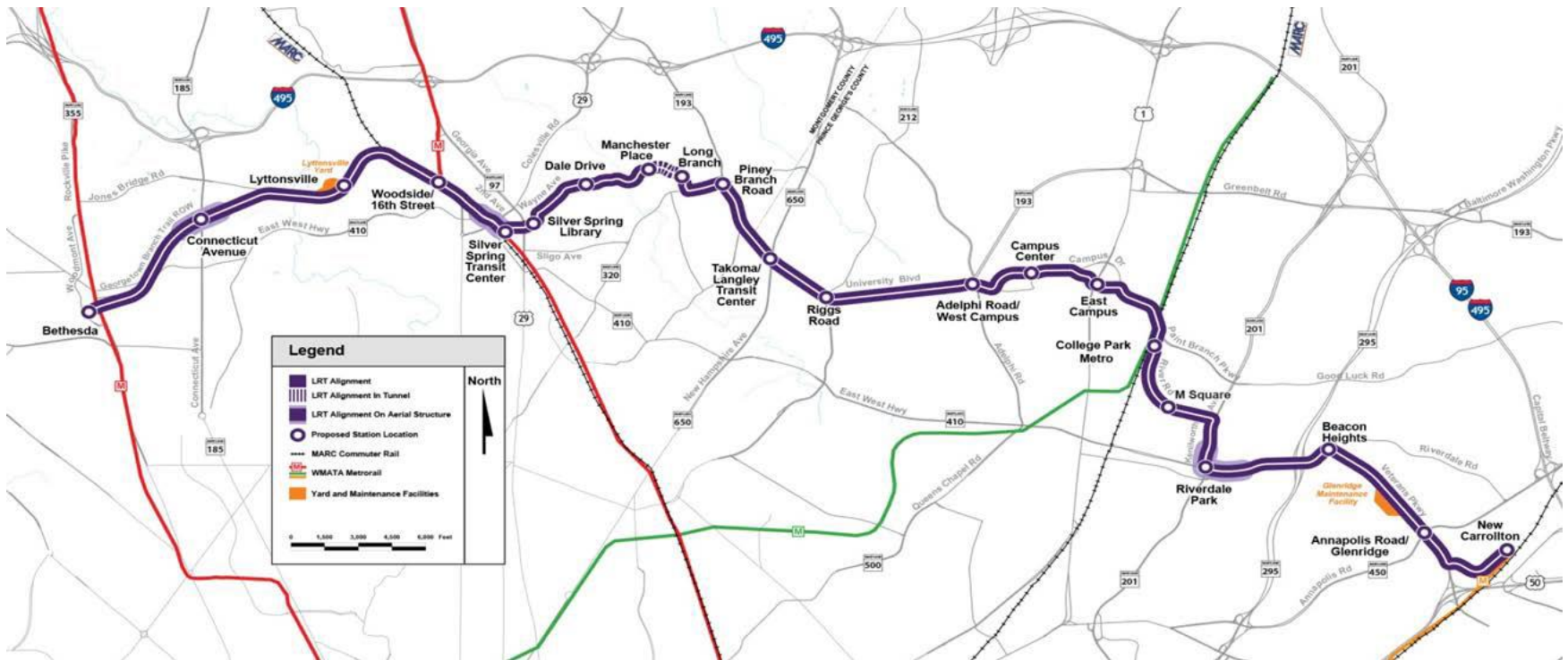


Purple Line Light Rail Transit Project

What is the Purple Line

- 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

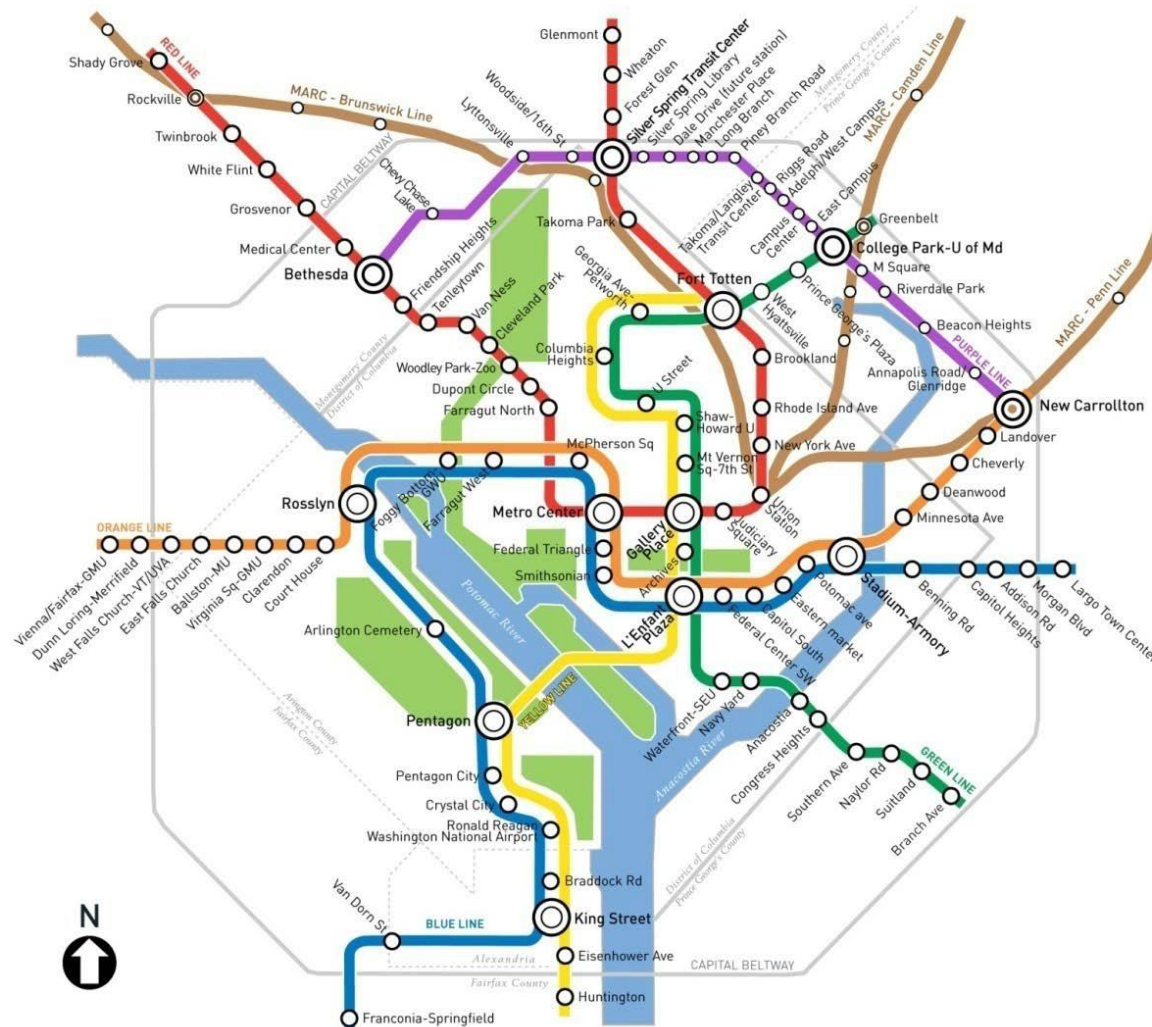
Links with Metro at:

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

Connects to all three MARC commuter rail lines.

Connects to Amtrak Northeast Corridor at New Carrollton.

Links up with regional and local bus services.



Project Characteristics

- The Purple Line is only the 2nd transit DBFOM in the U.S. The Denver Eagle project was the first; it open in April 2016.
- 59,500 daily riders in 2022 and more than 74,000 daily riders in 2040.
- Fare system & hours will be compatible with WMATA's system.

P3 Delivery and Financing

Overview of Purple Line Delivery Approach

Approach: Design-Build-Finance-Operate-Maintain (DBFOM) Public-Private Partnership (P3) Concession with Availability Payments (APs)

Design and Construction

- 6 Years
- Concessionaire responsible for:
 - Final design, construction of Purple Line and some 3rd party improvements, and financing the project (in part using public funding contributions)
- MDOT MTA (“Owner”) responsible for:
 - Right of way acquisition, public outreach, and quality assurance oversight

O&M and Capital Renewal

- 30 Years
- Concessionaire responsible for:
 - Operations, maintenance, and capital renewal/replacement; asset handback requirements at end of P3 term
- MDOT MTA (“Owner”) responsible for:
 - Fare policy, specification of minimum amount of service, ridership & fare revenue risk, electricity costs, and policing

Why a P3 Approach on Purple Line?

- Operational factors
 - Increase likelihood of consistently excellent, highly responsive service
 - Natural stand-alone asset
- Whole life-cycle planning and cost optimization
 - Provide greater incentive to make investment decisions that are optimized over life of asset
- Enhanced opportunities for innovation
- Schedule discipline
 - Create incentives for concessionaire to stay on its schedule
- Risk transfer
 - Help mitigate some of the key risks
 - Assigns long-term accountability for design & construction quality (effectively a 33 year warranty)

Who/What is a Concessionaire?

- Multiple companies combine into a consortium referred to as the “Concessionaire”
 - Investors
 - Design/Builder(s)
 - Operator/Maintainer(s)
 - Vehicle Supplier
- Concessionaire led by investors who are focused on optimizing its long-term performance, not on individual components of the project

P3 Contracting Structure



How Does the Concessionaire Get Paid?

