



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

### **COMMONWEALTH TRANSPORTATION BOARD**

#### **WORKSHOP AGENDA**

**VDOT Central Auditorium**

**1221 East Broad Street**

**Richmond, Virginia 23219**

**December 6, 2016**

**10:00 a.m.**

1. DC2RVA  
*Emily Stock, Virginia Department of Rail & Public Transportation*
2. HB 1359 – Transit Capital Project Revenue Advisory Board  
*Jennifer DeBruhl, Virginia Department of Rail & Public Transportation*
3. I-95/395 Transit and TDM Study  
*Todd Horsley, Virginia Department of Rail and Public Transportation*
4. Intercity Passenger Rail Operating & Capital Fund Program Transfers for Arkendale to Powell's Creek Project & Roanoke Passenger Rail Project  
*Jeremy Latimer, Virginia Department of Rail and Public Transportation*
5. Interstate 66 – Outside the Beltway  
*Aubrey Layne, Secretary of Transportation*  
*Charles Kilpatrick, Commissioner of Highways*
6. Hampton Roads Crossing Study  
*Angel Deem, Virginia Department of Transportation*
7. Economic Development Access Program;  
Bonded Projects Update  
*Julie Brown, Virginia Department of Transportation*
8. Revenue Sharing Program Potential Changes  
*Julie Brown, Virginia Department of Transportation*
9. Virginia Beach Light Rail Update  
*Jennifer Mitchell, Virginia Department of Rail & Public Transportation*
10. Smart Scale Update  
*Nick Donohue, Deputy Secretary of Transportation*

11. Commissioner's Items

*Charles Kilpatrick, Virginia Department of Transportation*

12. Director's Items

*Jennifer Mitchell, Virginia Department of Rail & Public Transportation*

13. Secretary's Items

*Aubrey Layne, Secretary of Transportation*

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*Emily Stock, Virginia Department of Rail & Public Transportation*

*This presentation is currently unavailable*



Virginia Department of Rail and Public Transportation

# HB 1359 – Transit Capital Project Revenue Advisory Board

Status Update to the Commonwealth Transportation Board

December 6, 2016

**Jennifer DeBruhl**  
Chief of Public  
Transportation

# Revenue Advisory Board

- Created by HB 1359 to:
  - Develop a proposal for new revenues to replace expiring CPR bonds
  - Develop a project-based prioritization strategy for transit capital projects
    - State of Good Repair
    - Expansion projects (using same factor areas as Smart Scale)



# Revenue Advisory Board

- 7 members – 2 recommended by DRPT, 1 by VACO, 1 by VML, 2 by VTA, 1 by CTAV
- Marty Williams, Chair
- Meetings held on June 16, Sept 19, and Nov 18
- Interim report due – January 1, 2017
- Final recommendation – August 1, 2017



# Transit Service Delivery Advisory Committee



- Established by legislation to advise DRPT in the development of a distribution process for transit capital and operating funds
- Working closely with Revenue Advisory Board
- Guiding Principles:
  - Maintain integrity of statewide program
  - Promote efficiency, accountability, and transparency
  - Support implementation
  - Make the business case for transit

