

J00D00-MDOT-Maryland Port Administration  
Fiscal Year 2021 Operating Budget  
Response to Department of Legislative Services Budget Analysis

House Appropriations Committee  
Transportation and Environment Subcommittee  
Delegate Maggie McIntosh, Chair  
February 20, 2020

Senate Budget & Taxation Committee  
Public Safety, Transportation & Environment Subcommittee  
Senator Guy Guzzone, Chair  
February 24, 2020

## ***DLS Budget Analysis Issues***

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### **1. Howard Street Tunnel (HST) Project (Page 17)**

- 1. MDOT MPA should comment on the status and timeline of the signing of the INFRA Grant Agreement with the U.S. Department of Transportation and CSX.***
- 2. Given the significant reliance on funding sources outside of the TTF and the consequences to the viability of this project if the federal INFRA grant were to be lost, the Department of Legislative Services recommends the adoption of committee narrative requesting that MPA provide a report on how the HST project would be funded if any of the current funding streams were to be unavailable. Additionally, this report should include information on how MPA intends to cover any cost overruns during the course of the project.***

### **MDOT/MPA Response:**

1. In December 2019, MPA held a Howard Street Tunnel Project kick-off meeting with the Federal Railroad Administration (FRA) and CSX. During the meeting, FRA indicated they will not execute the INFRA Grant Agreement with MPA until the project has received National Environmental Policy Act (NEPA) approval. With NEPA approval anticipated in fall 2020, MPA expects to execute the INFRA Grant Agreement by the end of calendar year 2020. This is well before the September 30, 2022, statutory deadline for signing the INFRA Grant Agreement.

## ***DLS Budget Analysis Issues (Continued)***

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The FRA and MPA will be the only signatories of the INFRA Grant Agreement. The MPA will execute a separate agreement with CSX that will include terms and conditions associated with the State funding and flowdown provisions from the INFRA Grant Agreement. The MPA expects to execute that agreement immediately following the execution of the INFRA Grant Agreement.

2. The MPA would be happy to provide a report to the budget committees outlining the plan if one or more of the State funding sources is unavailable and identifying who will be responsible for funding any cost overruns during the course of the project.

### **2. Dredged Material Containment Site Development (Page 21)**

- 1. MPA should brief the committees on ongoing efforts to ensure adequate capacity for dredged material in both Harbor and Bay DMCFs.***
- 2. MPA should comment on the state of the innovative reuse program and any projects currently being undertaken using the material.***

### **MDOT/MPA Response:**

1. Each year approximately 4.7 million cubic yards (mcy) of dredged material are generated throughout all segments of the channel system serving the Port of Baltimore. Of that annual total, approximately 1.2 mcy is Harbor material and approximately 2 mcy is dredged from the Maryland Bay channels. Additionally, each year .7 mcy is removed from the C&D Approach Channels and goes to the USACE's Pearce Creek facility, and .8 mcy is removed from the Bay channels in Virginia waters and placed in the Wolf Trap Alternate Placement Site. The MPA's Dredged Material Management Program (DMMP) strategically plans ahead for 20-years of adequate placement capacity based on anticipated maintenance and new work dredging needs. All dredged material must be properly managed in approved placement sites or through innovative/beneficial use.

#### **Harbor Dredged Material Containment Facilities (DMCFs):**

Both Harbor sites, Masonville and Cox Creek, are undergoing active construction and expansion over the next several years to increase long-term capacity for Harbor channel dredged material. Specifically, at Masonville the dike raising from +10 feet above mean lower low water (MLLW) to +18 feet is currently underway. Ultimately, the dikes will top out at +42 feet above MLLW to provide an estimated total capacity of 10.9 mcy. At Cox Creek, vertical dike raising from +36 feet to +60 feet and construction of the lateral expansion onto upland property are both actively underway. Ultimately, the final planned phase of dike raising will take the Cox Creek facility to +80 feet MLLW with a total site capacity of 21.3mcy. Together the two Harbor DMCF sites work as a dredged material management system to provide 20 years of placement capacity.

#### Bay Channel Placement Sites:

Poplar Island currently serves as the primary placement site for material dredged from the Chesapeake Bay Approach Channels in Maryland waters. The expansion of Poplar Island, which will be complete in July 2020, will provide an additional 24.3mcy of capacity; sufficient to handle approximately 2 mcy per year on average through the 2032-2033 federal dredging cycle. The Mid-Chesapeake Bay Island Ecosystem Restoration Project (Mid-Bay), currently in the final design phase, will follow Poplar Island as the primary Bay material placement site and will restore 2,144 acres of remote island habitat and provide 95 mcy of total placement capacity. The Mid-Bay project will provide upwards of 40 years of Bay channel material placement capacity.

2. Implementation of Innovative Reuse continues to be an MPA priority in planning for sustainable long-term capacity, especially for Harbor channel material. Several small volume innovative reuse demonstration projects are actively underway. To date 10,500 cubic yards (cy) of dredged material has been removed from the Cox Creek DMCF for demonstration projects: 4,500 cy for engineered fill at MPA-owned Hawkins Point property and 6,000 cy for alternative daily cover at the Baltimore City Quarantine Road Landfill. Additionally, MPA is providing 23,000 cy of blended dredged material to serve as the remedial cap and vegetative substrate for the on-land portion of the Ridgely's Cove Remedial Capping Project. Remediation of the Ridgely's Cove area is part of the MDE mitigation package associated with the Topgolf development in Baltimore. The Ridgely's Cove remediation project is in the permitting phase and will correspond with the Topgolf development schedule.

In November 2019, MPA issued a Request for Proposals (RFP) for off-site research and development for novel dredged material end-use applications. The intent of the RFP is to award multiple proposals which will be used to support the State's efforts to further the Innovative and Beneficial Reuse Program and recover capacity in the Cox Creek Dredged Material Containment Facility.

## ***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance. (Page 24)

### **MDOT/MPA Response:**

The Department concurs with the DLS recommendation.

## ***Paygo Capital Budget Recommended Actions***

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1. Adopt the following narrative: (Page 24)

Howard Street Tunnel Project Funding Report: The Howard Street Tunnel project was awarded a \$125 million U.S. Department of Transportation Infrastructure for Rebuilding America (INFRA) grant in July 2019. Federal funds are in conjunction with CSX funds and the following sources of State funding: general obligation bonds, general funds, Baltimore City highway user revenue, a Maryland Transportation Authority loan, and Transportation Trust Fund funds. Due to the significant reliance on non-transportation related sources of State funding and the potential negative consequences to the viability of the project if the funding falls through and the INFRA grant is lost, the budget committees request that the Maryland Port Administration (MPA) submit a report outlining the plan if one or more of the State funding sources is unavailable and who will be responsible for funding any cost overruns during the course of the project. The report shall be provided by October 1, 2020.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on Howard Street Tunnel project funding	MPA	October 1, 2020

### **MDOT Response:**

The Department concurs with the DLS recommendation.