Construction progress payments and milestone payments

- Payments made by the public agency for a portion of the project cost during design and construction
 - MTA will pay concessionaire \$990 million of its \$1.99 billion construction cost
 - Monthly progress payments made for up to 85% of “earned value”, subject to annual caps
 - 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

Total Purple Line Construction Program Funding & Financing Includes*

- \$900 million Federal transit “New Starts” grant
- \$875 million USDOT TIFIA loan to concessionaire
 - TIFIA’s first loan to a transit P3 concessionaire
- \$313 million short & long term tax-exempt Private Activity Bonds (PABs)
- \$138 million private equity investment
- State TTF & federal formula funding
- County Participation



Three different applications to different USDOT offices

** Includes short-term financing repaid with state funds, as well as financing not part of the FFGA New Starts project*

The Purple Line Project
Supports Private Development
&
Creates New Opportunities

CAF Light Rail Vehicle



- 1500 V Supply
- Modular Construction
- 80% Low Floor
- Bi-directional Operability
- 80 Seats (40 Flip down)

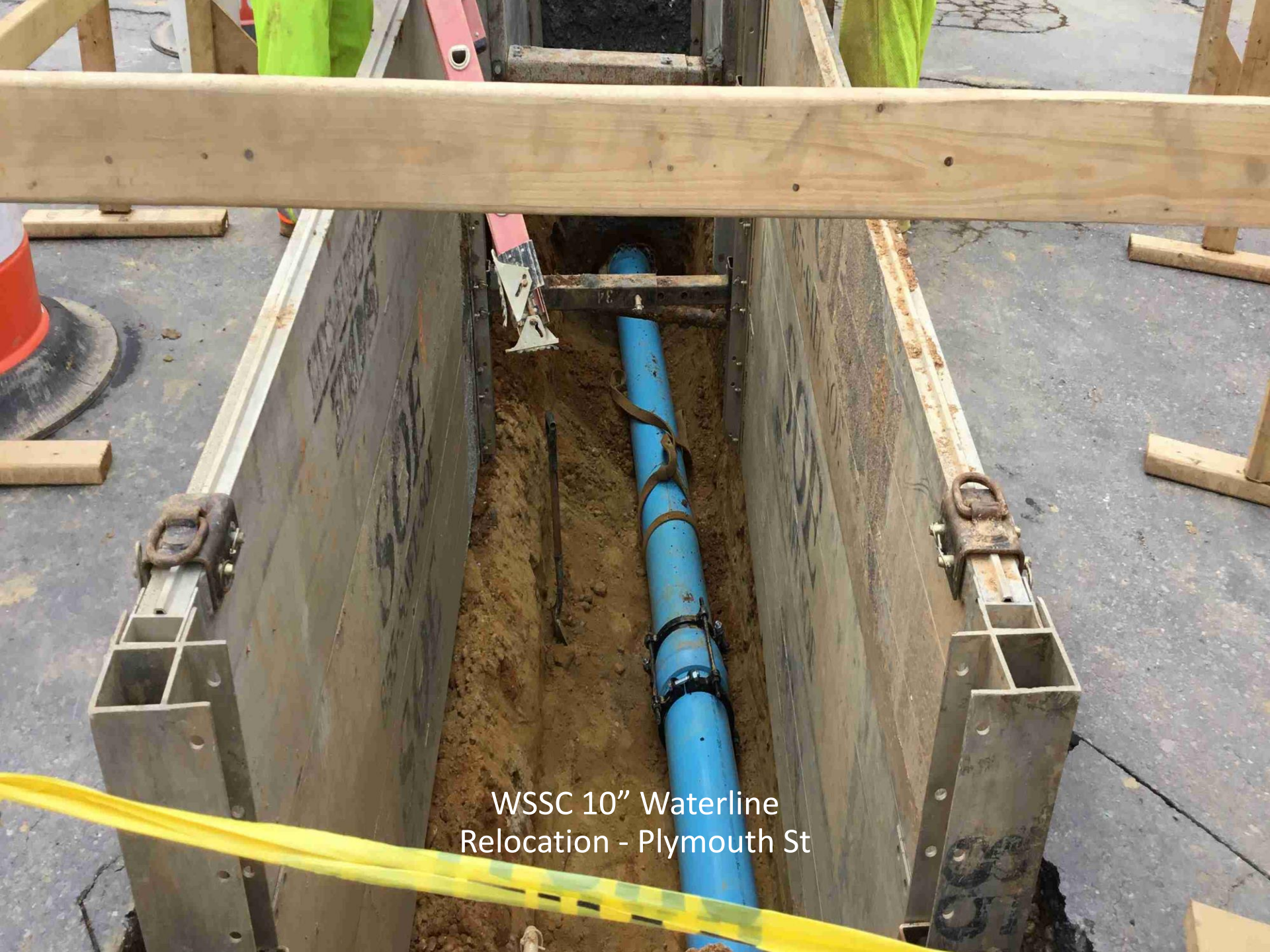




Demolition of Dulce Vida Bakery – Veteran's Parkway



Excavation for Gas Line Relocation – Plymouth Street



WSSC 10" Waterline
Relocation - Plymouth St



Overhead power line relocation on Plymouth



Sidewall Shotcrete – Plymouth Tunnel



Bench Hole Through – Plymouth Tunnel



Invert Slab Rebar Installation – Plymouth Tunnel



S17 Deck Placement— Lyttonsville Place





Temporary Bridge Decking – B-W Parkway NB





D-Line Wall Concrete Placement – Glenridge OMF



Benching and Site Preparation for SPL Wall 7-205 – Ellin Road



Charles Lattuca
Executive Director
Director of Finance and Project Delivery

