

**MARYLAND TRANSPORTATION AUTHORITY
MONTHLY CAPITAL COMMITTEE MEETING
THURSDAY, OCTOBER 2, 2014
PT. BREEZE HEADQUARTERS BUILDING
BALTIMORE, MD**

OPEN SESSION

MEMBERS ATTENDING: Rev. Dr. William C. Calhoun, Sr.
William K. Hellmann, P.E.
Michael J. Whitson

STAFF ATTENDING: Bruce Gartner
Deb Sharpless
Doug Hutcheson
Dan Williams
Derek Jones
Dave Ferrara
Dennis Simpson
Melissa Williams
Patrick Fleming
Bob Farley
David Greene
Aarion Franklin
Percy Dangerfield
Paul Trentalance
Constantine Hagepanos
Will Pines
Jay Ayd
Chuck Markakis
Chris Limon
Steve Gwiazdowski
Cathy Pope
Donna DiCerbo
Meshelle Howard
Cheryl Sparks
Kimberly Millender, Esquire
Chris Thompson

OTHERS ATTENDING: Liz Sogard, Consultant, Transtech

At 9:10 a.m. the meeting of the Maryland Transportation Authority (MDTA) Capital Committee was called to order by Chairman Calhoun.

APPROVAL- OPEN SESSION MINUTES OF SEPTEMBER 4, 2014

Upon motion by Mr. Whitson and seconded by Mr. Hellmann, the Open Session meeting minutes of the Capital Committee's Meeting held on September 4, 2014 were unanimously approved.

APPROVAL CONTRACTS

Contract No. BB-2763-000-001/6 – Bay Bridge Priority Structural Repairs and Miscellaneous Modifications

Mr. Dan Williams presented this request to seek a recommended approval from the Capital Committee to present Contract No. BB-2763-000-001/6, Bay Bridge Priority Structural Repairs and Miscellaneous Modifications, to the MDTA Board at its next scheduled meeting.

This contract consists of three types of repairs: Priority Repair Unit 1, Priority Repair Unit 2, and On-Call. The Unit 1 repairs are high priority structural repairs and the Unit 2 repairs are priority structural repairs. Both the Unit 1 and Unit 2 repairs involve structural steel and concrete repairs on the Bay Bridge.

The On-Call portion of the contract includes providing labor, equipment, materials, etc. necessary to perform miscellaneous structural and other types of repairs, upgrades, replacements, and new construction as directed by the Engineer. These repairs may be performed on the twin structures, as well as the WPL facility, which includes the toll plaza, sign structures, gantries, etc. Such repairs will include the following, but are not limited to:

- 1) Repair and replacement of piers, pier caps, pedestals, abutments, and barriers.
- 2) Jacking bridge steel beams and other superstructure components under traffic and restoring bearings on piers and abutments.
- 3) Repair or replace beams, girders, and other structural members via plating and other structural methods.
- 4) Repair or replace damaged bridge fender systems and/or dolphins.
- 5) Repair cracks in structural steel and/or welds of bridge beams/girders including cleaning and painting of the structural steel as required.
- 6) Destructive and non-destructive testing as necessary to determine existing condition of structures.
- 7) Repair or replace concrete at bridge abutments and pier caps as well as concrete repairs to slope protections at abutments.
- 8) Repair or replace damaged toll booths, canopies, and concrete toll islands.
- 9) Fabricate and Install Bridge Hangers.
- 10) Miscellaneous repairs, enhancements and modifications, which may be security related or potentially emergency related.
- 11) Construction, repair, retrofit, or replacement of concrete bridge barriers.
- 12) Construction, repair, or replacement of concrete bridge deck repairs.

- 13) Repair piers in water and install pile protective devices.
- 14) Placement of riprap, grout filled bag, and other methods of scour protection.
- 15) Providing access for in-depth inspections of facility components, including, but not limited to suspension cables, suspender ropes, truss members, other superstructure and substructure elements, etc.
- 16) Repair of suspension cables, cable wrappings, suspender ropes, and other cable components.
- 17) Cleaning and painting of various components not incidental to structural repairs.
- 18) Installation, repair, and maintenance of various electronic systems and instrumentation such as acoustic monitoring devices, strain gages, and testing equipment for load tests.
- 19) Construction, repair, or upgrade to various highway components including roadway, signs, sign structures, lights, light poles, guardrails, impact attenuators, travel plazas, parking lots, etc.
- 20) Scheduled general maintenance and greasing of mechanical components as directed by the Engineer.
- 21) Construction, fabrication, repair, replacement, or installation of toll gantry structural components.
- 22) Drainage system repairs and replacement, including joint seals, troughs, drop inlets, pipes and culverts, under drains, scuppers, downspouts, etc.
- 23) Subsurface investigations and foundation work.
- 24) Other repairs throughout the WPL Facility may be required and will be as directed by the Engineer.

