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.

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
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.

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**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
Concessionaire: Purple Line Transit Partners

- 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
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

*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.
CAF Light Rail Vehicle

Exterior Purple Line LRV Rendering (Based on Mexico LRV Design)

General Characteristics of the Proposed LRV

- Modern spacious design
- 100% low floor
- Service-oriented design
- Bi-directional operability
- 50 seats (including 40 flip-downs)
- Open floor design in low-floor area
- 500 V supply to reduce system energy consumption
- Modular and easier to maintain

Light Rail Vehicle Interior

Interior Rendering 1

Interior Rendering 2

Interior Rendering 3

Interior Rendering 4
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