# Proposed Prioritization Approach

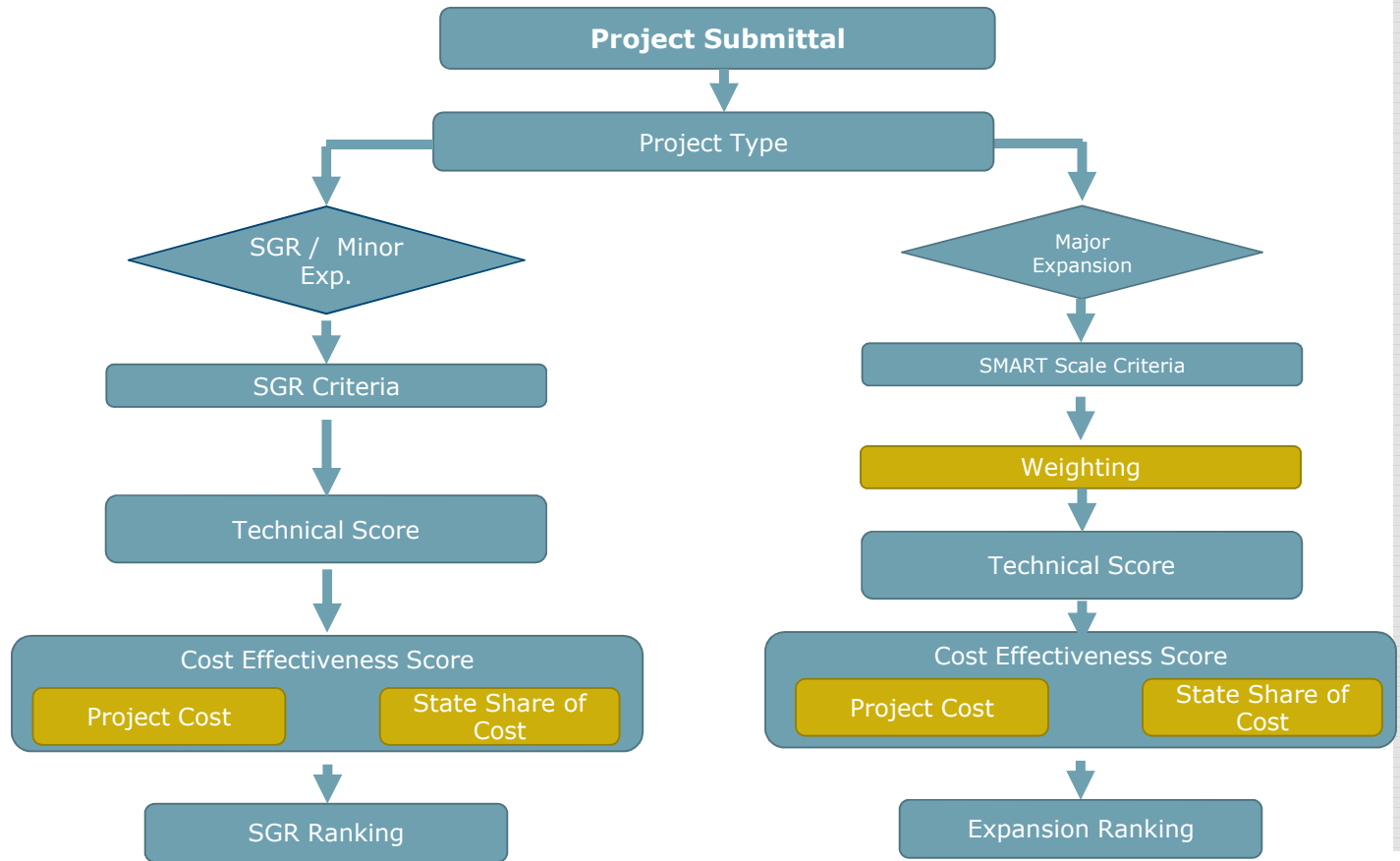
- Separate prioritized processes for project types:
  - State-of-Good Repair (SGR) and Minor Expansion
  - Major Capital Expansion projects
- Different prioritization criteria and measures for SGR and Expansion
- Project scores are compared against other transit projects and ranked relative to cost (i.e. cost-effectiveness) within the two categories
- Weighting will be considered for expansion projects only

Note: majority of SYIP funding is for State-of-Good Repair (SGR)





# Process Framework



# Transit Resource Allocation Projection



- Objective
  - Analyze transit investment needs
  - Project capital costs and revenues over 10-year period
  - Estimate state transit capital funding contribution and projected shortfalls
  - Estimate funding needed to offset shortfalls
- Scenarios
  - **1 - Base Case:** Investments consistent with Six Year Improvement Program (SYIP)
  - **2 - SGR Only:** State Transit Capital Funding applied only to SGR projects
  - **3 - Additional Spending:** Additional investment in Expansion projects and 5% contingency on project costs