To ensure the expeditious repair of the highest priority Unit 1 repairs, the contract includes a \$2,500 per day incentive/disincentive provision for the completion of these specific items within 365 days from NTP. The maximum incentive the contractor can earn is capped at \$100,000 while the maximum disincentive the contractor can be assessed has no limitations. The overall contract duration is 1095 calendar days.

An allowance of \$625,000 was included in the IFB for materials for structural on-call repairs, specialized equipment and specialized contractors for on-call repairs. These items will only be used if necessary and will not be used without prior approval of the Engineer.

This project was advertised on June 12, 2014. Bids were received on August 7, 2014 and the bid results were as follows:

Contractor	Bid Amount	% Variance To Eng. Est.
M.D. Miller Inc. (The Marksmen, Co.)	\$14,727,324	3.19%
Marine Technologies, Inc.	\$15,440,424	8.19%
Blastech Enterprises, Inc.	\$15,745,350	10.33%

Brawner Builders, Inc.	\$18,930,850	32.65%
Kiewit Infrastructures, Co.	\$20,460,000	43.36%

The Engineer's Estimate is \$14,271,650. It was noted that the low bid was 3.19% higher than the Engineer's Estimate. This company has performed work on prior MDTA projects. An analysis of the bid compared to the Engineer's Estimate was performed by the Division of Engineering and the low bid submitted by M.D. Miller Inc. (The Marksmen, Co.), was determined to be acceptable. This project was advertised with a Minority Business Enterprise (MBE) participation goal of Twenty Nine Percent (29%) with sub-goals of Seven Percent (7%) for African American-owned companies and Four Percent (4%) for Asian American-owned companies; and a One Percent (1.0%) Veteran-owned Small Business Enterprise (VSBE) participation goal. M.D. Miller Inc. (The Marksmen Co.) submitted MBE and VSBE plans that meet the goals. Notice-to-Proceed (NTP) for this Contract is anticipated in November, 2014.

After reviewing and discussing the differences between the Engineer's Estimate and the bid submitted by the recommended Contractor, upon a motion by Mr. Whitson and seconded by Mr. Hellmann, the Members unanimously recommended approval of this contract by the MDTA Board at its next scheduled meeting.

I-95 TRAVEL PLAZAS PUBLIC PRIVATE PARTNERSHIP MARYLAND HOUSE AND CHESAPEAKE HOUSE REDEVELOPMENT

Mr. Bruce Gartner present this item to seek recommended approval from the Capital Committee to recommend to the MDTA Board at its next meeting to proceed with a negotiated settlement offer with Areas USA ("Areas") in relation to work done as part of the Travel Plazas Lease and Concession Agreement ("Agreement") and to delegate authority to the Executive Director to finalize and execute documents for the settlement of claims for additional work for the waterline connection, and contaminated soil removal costs at the Maryland House.

Areas has presented a request for consideration of a total \$1,909,862 that includes additional costs for work related to the installation of a new Water Line required for the Maryland House in the amount of \$1,305,891.00 and for additional costs for work related to removal of contaminated soil required for redevelopment at the Maryland House in the amount of \$603,971.00.

Staff has requested and reviewed the documents and additional information provided by Areas to consider the circumstances that led to the Maryland House Additional/Unforeseen Waterline Connection Costs and the challenges that were presented regarding the contaminated soil removal. A letter was sent to Areas offering a full and final settlement in the amount of \$1,476,223.29, which represents \$1,044,712.80 for the new Water Line and \$431,510.49 for the contaminated soil removal.

For comparison, the total amount of rent credits that are associated with additional work items represents 7.6% (\$4.3M) of the total construction cost (\$56M) of the I-95 Travel Plazas project.

