

Public Meeting Notes and Procedures



Notification of Recording

- This public meeting will be recorded. The Massachusetts Department of Transportation (MassDOT) may choose to retain and distribute the video, images, audio, and/or chat transcript.
- All parts of this hearing are considered public record.
- By continuing attendance with this public meeting, you are consenting to participate in a recorded event.
- If you are not comfortable being recorded, or you may choose to excuse yourself from the meeting.
- Public comment is to be made in-person, with electronic, regular mail, and voicemail comments accepted a minimum of 48 hours in advance.

Slides for Informational Purposes Only

- These slides are for informational purposes only and do not modify, supersede, or otherwise alter the terms of the draft RFP or contract forms.

**All questions and comments are welcomed and appreciated;
however, we do request that you refrain from any disrespectful comments.**

MassDOT Service Plazas Procurement Request for Proposals (“RFP”)

Transition Agreement Lease and Concessions Agreement

August 25, 2026

What to Expect from Today's Meeting



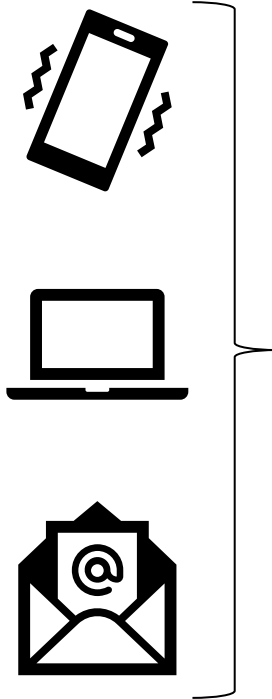
- 1. Chairman Sullivan presides over today's meeting**
- 2. Public comment. We expect to spend approximately 45 minutes on hearing public comments.**
- 3. MassDOT will take approximately 45 minutes to present content and continue review of the P3 Statute Checklist**
- 4. Commission members will ask questions throughout the meeting**
 - We will strive to answer your questions throughout the presentation
 - Should a topic require more time, we will document and return to the topic at start of Open Discussion
 - Please address comments and questions to Chairman Sullivan

P3 Commission: Communication Protocols



We remind Commission Members to follow the protocols below:

- Do not communicate with anyone regarding this RFP or the procurement process other than MassDOT's designated points of contact, Meghan Haggerty or Owen Kane, prior to issuance of the RFP, and throughout the procurement.
- Do not communicate with any potential proposer, industry representative, lobbyist, or other interested parties regarding this RFP or the procurement process.



Please be sure to utilize your **MassDOT-issued devices and e-mail address** for all communications related to the Commission or RFP

Who do I contact on matters related to this project?

For any questions, please contact **Meghan Haggerty** or **Owen Kane** via your contact information sheet

Today's Agenda



= Satisfies P3 criteria



= Requested by OIG

Public Comment @ 9:10 a.m.

Transition Agreement

Lease and Concessions Agreement

- Commercial Terms

Using the P3 Checklist to Review the Lease

Lease and Concessions Agreement:

- Redevelopment Period
- Operations and Maintenance

Additional Provisions

Highlighted Differences from Prior Lease

Open Discussion

Public Comment

Transition Agreement



TA

Service Plazas Procurement Request for Proposals



MassDOT's Request for Proposals ("RFP") includes:

ITP

Instructions to Proposers (ITP) – Explains what MassDOT is looking for from Proposers and specifics of how to submit complete proposals. Includes a thorough explanation of evaluation criteria and evaluation process for selection.

TA

Transition Agreement – Governs period between Commercial Close with the new Concessionaire (following Board approval of Selected Proposer) and Lease Commencement. It identifies obligations the Selected Proposer must meet to achieve Financial Close.

LEASE

Lease and Concessions Agreement – 35-year Lease with a 10-year renewal option that sets forth the contractual relationship between MassDOT and the selected Concessionaire(s).



Transition Agreement



- The Transition Agreement governs period between Commercial Close with the new Concessionaire (following Board approval of Selected Proposer) and Lease Commencement (when Lease goes into effect). It identifies obligations the Selected Proposer must meet to achieve Financial Close.
- During the Transition Period, the Selected Proposer will have limited site access to the plazas and there will be no interruption to existing operations.

TRANSITION AGREEMENT

FOR THE EASTERN SERVICE PLAZAS

By and Between

The Massachusetts Department of Transportation

and

[-],

DATE: [--], 2027

Transition Agreement – Financial Closing Security



If Financial Close does not occur, MassDOT is protected by Financial Closing Security.

Financial Closing Security is Grouping-specific:

- **\$2,000,000** for the Eastern Grouping
- **\$2,000,000** for the Western Grouping
- **\$4,000,000** for the Central Grouping

Financial Closing Security goes to MassDOT if Selected Proposer doesn't achieve Financial Close.