# Projected Spending, Funding Needs, and Deficit

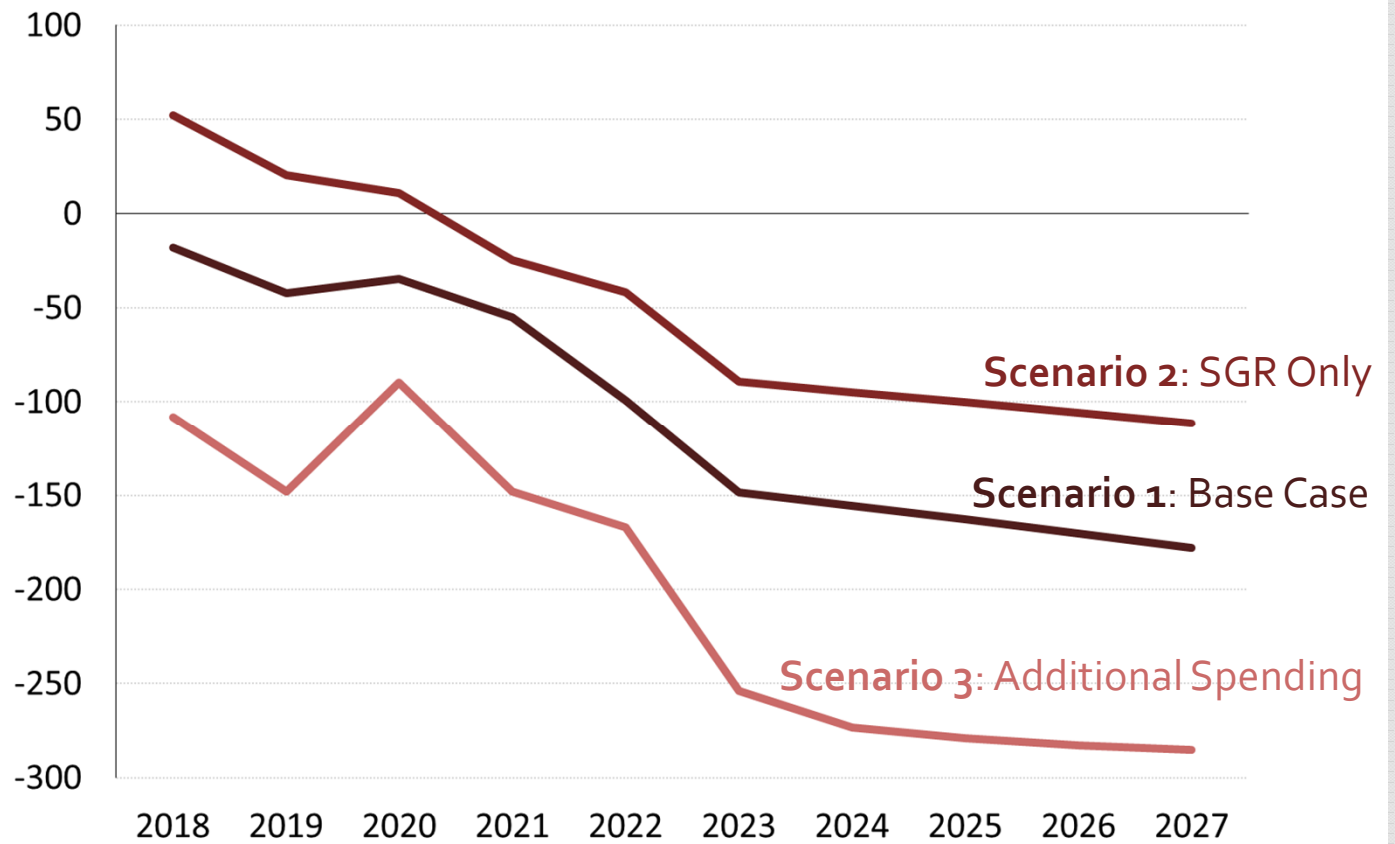
\$ billions year-of-expenditure	Statewide Transit Capital Spending	*Projected State Contribution	State Funding Available	Total Deficit
<b>Scenario 1:</b> Base Case	<b>\$6.3</b>	<b>\$2.4</b>	<b>\$1.3</b>	<b>\$1.1</b>
<b>Scenario 2:</b> SGR Only	\$6.3	<b>\$1.8</b>	\$1.3	\$0.5
<b>Scenario 3:</b> Additional Spending	<b>\$8.5</b>	<b>\$3.3</b>	\$1.3	\$2.0

**Variable from Base Case**  
Same as Base Case

*\*Excludes share of transit capital costs funded by federal revenues and by State Other Sources*



# Annual Projected State Transit Capital Deficit by Scenario (FY18 – FY27)



# Transit Resource Allocation Projection



## • Key Findings

- Deficit results under all scenarios, including a base case with conservative projected spending
- Insufficient funding even if only SGR projects eligible for state transit capital funds
- Existing state matching rates cannot be maintained without new funding streams
- Lower state participation would require reduction in transit investment or additional revenues from local, regional, or federal funding sources
- Additional capital needs will be unmet without additional funding

## Next Steps

- Interim Report to be submitted by January 1
- TSDAC will meet in January
  - Review of scenarios
  - Endorse proposal for Revenue Advisory Board
- Revenue Advisory Board will meet in March
- CTB will be briefed in June/July
- Final Report to be submitted by August 1





Virginia Department of Rail and Public Transportation

# HB 1359 – Transit Capital Project Revenue Advisory Board

Status Update to the Commonwealth Transportation Board

December 6, 2016

**Jennifer DeBruhl**  
Chief of Public  
Transportation



Virginia Department of Rail and Public Transportation

# I-95/I-395 Transit and TDM Study

Status Update to the Commonwealth Transportation Board

December 6, 2016

**Todd Horsley**  
Director of  
Northern Virginia  
Transit Programs



# I-395 Express Lanes Project

- VDOT will convert eight miles of the two existing reversible HOV lanes on I-395 to three reversible managed Express Lanes
- Commonwealth goal is to maximize person throughput rather than vehicle throughput in the corridor
- 395 Express Lanes agreement provides for an annual transit payment from toll revenues for multimodal improvements in the corridor