Areas request for consideration of additional costs related to the installation of a new Water Line required for the Maryland House.

BACKGROUND

The Lease and Concession Agreement as part of the Mandatory Work as listed in the Request for Proposals required the new concessionaire to design and construct a waterline for connecting the Maryland House Travel Plaza to Harford County's water distribution system located on Burnt Hill Trail. The Concessionaire was to keep the water main from the City of Aberdeen open during construction to provide a source of water to the Site until the new water main from Harford County was constructed. MDTA had identified a new water line alignment and was to acquire two easements for the proposed water line for the new concessionaire to construct a new water line for the Maryland House. One easement was obtained and recorded. Due to concerns by the owner (Hollywood Partners LLC) of the second easement and the potential impact of a planned development in Harford County, the second easement was never obtained.

Because of issues with the initial alignment, Areas subsequently proposed a new water line alignment to Harford County's water distribution system located on English Ivy Way and proceeded with the design for that alignment and plats for obtaining easements. MDTA met with the City of Aberdeen regarding use of the existing water line until the new water line to Harford County was completed. At that time, the City of Aberdeen informed MDTA that the Maryland House Plaza could permanently remain on the City of Aberdeen water system. As a result of this information Areas decided to remain on the City of Aberdeen water system. Areas was aware of the condition of the existing line, since there had been a couple of breaks to the line in the I-95 median during the construction of the Maryland House that had to be repaired. Areas initially thought that they could re-line the existing pipe to make it "like new". After further investigation into this option, it was determined that the pipe was in too bad of a condition to "successfully" perform a relining operation; therefore, Areas decided to replace the 8" steel line with a 6" High Density Polyethylene (HDPE) Pressure Pipe.

Areas requested \$1,305,891.00, which represents the difference between the actual amount spent by Areas to construct the Waterline to the City of Aberdeen, and the estimated budget originally proposed to construct the line to Harford County.

ACTIONS TAKEN

- MDTA staff has discussed the compensation request from Areas and has requested and received additional documentation.
- MDTA also prepared an engineer's estimate to establish a reasonable cost for the work performed.

- MDTA staff have considered Areas' total claim of \$1,305,891.00 and recommends a settlement be approved in the amount of \$1,044,712.80

Areas request for consideration of additional costs related to removal of contaminated soil required for redevelopment at the Maryland House

BACKGROUND

The Lease and Concession Agreement as part of the Mandatory Work as listed in the Request for Proposals required the new concessionaire to remove and transport off-site all excavated petroleum impacted soil and material that exceed the regulatory standards. If the excavated petroleum impacted material that must be transported off site for disposal at a permitted facility exceeds a combined total at both sites of 10,000 cubic yards, the MDTA shall pay the additional loading, transportation, disposal costs and replacement backfill. MDTA agreed to pay \$80.00 per cubic yard for "additional removal of petroleum-impacted soils" for any soils removed over the 10,000 cubic yard total. (The \$80.00 represented the price bid by Areas in its proposal for this item.) The payment for "additional removal" is to be deducted from the monthly revenue payments. In addition, Areas requested \$616,000.00 for costs related to removal of additional contaminated soils above the quantity estimated for removal in the RFP. Areas provided additional information concerning the removal of additional contaminated soil including information regarding the boulders that needed to be handled at the Maryland House site.

ACTIONS TAKEN

- MDTA staff reviewed the request and determined that a significant amount of relevant information was available on the geological conditions at the Maryland House and was provided in the RFP reference documents. While the geotechnical report provided in the reference documents indicated concerns about rock, boulders and clayey soil which would have to be aerated to make for suitable backfill, there was no way for either MDTA or Areas to know the exact make up of the material that would need to be removed.
- Since completion of the Maryland House, MDTA staff has noted the somewhat unique circumstances surrounding the Contaminated Soil Removal that Areas presented, and the challenges faced with the contaminated soil removal resulting in additional / unforeseen contaminated soil removal costs, and recommends a settlement be approved in the amount of \$431,510.49.

RECOMENDATION

On September 25, 2014, Areas accepted the proposed settlement; therefore management is recommending submission to the MDTA Board for approval to delegate authority to the Executive Director to finalize and execute documents for the settlement

of claims for additional work for the waterline connection, and contaminated soil removal costs at the Maryland House.