TRANSITION AGREEMENT

FOR THE EASTERN SERVICE PLAZAS

By and Between

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and

[-],

DATE: [--], 2027



Concessionaire demonstrates its accepted proposal is fully financed, bonded and insured to assure MassDOT it can perform Lease obligations.

The Transition Agreement identifies obligations the Selected Proposer must meet to achieve Financial Close, including:

- Evidence that debt is funded/equity contributions made per commitment letters
- Independently audited Financial Model
- Proof that required Insurance and bonding is in place

Lease and Concessions Agreement

LEASE

Service Plazas Procurement Request for Proposals



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Lease and Concessions Agreement – 35-year Lease with a 10-year renewal option that sets forth the contractual relationship between MassDOT and the selected Concessionaire(s).



The Lease and Concessions Agreement (the “Lease”) is the principal long-term agreement governing the Concessionaire’s rights and obligations for the Lease Term. The Lease accomplishes four primary objectives:

1. Transfers responsibility for redevelopment, operations, maintenance, and financing of the Service Plazas to the Concessionaire (who may use subcontractors). The Concessionaire must comply with all applicable laws.
2. Provides a long-term revenue stream through Revenue Share Rent and Minimum Annual Guaranteed Rent.
3. Establishes extensive performance, reporting, security, and oversight requirements.
4. Preserves broad enforcement, step-in, and termination rights to protect the Commonwealth’s interests throughout the Lease Term and mitigate the risk of Concessionaire nonperformance or financial distress.

Key Commercial Terms



Term	Definition
Lease Term	35-year term with a potential 10-year extension subject to MassDOT approval
Operational Rent	Concessionaire pays annual rent for the Lease Term. Annual rent consists of Revenue Share Rent plus a MAG that escalates annually by CPI or 3%, whichever is greater.
Capital Expenditure (CapEx)	Minimum Capital Commitment Amount for the Redevelopment Period of the Lease
Triple Net Structure (Property Responsibility)	Concessionaire is responsible for utilities, taxes, operating costs, maintenance, repairs, and capital investments.
Financing Responsibility	All debt obligations incurred by the Concessionaire for financing the Project are its sole responsibility and without recourse to MassDOT or the Commonwealth.



Using the P3 Checklist to Review the Lease

PLACEHOLDER FOR OVERHEAD PROJECTOR OF CHECKLIST

Lease and Concessions Agreement: Redevelopment Period

LEASE

Redevelopment Period: Design and Construction



How the redevelopment process starts:

- The Initial Plaza Redevelopment Plan submitted as part of the Proposal sets a 25% baseline design for all redevelopment work.
- Design and construction standards established in Appendix E of the Lease
- Design plans are advanced to final design
- MassDOT conducts conformance and verification reviews of design plans

How the redevelopment process ends:

- Concessionaire completes construction per binding construction schedule submitted as part of Initial Plaza Redevelopment Plan
- Final MassDOT acceptance and Service Plaza begins operation
- Independent peer reviewer inspects design and construction

Who pays for it?:

- The Concessionaire pays for all redevelopment work at minimum in the amount promised as CapEx in its Financial Proposal which is binding and enforceable thru the Lease.
- Concessionaire also pays Operational Rent throughout the Redevelopment Period.
- MassDOT is responsible for MassDOT directed changes during construction
- MassDOT is responsible for addressing certain pre-existing environmental conditions on the sites.



Lease and Concessions Agreement: Operations and Maintenance

LEASE



- The Plaza Operations and Maintenance Plan submitted as part of the Technical Proposal is binding and enforceable through the Lease.
- The Concessionaire must meet the Operations and Maintenance Performance standards in the Lease (Appendix F).
- The Concessionaire must return the Service Plazas to MassDOT in good working order at the end of the Lease.

Plaza Operations and Maintenance Plan

Set of plans that establish operating standards, including:

- Quality insurance and quality control plans
- Safety and security plans
- Operational plans
- Environmental plans
- Local Vendor Plans

Operations and Maintenance Performance Standards

MassDOT's standards for how assets must be maintained:

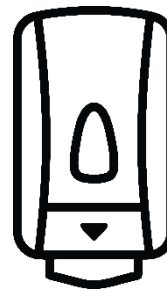
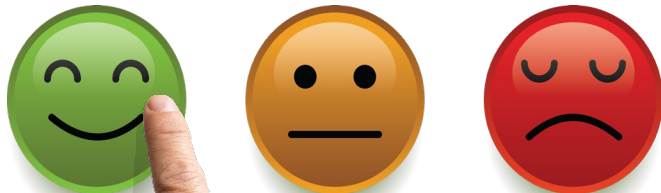
- Establishes broad MassDOT inspection rights
- Sets out liquidated damages for site, facility and other assets
- Measures and enforces outcomes



