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May 11, 2017

Ms. Jaclyn Hartman  
Chief Financial Officer  
Maryland Transportation Authority  
2310 Broening Highway  
Suite 150  
Baltimore, MD 21224

Subject: Traffic and Revenue Forecast Update, Intercounty Connector

Dear Ms. Hartman:

As requested, we are pleased to submit this review and confirmation of our trips and revenue projections for the Maryland Transportation Authority (MDTA) Intercounty Connector (ICC). It is our understanding that these forecasts may be used in the July Financial Forecast provided to the Maryland legislature and could be the basis for annual surveillance reviews with rating agencies.

ICC trip and revenue forecasts were last updated in the "ICC 2016 Forecast Update Report", dated November 30, 2016. The most recent comparison of these forecasts with actual performance was in the "Maryland Transportation Authority, Intercounty Connector FY 2017 Traffic and Revenue Performance Update Report, Third Quarter" report, dated May 3, 2017. As shown in the Third Quarter Report comparisons, FY 2017 year-to-date (July 2016 to February 2017) ICC actual trips and revenue are 1.7 percent and 0.6 percent above forecasts, respectively.

In the past, it has been found that trends in trips and collected revenue tend to fluctuate month to month due to when video toll revenue is collected and can be impacted by some of the collection and enforcement policies evolving over time. Given this, and that the forecasts are tracking closely to actuals, we do not think it is necessary to update the annual FY 2017 forecast or forecasts for subsequent years from the ICC 2016 Forecast Update Report. **Table 1** includes the previous, November 2016, (and current) 10-year forecast.



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**Table 1**  
**Historical and Forecasted Trips and Collected Revenue**  
**Intercounty Connector**

<u>Fiscal Year</u>	<u>Trips (Millions)</u>	<u>Percent Growth</u>	<u>Collected Revenue <sup>(1)</sup> (\$ Millions)</u>	<u>Percent Growth</u>
2011	2.19		1.47	
2012	10.04	358.0	19.73	1238.7
2013	17.20	71.2	39.59	100.6
2014	20.48	19.1	48.03	21.3
2015	24.12	17.8	56.02	16.6
2016 <sup>(2)</sup>	29.98	24.3	59.31	5.9
2017	32.49	8.4	64.08	8.0
2018	34.05	4.8	67.12	4.7
2019	34.80	2.2	68.59	2.2
2020	35.56	2.2	70.10	2.2
2021	36.34	2.2	71.64	2.2
2022	37.14	2.2	73.21	2.2
2023	37.95	2.2	74.82	2.2
2024	38.71	2.0	76.30	2.0
2025	39.48	2.0	77.82	2.0
2025	40.26	2.0	79.36	2.0

<sup>(1)</sup> Includes revenue impacts due to leakage, including unpaid transactions.

<sup>(2)</sup> Year of toll decrease.

- Represents actual data.

Very truly yours,

*Scott A. Allaire*

Scott A. Allaire  
 Project Manager / Vice President  
 CDM Smith Inc.