Upon motion by Mr. Hellmann and seconded by Mr. Whitson, the Members unanimously recommended approval to the MDTA Board at its next regularly scheduled meeting to proceed with approval of the settlement offer with Areas USA ("Areas") in relation to work done as part of the Travel Plazas Lease and Concession Agreement ("Agreement") and to delegate authority to the Executive Director to finalize and execute documents for the settlement of claims for additional work for the waterline connection, and contaminated soil removal costs at the Maryland House.

TRUCK DISCOUNT PROGRAM – I-895/CHILDS STREET AND MD 695 NORTHBOUND TURNAROUND

Mr. Dennis Simpson presented this request to seek recommended approval to the MDTA Board to proceed with implementing a discount program for trucks using the Childs Street Ramps on I-895 and the turnaround to MD 695 Northbound. This item will be presented to the Finance Committee for recommended approval and the MDTA Board for approval on October 14 and October 23, respectively.

The MDTA has had preliminary discussions with the Maryland Motor Truck Association and the communities near Baltimore Harbor Tunnel Thruway regarding the potential for a discount for trucks that enter or exit I-895 at Childs Street without ever using the tunnel. In addition, MDTA staff recognized there was a similar issue at the Francis Scott Key Bridge where vehicles enter MD 695 to travel northbound and never use the Francis Scott Key Bridge.

I-895/Child Street

The Childs Street ramps provide access to I-895 to and forth the south. The ramps are just north of the Baltimore Harbor Tunnel (BHT) toll plaza. Motorists who are heading northbound on I-895 and wish to access Childs Street currently pay the full toll as a function of vehicle and payment class. This is true of the reciprocal movement for motorists on Childs Street wishing to access I-895 southbound.

It is understood that currently a portion of trucks with origins and destinations in the industrial parks of Shoreline, Fairfield and Wagner's Point are avoiding Childs Street ramps to I-895 and the toll at BHT and accessing the expressway system from I-695 via the Pennington/Curtis Avenue and Ordnance corridor.

MD 695 Northbound Turnaround

Motorists accessing northbound MD 695 from Broening Highway travel through the rightmost cash toll lane in the southbound direction of the FSK toll plaza and collect a voucher. This voucher allows motorists to access service road #3 and make a U-turn and pass through the northbound toll plaza without paying a second toll. The opposite

movement is conducted the same way for motorists on MD 695 from the north accessing Broening Highway.

It is anticipated that with the expansion of the Panama Canal truck traffic wishing to make this movement could increase. With this in mind, the Maryland Port Administration (MPA) has a project to add a new exit from the Port that will support this movement. The MDTA also recently completed a project to upgrade service road #3 to accommodate oversized loads from the Port.

ANALYSIS

I-895/Childs Street

MDTA staff analyzed the traffic and toll revenue by vehicle and payment class at the BHT toll plaza from motorists to and from Childs Street under multiple alternative discounted toll schedules to determine if there is an applicable toll schedule that may maintain toll revenue and reduce diverting truck traffic. The alternative which had the least impact on toll revenue was to reduce the toll for these movements to \$2 per axle. This toll rate will reduce toll revenue as compared to today's annual toll revenue by \$983,310.

MD 695 Northbound Turnaround

MDTA staff analyzed the traffic and toll revenue impact of discounting toll rates for vehicles making this movement. It is anticipated that the lowering of tolls could induce traffic that currently accesses points north via roadways other than MD 695 at the FSK toll plaza to move to this turnaround option. The alternative which had the least impact on toll revenue was to reduce the toll for this movement to \$2 per axle. This toll rate will reduce annual toll revenue as compared to today's annual toll revenue by \$23,191.

Overall Results

This proposed toll discount for both the I-895/Childs Street and MD 695 Northbound Turnaround will benefit truckers and the communities impacted by trucks who avoid using the toll roads. Map showing the communities impacted by trucks that could use these movements are attached. The MDTA has significantly increased tolls for trucks in the past several years. Given the importance of freight movement to the State and regional economy, we recommend that the MDTA take this proactive step to encourage industrial and port related activity where truck movements will not have an impact on our signature structures, i.e. the Baltimore Harbor Tunnel and the Francis Scott Key Bridge. Also, this toll reduction will move some trucks out of residential areas and back onto the freeway system. This is a win for both truckers and the communities impacted by truckers who use residential streets to avoid the full toll for these movements.