# Annual Transit Payment

- The Commonwealth has committed that at least \$15 million will be provided annually through toll revenues for multimodal improvements in the corridor
  - Annual transit payment will escalate each year
  - Some portion of any revenue sharing of excess revenues received by VDOT will be provided for transit and TDM purposes
- Multimodal Improvements funded with annual transit payment must benefit toll payers



# Transit/TDM Study Purpose



- DRPT is conducting a Transit/TDM Study to determine projects that will be eligible to receive funding from the Annual Transit Payment
  - Most recent study completed in 2008
- Examples of transit and TDM projects that will increase mobility and person throughput in the corridor include:
  - Enhanced service on existing routes
  - New local and commuter bus service
  - Transit capital (bus and rail) projects
  - Park and ride lots
  - TDM program enhancements
  - Technology supporting transit/TDM

# Transit/TDM Study Process

- DRPT is leading the development of a new Transit/TDM Plan in coordination with:

City of Alexandria	Prince William County	PRTC
Arlington County	Stafford County	VRE
Fairfax County	Spotsylvania County	WMATA
City of Fredericksburg	NVTC	

- Key Stakeholder Group **will not** make decisions on projects to be funded by annual transit payments
- Commonwealth will make a future determination regarding who will ultimately make decision on projects to be funded by annual transit payments



# Study Area and Markets

- Study area extended from the Potomac River south along I-395 & I-95 to the southern terminus of the I-95 Express Lanes (at Garrisonville Road)
  - Projects as far south as Spotsylvania County were included in the study and will be eligible for funding
- Transit/TDM services, programs and facilities that were studied included those that:
  - Serve work destinations within the project study area inside the Beltway (including downtown DC) *and*
  - Directly use the I-395 Express Lanes *or*
  - Provide direct access to transit services in the corridor or increase person throughput or travel choices in the study area



# Transit/TDM Study Methodology

- Project Team developed list of transit and TDM projects from meetings with local jurisdictions and transit providers and review of capital and operating plans
- Travel demand model testing evaluated all projects for:
  - Corridor Mode Share**
  - Ridership Potential**
  - Person Throughput**
  - SOV Trip Reduction**
  - Accessibility**
  - Service Equity**
- Public outreach activities during summer 2016
- Initial project list refined by Key Stakeholders
- Cumulative project list totaling \$6.6 billion in needs

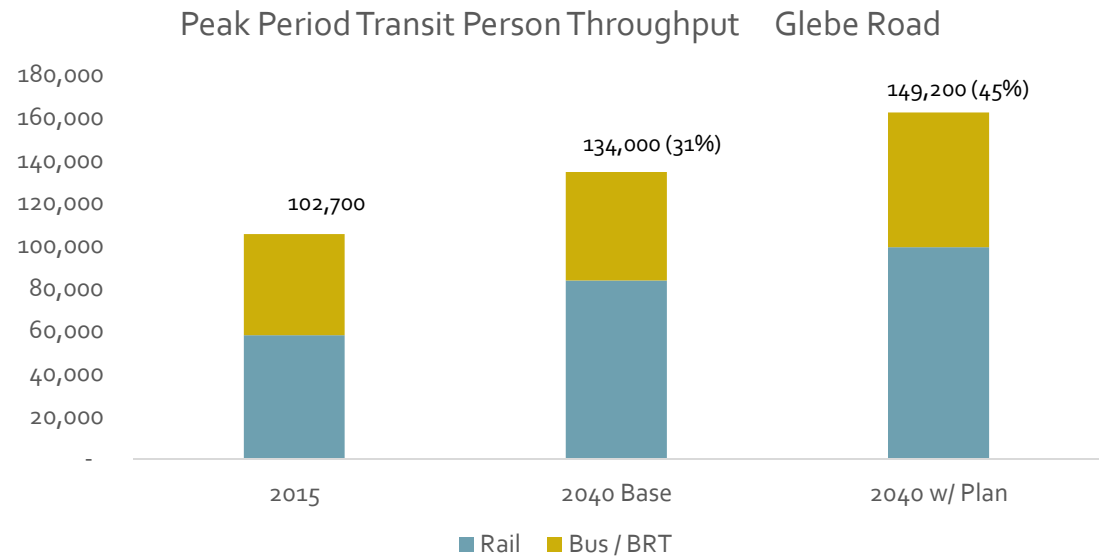


# Transit/TDM Study Program Benefits



Compared with 2015 conditions, investment in the full \$6.6 billion Transit/TDM Plan would support growth and increase:

- **Peak period transit throughput by 45%**
- **Total peak period transit trips by 49%**
- **Transit mode share from 18.7% to 21.9% for work trips**

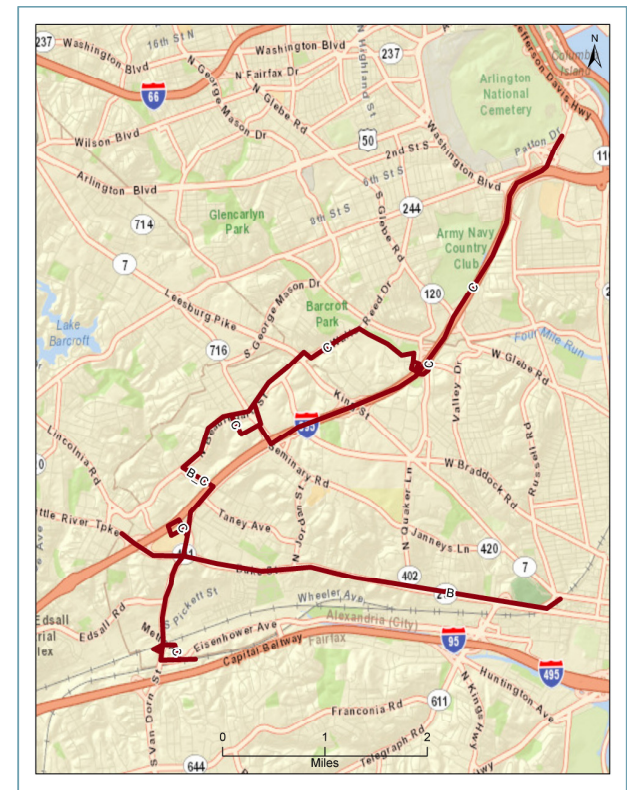


Note: 2040 Base includes some CLRP transit projects listed in the Transit/TDM Plan

# Inside the Beltway Improvement Projects

## West End Transitway Bus Rapid Transit (BRT) in Alexandria

- New high capacity transit service connecting Van Dorn Metrorail station, Mark Center, Shirlington and Pentagon
- Mix of dedicated and shared lanes, high quality transit stations with passenger amenities
- \$137.6 million capital project (partially funded in City CIP)
- Estimated start date in 2020

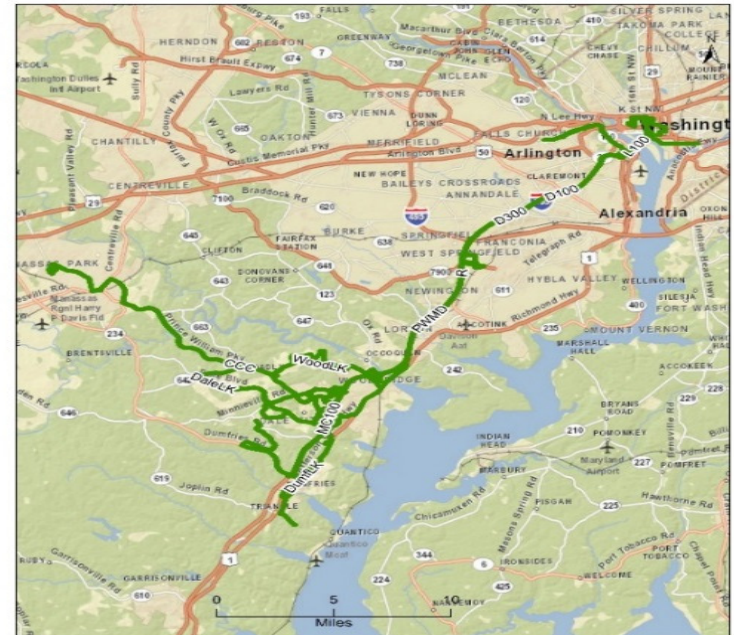




# Outside the Beltway Improvement Projects

## Frequency Improvements on existing PRTC bus routes

- PRTC identified routes connecting Prince William neighborhoods (Dale City, Woodbridge, Lake Ridge and Montclair) to the Pentagon and Springfield Metrorail stations as needing frequency improvements
- All identified routes utilize I-395
- \$47 million capital cost for all routes
- Additional runs could be added quickly upon funding

