

2705 Bee Cave Road, Suite 300
Austin, Texas 78746-5688
United States
T +1.512.314.3100
F +1.512.314.3135
www.jacobs.com

Subject	I-95 ETL Forecast Update	Project Name	I-95 ETL
Attention	Jaclyn Hartman	Project No.	E4X51403
From	Phil Eshelman		
Date	May 12, 2017		
Copies to	Cheryl Lewis-Orr Melissa Williams Harriet Levine		

Jacobs is pleased to provide this forecast update of traffic and toll revenue for the I-95 Express Toll Lanes (I-95 ETLs) operated by the Maryland Transportation Authority (MDTA). This is an update that uses the actual results of the first 9 months of FY2017 to update the remainder of the fiscal year as well as the following 9 years for a 10 year forecast.

It is understood that these revised forecasts will be used by the MDTA for planning purposes including revised financial forecasts that may be presented to State officials and to rating agencies as they conduct their annual surveillance.

Forecast versus Actuals

Jacobs previously provided I-95 ETL transaction and revenue forecasts to the MDTA in the Fall of 2016. The performance of those forecasts against actuals are provided by month and summarized for the fiscal year to date (FYTD) in the following tables and figures. First the transactions are presented, followed by toll revenue.

Both transactions and toll revenue are above forecast for the FYTD. Transactions and toll revenue are 1.8 and 4.4 percent above forecast, respectively. Based on the modest growth estimated for the final 3 months of the fiscal year it is anticipated that both transactions and toll revenue forecasts will be achieved. There can be large differences in monthly traffic and toll revenue year over year as a function of weather events. For instance, weather events impacted both January and March. The forecast, while not specifically forecasting weather events, does take into account that weather may negatively impact traffic and applies to a specific month. The forecast assumed a weather event in January that was quite similar to last year's. That, of course, did not materialize, but a weather event did occur in March. This has the impact of the January actuals being well above forecast, while March actuals were below forecast. While the forecast attempts to account for these potential monthly variations when possible, it is more appropriate to consider the forecasts on a longer term basis.

Table 1: FY2017 Forecast vs. Actuals, I-95 ETL Transactions

Month	Jacobs Forecast	Actual	Absolute Difference	% Difference
Jul	826,000	809,286	-16,714	-2.0%
Aug	866,000	852,663	-13,337	-1.5%
Sep	656,000	702,868	46,868	7.1%
Oct	758,000	761,186	3,186	0.4%
Nov	764,000	756,373	-7,627	-1.0%
Dec	731,000	754,126	23,126	3.2%
Jan	532,000	646,974	114,974	21.6%
Feb	567,000	575,068	8,068	1.4%
Mar	729,000	687,819	-41,181	-5.6%
Apr	682,000			
May	702,000			
Jun	741,000			
Total	8,554,000			
FYTD (Jul-Mar)	6,429,000	6,546,363	117,363	1.8%