The proposed toll rate of \$2 per axle will not reduce the toll for 2-axle vehicles. 2 axle vehicles will continue to pay \$4 to make these movements.

RECOMMENDATION

This toll reduction would not require any public involvement/public hearings. However, we are recommending that for transparency sake that we hold public hearings on this proposal in Baltimore City and Baltimore County in Spring 2015. Also, the provisions of *Transp. Art., §4-312(c) (4)* would still be applicable, and the MDTA would be required to provide information to the Senate Budget and Taxation Committee, Senate Finance Committee, House Appropriations Committee, and House Ways and Means Committee on the proposed changes.

Therefore, we are seeking your recommended approval to present this proposed truck toll discount plan to the MDTA Board for approval to proceed with implementation at its October 23, 2014 meeting.

Upon motion by Mr. Whitson and seconded by Mr. Hellmann, the Members unanimously recommended approval to the MDTA Board at its next regularly scheduled meeting to proceed with implementing a discount program for trucks using the Childs Street Ramps on I-895 and the turnaround to MD 695 Northbound.

CONVERT EXPIRED LEASES AND PERMITS TO AIR SPACE LEASES FOR PROPERTIES UNDER I-95, I-395 AND I-895

Mr. Dennis Simpson and Ms Cathy Beasley Pope presented this request to seek recommended approval from the Capital Committee to the MDTA Board to proceed with implementation of new air space leases for all current tenants under I-95, I-395 and I-895. MDTA staff is also seeking your recommended approval to delegate the authority to execute these leases to the Executive Director. This action would bring the current use of land into compliance with Federal Highway Administration requirements. This item will also be presented for approval to the Finance Committee and to the MDTA Board on October 14, 2014 and October 23, 2014, respectively. This action also requires the approval of the Board of Public Works.

The fee simple ownership and responsibility for I-95 and I-395 within the City limits were transferred to the MDTA via deed in April 1996. The deed is registered in the Baltimore City Land Records, in Liber 5597/157. MDTA owns one parcel within the vicinity of I-895, which was not purchased with federal funding. However, MDTA is still subject to federal compliance because the property is part of an interstate.

As part of the transfer, the MDTA assumed the stewardship and management of land, columns, piers and subterranean footings, piles and restrictive covenants that apply to the properties being leased under I-95 and I-395. When the transfer took place in 1996, the majority of the leases were expired or under temporary month-to-month lease agreements. Although the tenants continued to pay temporary rental rates, they have maintained their lease compliance as required in the Federal Highway Administration's (FHWA) Airspace Guidelines (23 CFR 710.43-170.407).

Prior to 2005, the MDTA did not have a dedicated Real Estate staff. It has taken some time to research ownership of the property deeded to us by Baltimore City. The first time there were internal discussions about converting these expired leases to Airspace Leases at market value was in 2008, a decision was made to hold off. The Real Estate staff continued to receive pressure from FHWA to address this issue and FHWA threatened to audit the MDTA. Real Estate assured FHWA that we were working on the issue. Appraisals were ordered in 2013. Airspace appraisals are a unique type of appraisal and SHA did not have the experience to perform these types of appraisals. So these appraisals took additional time to complete. FHWA relayed concerns with how MDTA's leased parcels were being managed and requested that the Real Estate staff facilitate development of leases that comply with Federal requirements. We have the ability to negotiate the rent based on certain federal requirements and will likely be able to stagger these increases over the 5 year term of the new air space leases. It will be clear when presenting this information to the Board of Public Works (BPW) that we have the ability to negotiate these rents based on certain federal requirements. The basis for being able to consider reduced rent values are tied to social, economic or environmental benefits. If the rents are reduced from the fair market value, the information will be shared with the BPW.

We are seeking the recommended approval from the Capital Committee to the MDTA Board to proceed with implementation of new air space leases for all current tenants under I-95, I-395 and I-895. We are also seeking your recommended approval to the MDTA Board to delegate the authority to execute these leases to the Executive Director. This action would bring this current use of land into compliance with Federal Highway Administration requirements. This item will be presented for approval to the Finance Committee and MDTA Board on October 14, 2014 and October 23, 2014, respectively. This action also requires the approval of the BPW.