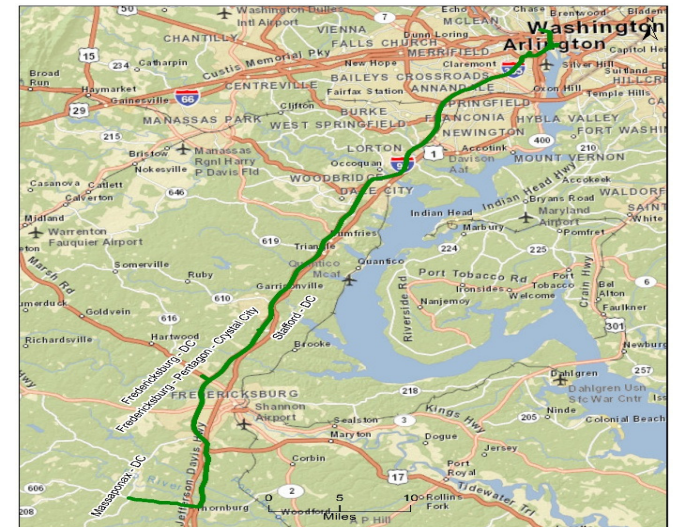


# Stafford/ Fredericksburg/ Spotsylvania Improvement Projects



## New Express Bus Routes and Commuter Park & Ride Lots

- Study identified need for new Express Bus Routes connecting Fredericksburg and Stafford Counties to DC, the Pentagon and Crystal City and 4000 new commuter parking spaces in Stafford County
- All identified routes would use I-395
- \$29 million capital cost for all routes
- \$107.5 million capital cost for new parking spaces
- Variable implementation schedules



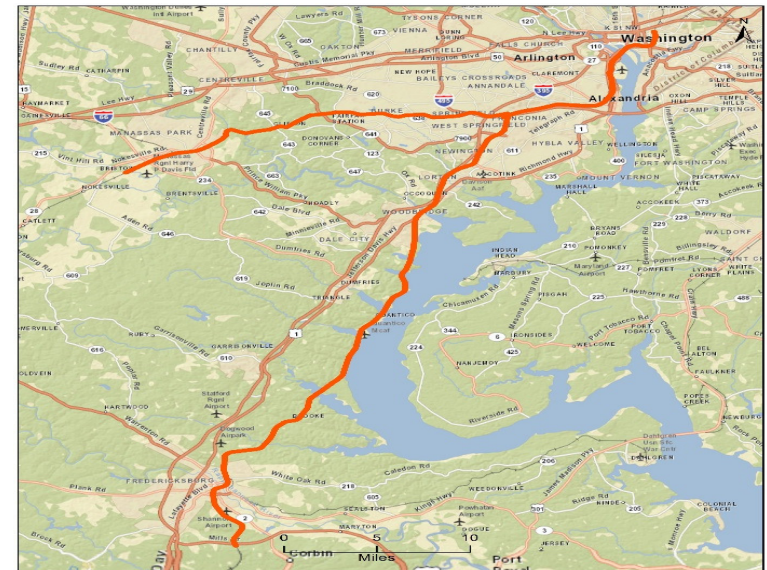
# Corridor Wide Improvement Projects



## VRE Service Improvements

### Improve capacity and frequency on VRE's Fredericksburg Line (Spotsylvania to Washington, DC)

- Identified improvements include lengthening all trains to 8 cars, adding new trains and infrastructure upgrades to accommodate additional capacity
- Service parallels I-95 and I-395
- \$37.1 million capital cost in CIP for additional railcars
- Variable railcar delivery schedules



# Transportation Demand Management (TDM) Improvement Projects

- Marketing and outreach programs
- Real-time information access
- Enhanced access to existing modes
- New flexible mode options
- Increased employer involvement
- Priority HOV access to transportation facilities
- Shift balance of SOV/HOV cost



## Transit/TDM Study Next Steps

- Final meeting with Key Stakeholder Group tomorrow (12-7-16) to receive final comments on draft report
- Final report delivered to DRPT (12-15-16)
- Commonwealth determination regarding project approval and programming (2017)
- I-395 Express Lanes open (2019)
- Initial program approved by CTB (2020)