Figure 1: FY2017 Forecast vs. Actuals, I-95 ETL Transactions

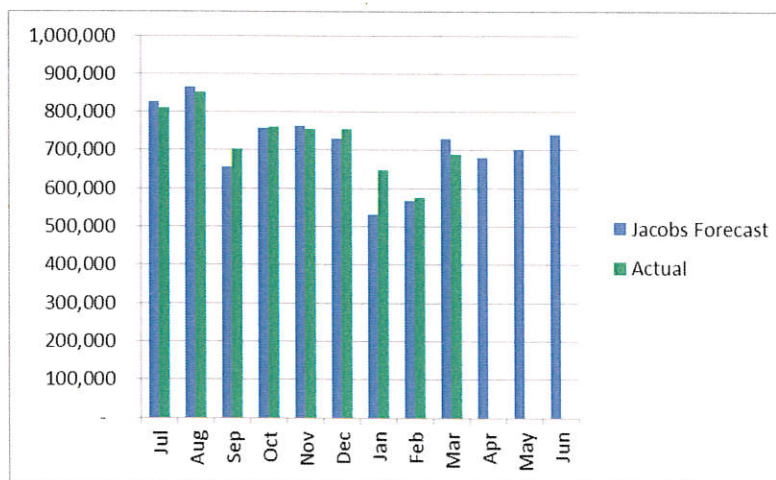
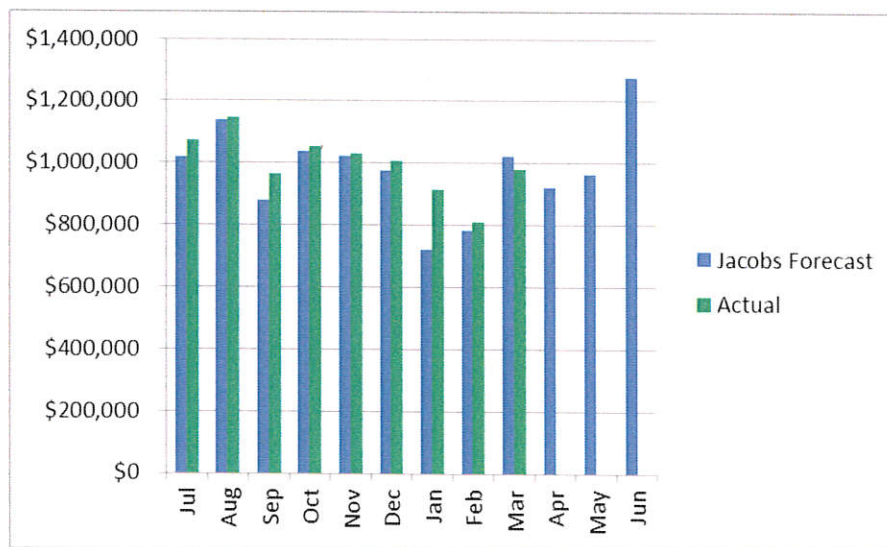


Table 2: FY2017 Forecast vs. Actuals, I-95 ETL Toll Revenue

Month	Jacobs Forecast	Actual	Absolute Difference	% Difference
Jul	\$1,018,000	\$1,071,759	\$53,759	5.3%
Aug	\$1,140,000	\$1,144,096	\$4,096	0.4%
Sep	\$881,000	\$964,334	\$83,334	9.5%
Oct	\$1,036,000	\$1,054,222	\$18,222	1.8%
Nov	\$1,022,000	\$1,031,789	\$9,789	1.0%
Dec	\$975,000	\$1,007,192	\$32,192	3.3%
Jan	\$723,000	\$914,532	\$191,532	26.5%
Feb	\$782,000	\$810,420	\$28,420	3.6%
Mar	\$1,021,000	\$980,814	-\$40,186	-3.9%
Apr	\$923,000			
May	\$963,000			
Jun	\$1,278,000			
Total	\$11,762,000			
FYTD (Jul-Mar)	\$8,598,000	\$8,979,158	\$381,158	4.4%

Figure 2: FY2017 Forecast vs. Actuals, I-95 ETL Toll Revenue



Revised Forecast

As shown in the previous section regarding the current performance of the I-95 ETLs, the actual transactions and toll revenue are on pace to exceed the Fall 2016 forecast. Based on this most recent performance, the revised forecast of transactions and toll revenue for FY2017 are presented in Table 3. This revised forecast benefits from actual performance during the first 9 months of FY2017. The final 3 months have been adjusted to reflect the FYTD transaction and revenue growth experience. This revision results in FY2017 revised toll revenue approximately 4 percent higher than the previous forecast.

Table 3: Revised FY2017 I-95 ETL Transaction and Toll Revenue Forecasts

Month	Transactions	Toll Revenue
Jul	809,286	\$1,071,759
Aug	852,663	\$1,144,096
Sep	702,868	\$964,334
Oct	761,186	\$1,054,222
Nov	756,373	\$1,031,789
Dec	754,126	\$1,007,192
Jan	646,974	\$914,532
Feb	575,068	\$810,420
Mar	687,819	\$980,814
Apr	694,000	\$947,000
May	713,000	\$989,000
Jun	753,000	\$1,312,000
Total	8,706,363	\$12,227,158

Actuals

With the revision to the FY2017 forecast, the longer term forecast was updated to reflect this new "starting point", while using the same growth rates that were developed in the Fall 2016 analysis. These results are presented in Table 4. This results in the slight increase in the forecast of 4 percent to be carried throughout the forecast period.