Upon motion by Mr. Hellmann and seconded by Mr. Whitson, the Members unanimously recommended approval to the MDTA Board at its next regularly scheduled meeting to proceed with implementation of new air space leases for all current tenants under I-95, I-395 and I-895. and approval to delegate the authority to execute these leases to the Executive Director. This action would bring the current use of land into compliance with Federal Highway Administration requirements.

INSPECTION PROGRAM FOR AIR SPACE LEASE PROPERTIES

Mr. Derek Jones briefed the Capital Committee on joint actions being taken by various divisions within the Maryland Transportation Authority (MDTA) to ensure the integrity of MDTA properties whose air space is being leased to third parties.

In light of a recent incident involving improper storage of bulk materials on an MDTA property being leased to a third party, the Divisions of Operations, Planning and Program Development, Engineering and Construction, Environment, Safety and Risk

Management, and Police recently met to define a plan to improve MDTA's stewardship of all of its properties whose air space is being leased to third parties.

The group determined that there were several actions which should be undertaken in the short term to begin an ongoing inspection program. Medium and longer term solutions were also identified as outlined below.

Short term:

1. The Real Estate Services Section of the Division of Planning and Program Development has been developing a complete list of properties which the MDTA owns that are leased/rented or where the MDTA has air rights. A map was provided showing the property locations. This map will be used by the Division of Operations and MDTA Police to identify locations which will be visited and inspected by Standard Operating Procedure. The current goal is to ensure that all areas are visited on a monthly basis. During these inspections, any changes or deteriorating conditions at any location will be documented and appropriate action will be taken by the MDTA to rectify the situation.
2. MDTA's Office of Environment, Safety and Risk Management will work with all departments to provide guidance on possible environmental or other safety related concerns which may arise as a part of these inspections.

Medium Term:

1. The Division of Engineering is working with the Real Estate Services Section to modify the language in all lease agreements to ensure they clearly state limitations designed to prevent structural or other damage to MDTA assets.
2. The engineering annual inspections will be modified to include thorough inspections of all sites as it relates to the impacts to the integrity of the structures which are above these properties.

Long term:

1. The MDTA Police Security Unit will use the results of the Real Estate Services study to determine possible sites where the installation of CCTV or other monitoring equipment may be appropriate. Appropriate actions will then be taken to generate projects to further study and implement the recommendations made by the MDTA Police Security Unit.

INFORMATION TECHNOLOGY (IT) INFRASTRUCTURE PROJECTS

Mr. Jay Ayd and Mr. Chris Limon briefed the Capital Committee on the progress of IT projects undertaken to provide for redundancy and resiliency in the IT infrastructure.

The Division of Information Technology has for the past two years planned, designed, built, and implemented hardware, software, and network solutions to provide for a redundant and resilient technology infrastructure. The projects have been challenging and successful to date.

The two projects are:

- Storage-area Network (SAN) reconfiguration/Server consolidation (IT Project #193)
- Horizon Infrastructure Project (IT Project #253)

Both projects were planned to be completed over a number of phases with each phase building on the previous phase. As part of these projects, MDTA now has two new computer facilities constructed for that purpose, new file storage and backup technology, a private cloud using virtual computing, an updated disaster recovery plan and program, and data center site replication.

Both projects have some phases that remain to be completed which will improve the process for data storage, allow for better record retention, elimination of file storage duplication, and better desktop and device management.

ETL PROJECT UPDATE

Mr. Dennis Simpson updated the Capital Committee on the issues and activities underway to support the opening of the I-95 Express Toll Lanes.

VIDEO TOLL AND CITATIONS PROJECT

Ms. Deb Sharpless updated the Capital Committee on the issues and activities underway to support the implementation of the video toll and citation process approved in HB420.

Ms. Sharpless provided details on the status of the associated activities and major issues for the video toll and citation process, including an update on court activities and implementation of referrals to MVA and CCU.

There being no further business, the meeting of the MDTA Capital Committee was adjourned by general consensus at 10:15 a.m. following a motion by Mr. Whitson and seconded by Mr. Hellmann.

The next meeting of the MDTA Capital Committee is scheduled for Thursday, November 6, 2014 at 9:00 a.m., at Point Breeze Headquarters, 2310 Broening Highway, Baltimore, Maryland.