Virginia Department of Rail and Public Transportation

# I-95/I-395 Transit and TDM Study

Status Update to the Commonwealth Transportation Board

December 6, 2016

**Todd Horsley**  
Director of  
Northern Virginia  
Transit Programs



Virginia Department of Rail and Public Transportation

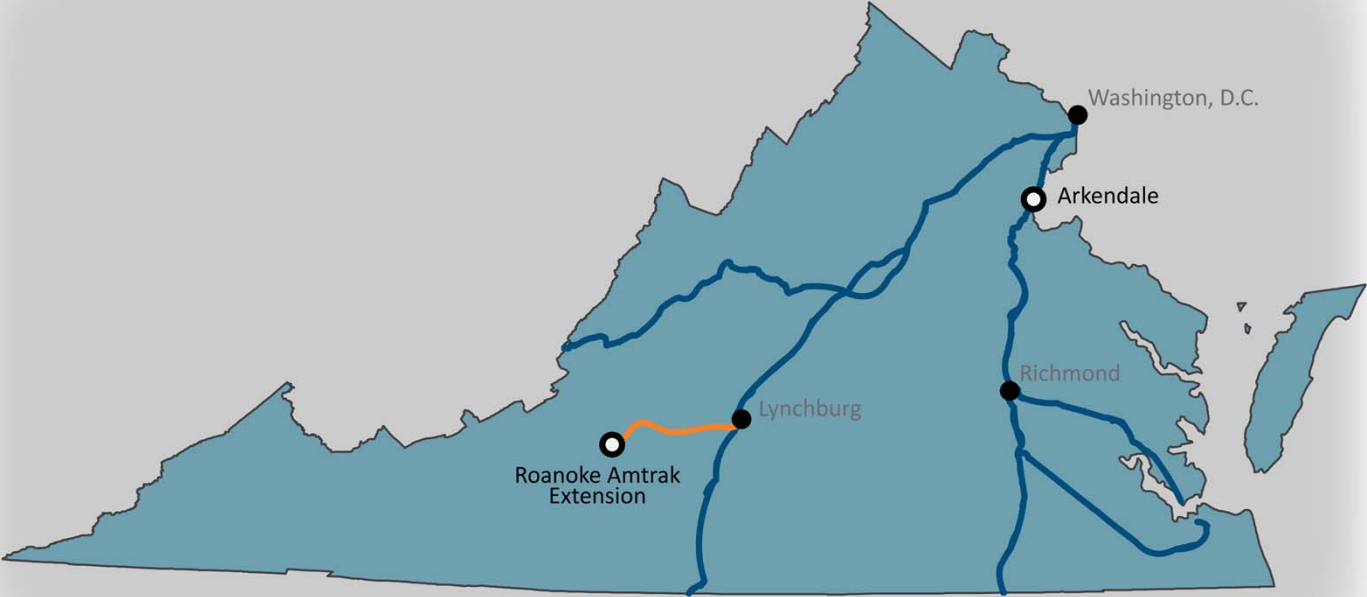
# Six Year Improvement Plan Amendment: FY17 – FY22

Arkendale Third Track Project

Roanoke Amtrak Extension Project

**Jeremy Latimer**  
Rail Transportation  
Programs  
Administrator

# Location of Projects





# Rail Project Action Items

- Arkendale Third Track Project
  - December Presentation
  - December Action Item
- Roanoke Amtrak Extension Project
  - December Presentation
  - January Action Item



# Arkendale Third Track Project



# Arkendale: Project Timeline

- 2007 – Grant Agreement for PE
- 2010 – Federal award for \$74.8M
- 2012 – Agreement: FRA-CSX-DRPT
- 2014 – Construction Underway
- 2015 – Amendment 1: Island Platforms
- 2016 – Budget and Schedule Issues
- 2017 – Federal Funds Expire Sept. 30<sup>th</sup>
- 2018 – Project Completion