O & M: Enforcement Regime for Bathrooms



Inspection by MassDOT finds Soap Dispenser Failure	Compensation to MassDOT
Failure to Meet Standard	\$500.00
Failure to Remedy Standard within 24 Hours	\$1,500.00
Failure to Remedy Standard within 15 Days	\$2,000.00
Failure to Remedy Standard within 30 Days	\$3,000.00
Failure to Remedy Standard within 60 Days and Every 30 Days Thereafter	\$4,000.00
\$35,000.00 of damages or 12 Failures accrue within a month	Plaza Probation
Corrective Action Notice	Submit Plan within 10 Business Days
Failure to Cure by Date in Corrective Action Plan	Default



O & M: Enforcement Regime for Beverages



Inspection by MassDOT finds Convenience Store Temperature Failure	Compensation to MassDOT
Failure to Meet Standard	\$500.00
Failure to Remedy Standard within 24 Hours	N/A
Failure to Remedy Standard within 15 Days	\$2,000.00
Failure to Remedy Standard within 30 Days	\$3,000.00
Failure to Remedy Standard within 60 Days and Every 30 Days Thereafter	\$4,000.00
\$35,000.00 of damages or 12 Failures accrue within a month	Plaza Probation
Corrective Action Notice	Submit Plan within 10 Business Days
Failure to Cure by Date in Corrective Action Plan	Default



Additional Provisions

LEASE

Pricing Guidelines and Truck Parking Fees



Pricing Guidelines:

In order to protect the travelling public from price gouging, Appendix H of the Lease establishes detailed requirements for pricing of food, beverage, fuel, and EV charging services.

- Prices generally may not exceed 10% above the average for comparable off-Highway locations
- New concepts require prior MassDOT approval and a fresh pricing survey
- EV charging uses fixed pricing plus idling fees
- Pricing surveys will be conducted yearly

Truck Parking Reservation System:

Concessionaires may charge truckers a fee to reserve parking at applicable plazas.

No fees will be collected for general use of the Service Plazas.



Labor Requirements



The Lease requires the Concessionaire to:

- Prior to commencement of any Construction Work, Concesssionaire must enter into a project labor agreement(s) with applicable building trade councils or other labor organizations.
- Maintain labor harmony for entire Lease Term, including construction, reconstruction and capital and routine maintenance.
- Obtain a labor and material payment bond to cover all construction, reconstruction, permitted capital improvement work including major repairs and maintenance work.
- Pay prevailing wages for labor performed on the project.
- Give preference to veterans and citizens of the Commonwealth in hiring construction workers.
- If the Concessionaire fails to meet any of the above requirements, MassDOT has enforcement rights under the Lease.



Concessionaire provides financial and performance protections for MassDOT:

- Maintains Liability Insurance acceptable to MassDOT
- Letter of Credit securing performance obligations
- Construction performance and payment bonds for redevelopment work
- Guaranties where required (Project Contract and Lease Guaranties)
- Various protections associated with financing and project contracts
- Concessionaire agrees to broadly indemnify MassDOT against loss

MassDOT has audit and approval rights over the Concessionaire:

- Broad audit rights for MassDOT
- Right of approval over key project participants
- Right to approve significant financing, refinancing, assignment, and change transactions

MassDOT Retained Rights and Remedies



MassDOT Retained Rights under the Lease include:

- Right to install or expand public programs and infrastructure
- Right to install additional EV charging facilities
- Ability to undertake future projects at or near Service Plazas
- Ability to amend the Lease by mutual agreement with Concessionaire

In the event of a Concessionaire default, MassDOT has broad remedies, including:

- Drawing on security
- Exercising step-in rights
- Terminating the Lease without any termination payment
- Assuming project agreements

MassDOT remedies in the event of default will preserve operational continuity for the traveling public while protecting Commonwealth assets throughout the Lease Term.



Highlighted Differences from Prior Procurement

Highlighted Differences from Prior Procurement



	Prior Procurement	Current Procurement
P3 Commission Review and Approval of RFP:	●	●
Office of the Inspector General Review and Approval of RFP:	●	OIG to review Lease and Transition Agreement and Notify P3 Commission of any Objections
Attorney General's Office Review and Approval of RFP:	●	AGO to review Lease and Transition Agreement and Notify P3 Commission of any Objections
Single/Multiple RFPs:	Single RFP for all 18 plazas	Separate RFPs for three service plaza groupings
Base Technical Concept:	●	●
Development Schedule:	Non-binding	Binding
Development Plans:	Non-binding	Binding at 25% design
Operational Rent:	Binding during pre-development phase	Binding for the life of the Lease
Minimum Binding CapEx Commitment:	●	●
Weighted Sub-criteria:	●	●
Evaluation Committee(s):	Single evaluation committee reviewed financial and technical proposals	Separate technical and financial evaluation committees. Additional Final Review Team to compile scores.

● = Not Included

● = Included

Open Discussion