Table 4: I-95 ETL Transaction and Toll Revenue Forecasts

Fiscal Year	Traffic		Toll Revenue	
	Volume	Annual Growth	Volume	Annual Growth
2015 *	3,945,633		\$6,145,709	
2016 *	8,265,625	109.5%	\$11,385,193	85.3%
2017 **	8,706,363	5.3%	\$12,227,158	7.4%
2018	8,795,000	1.0%	\$12,324,000	0.8%
2019	8,355,000	-5.0%	\$11,684,000	-5.2%
2020	8,438,000	1.0%	\$11,778,000	0.8%
2021	8,607,000	2.0%	\$11,990,000	1.8%
2022	8,866,000	3.0%	\$12,350,000	3.0%
2023	9,132,000	3.0%	\$12,720,000	3.0%
2024	9,406,000	3.0%	\$13,102,000	3.0%
2025	9,688,000	3.0%	\$13,495,000	3.0%
2026	9,979,000	3.0%	\$13,899,000	3.0%

*FY2015 and FY2016 are actual results

** Revised FY2017 based on 9 months of actuals

Limits and Disclaimers

It is Jacobs' opinion that the traffic and toll revenue estimates provided herein are reasonable and that they have been prepared in accordance with accepted industry-wide practice. However, given the uncertainties within the current economic climate, it is important to note the following assumptions which, in our opinion, are reasonable:

- This limited synopsis presents the highlighted results of Jacobs' consideration of the information available as of the date hereof and the application of our experience and professional judgment to that information. It is not a guarantee of any future events or trends.
- The traffic and toll revenue estimates will be subject to future economic and social conditions, demographic developments and regional transportation construction activities that cannot be predicted with certainty.
- The estimates contained in this report, while presented with numeric specificity, are based on a number of estimates and assumptions which, though considered reasonable to us, are inherently subject to economic and competitive uncertainties and contingencies, most of which are beyond the control of the MDTA and cannot be predicted with certainty. In many instances, a broad range of alternative assumptions could be considered reasonable. Changes in the assumptions used could result in material differences in estimated outcomes.
- Jacobs' traffic and toll revenue estimations only represent our best judgment and we do not warrant or represent that the actual toll revenues will not vary from our estimates.
- We do not express any opinion on the following items: socioeconomic and demographic forecasts, proposed land use development projects and potential improvements to the regional transportation network.
- The standards of operation and maintenance on all of the system will be maintained as planned within the business rules and practices.
- The general configuration and location of the system and its interchanges will remain as discussed in this report.
- Access to and from the system will remain as discussed in this report.
- No other competing highway projects, tolled or non-tolled are assumed to be constructed or significantly improved in the project corridor during the project period, except those identified within this report.
- Major highway improvements that are currently underway or fully funded will be completed as planned.
- The system will be well maintained, efficiently operated, and effectively signed to encourage maximum usage.
- No reduced growth initiatives or related controls that would significantly inhibit normal development patterns will be introduced during the estimate period.

- There will be no future serious protracted recession during the estimate period.
- There will be no protracted fuel shortage during the estimate period.
- No local, regional, or national emergency will arise that will abnormally restrict the use of motor vehicles.

In Jacobs' opinion, the assumptions underlying the projections provide a reasonable basis for the revenue projections and operating expenses. However, any financial projection is subject to uncertainties. Inevitably, some assumptions used to develop the projections will not be realized, and unanticipated events and circumstances may occur. There are likely to be differences between the projections and actual results, and those differences may be material. Because of these uncertainties, Jacobs makes no guaranty or warranty with respect to the projections disclosed in this Study

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