

## Frequently Asked Questions

- 1. What is a Public-Private Partnership (P3)?** A P3 is a method for delivering public infrastructure assets, such as highway improvements, with an agreement between the State and a private entity. The private entity would perform functions normally undertaken by the State which may include designing, building, financing, operating, and maintaining a transportation facility.
- 2. What are the reasons to enter a P3 agreement for congestion relief improvements on I-495 and I-270?** Entering a P3 agreement would provide new lanes for congestion relief sooner to the public. It would reduce or eliminate upfront design and construction costs to the State as the P3 developer would provide capital and financing. A P3 agreement would also allow the private sector to bring innovation to the design, construction, operation, and maintenance in the most cost efficient manner.
- 3. Is a P3 the same thing as privatization?** No. The State would retain ownership throughout the life of an P3 agreement.
- 4. Is a P3 a funding source?** No, user fees or tolls would be the funding source. A P3 would involve upfront private sector financing that would be repaid over the life of the agreement utilizing user fees or tolls.
- 5. What is the difference between a toll concession and using availability payments?** Under a toll concession, the private developer would receive compensation through tolls collected from the new lanes added. Under an availability payment structure, the private developer would receive periodic payments based on the availability of the new lanes at a specified performance level. While tolls would be utilized under either scenario, the main difference is the private developer assumes the financial risk under a toll concession whereas the State would assume the financial risk under an availability payment structure.
- 6. How are the upfront project development costs for a P3 agreement funded?** The upfront development costs for a P3 agreement are funded by the State through traditional funding sources.
- 7. Will new lanes added to I-495 or I-270 be tolled? What are the benefits of tolling any new lanes?** Only new lanes added to I-495 or I-270 would be tolled. Tolling would allow these congestion relief improvements to be delivered significantly sooner than if traditional financing was pursued from the Transportation Trust Fund. Another benefit is that only those choosing to use the new lanes would pay a toll. Those choosing to use the existing lanes would not pay a toll and would see an improved trip over today's conditions.
- 8. What is the purpose of a Request for Information (RFI)?** The purpose of a RFI is explore interest and seek feedback from the private sector on the viability of providing congestion relief improvements along I-495 and I-270 through a P3 agreement. It is simply a way to gauge interest and does not commit that a project or projects are forthcoming.
- 9. Is a response to the RFI required to be eligible to respond to a potential solicitation related to these congestion relief improvements?** No, a response to this RFI is not required to respond to any future Request for Qualifications or Request for Proposals for congestion relief improvements that may be issued that may develop from this RFI.