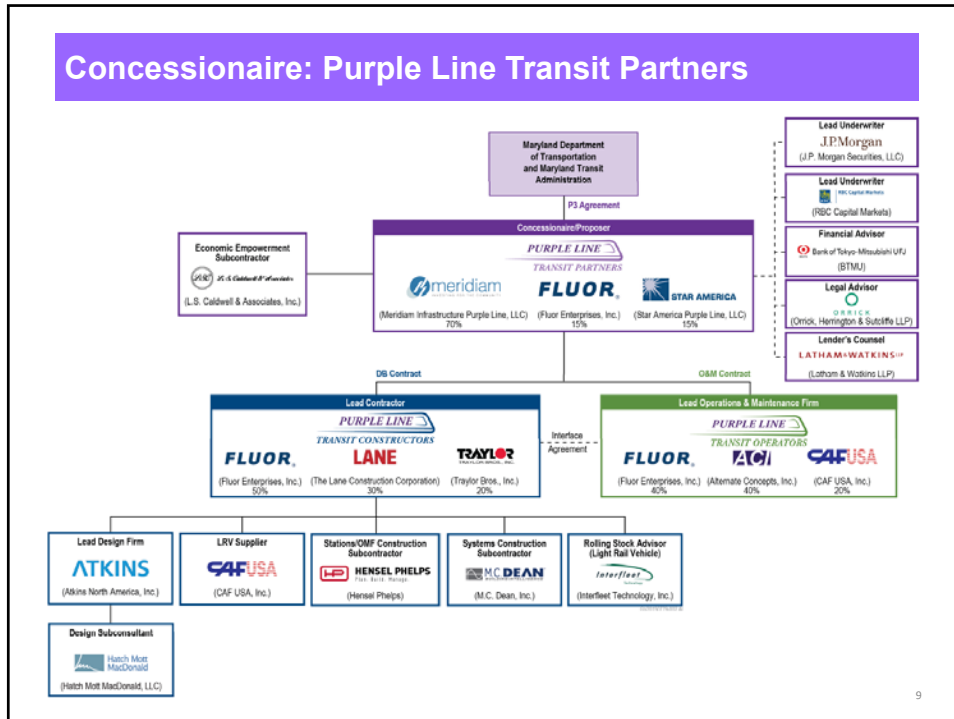
- The project will generate more than 23,000 jobs during the 5 ½ year design and construction period.
- Disadvantaged Business Enterprise (DBE) project goals are 26% for design services and 22% for construction services.
- At least 33% of construction work will be performed by workers of social and economic disadvantage.

7

Purple Line P3 Basics

- **Combines the design, construction, financing, operations and maintenance into one umbrella contract**
- 6 year design/construction + 30 year O&M period
- Shares risk between MTA and the Concessionaire
- Allows the Concessionaire to manage costs and innovate to mitigate risk and earn return on investment
- Based on performance standards, not detailed specifications
- Payments are tied to construction, financing, capital renewal and operating performance
- 30-year handback standards protect long-term public interest

8



- ### How Does the Concessionaire Get Paid?
- **Construction progress payments**
 - MTA will pay the concessionaire \$990 million of the \$1.99 billion construction cost
 - Concessionaire will finance the remaining \$1 billion

 - **Availability Payments**
 - Monthly payments to the concessionaire once the project opens; based on the “availability” of the project at a certain level of performance
 - The concessionaire uses these funds to repay financing as well as fund ongoing operating, maintenance, insurance, and capital renewal costs over the 30 years
- 10

The P3 Contract Provides Strong Incentives and Accountability

- A few examples:
 - Availability Payments are a fixed price (tied to inflation)
 - Cost overruns are the concessionaire's risk
 - Vehicle or infrastructure failures are entirely the concessionaire's cost to fix
 - Concessionaire forfeits Availability Payments if it is late in opening the project for revenue service
 - Up to 100% of the monthly Availability Payment can be deducted for poor operating performance*
 - Largest factor is on-time performance of trains
 - Deductions also possible for other issues (e.g., \$40K deduction if elevator availability is only 97%)
 - Contract can be terminated (resulting in equity and debt lender losses) if there is sustained poor performance

11

*Excluding Insurance and Capital Renewal payments

PLTP – World Class Team With Strong P3 Experience

- Long term investor who:
 - Intends to stay invested over entire life of the contract.
 - Embraces the Owner's goals and objectives of safety and performance.
- Relevant projects include:
 - I-495/I-95 Express Lanes P3 in Virginia (Fluor/Lane)
 - Eagle P3 Commuter Rail project in Denver (Fluor/ACI)
- Safety culture:
 - Key PLTP firms all have accident rates below industry averages.
 - Proposed community and passenger safety program exceeds minimum requirements.
- Emphasis on partnering:
 - Co-location with Owner for over-the-shoulder design reviews and quality assurance.

12

CAF Light Rail Vehicle



Exterior Purple Line LRV Rendering (based on Houston LRV design)

General Characteristics of The Proposed LRV

- Modern spacious design
- 80% low floor
- Service-proven design
- Bi-directional operability
- 80 seats (including 40 flip-downs)
- Open floor design in low floor area
- 1500 V supply to reduce system energy consumption
- Modular and easier to maintain

13

Light Rail Vehicle Interior



Interior Rendering 1



Interior Rendering 2



Interior Rendering 3



Interior Rendering 4

14

Light Rail Vehicle Interior (Cont.)



Glenridge Operations and Maintenance Facility

- Serves as the primary Operations and Maintenance (OMF) facility for the Purple Line
 - Includes the Operations Control Center (OCC)
- LEED Silver facility



Next Steps

- Financial Close – June 2, 2016
- FTA Full Funding Grant Agreement – Summer 2016
- Commence Construction – Late 2016
- Begin Revenue Service – Spring 2022