# Arkendale: Project Cost

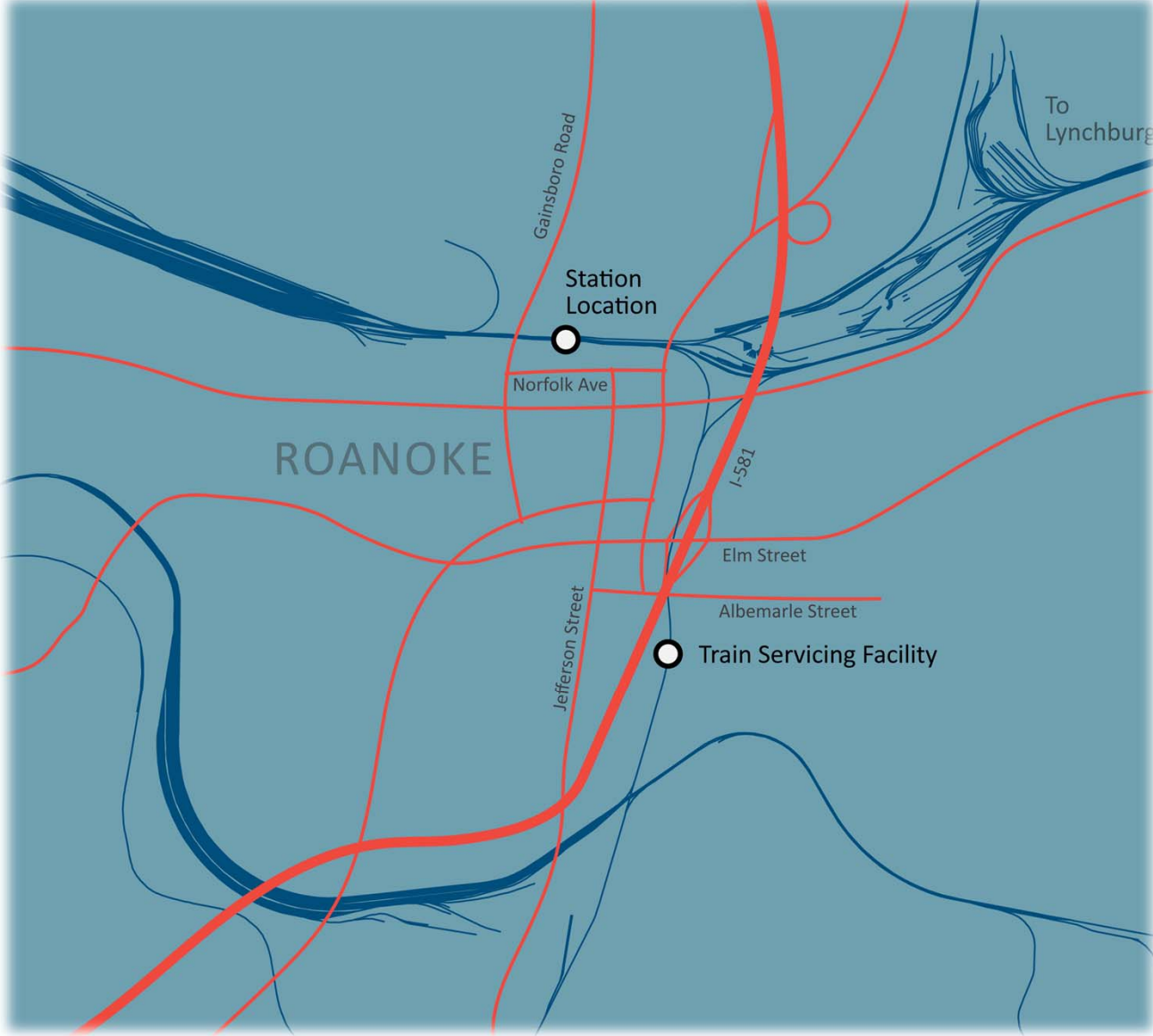


## Revised Project Cost Estimate

<b>2009 Project Estimate (10% contingency)</b>	<b>\$ 74.84 M</b>
<ul style="list-style-type: none"><li>• Poor Soils/Site Conditions</li></ul>	\$ 16.20 M
<ul style="list-style-type: none"><li>• Island Platform Scope Change</li></ul>	\$ 5.00 M
<ul style="list-style-type: none"><li>• Misc changes (drainage, environmental, utilities, inflation, and stakeholder requirements)</li></ul>	\$ 19.00 M
<b>Revised Project Cost (Reduced Scope)</b>	<b>\$115.00 M</b>
<b>ARRA Funds and Funds Currently Programmed in SYIP</b>	<b>\$ 105.84 M</b>
<b>SYIP Amendment Needed</b>	<b>\$ 9.16 M</b>

\*Misc changes primarily due to limited preliminary design and contingency

# Roanoke Amtrak Extension Project



# Roanoke Project Cost

## Roanoke Project Cost Summary

<b>2014 Project Cost Estimate</b>	<b>\$95.8 M</b>
• Separate Service Facility and Platform	\$1.6 M
• High-Level Platform increase	\$4.3 M
<b>2016 Project Cost Estimate</b>	<b>\$101.7 M</b>
• Service Facility Bid	(\$800 K)
• Platform Bid	\$1.7 M
<b>Revised Project Cost</b>	<b>\$102.7 M</b>
<b>Funds Currently Programmed in SYIP</b>	<b>\$101.683 M</b>
<b>SYIP Amendment Needed</b>	<b>\$1.057 M</b>



# Rail Project Action Items

- Arkendale Third Track Project
  - December Presentation
  - December Action Item (\$9.1M)
- Roanoke Amtrak Extension Project
  - December Presentation
  - January Action Item (\$1.057M)





COMMONWEALTH of VIRGINIA  
*Office of the*  
SECRETARY of TRANSPORTATION

# Transform66: Outside the Beltway P3 Procurement Update

**Aubrey Layne**  
Secretary of Transportation  
November 3, 2016





# McAuliffe Administration Philosophy

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- **Protect the taxpayers**
- **Use P3s *only* when they are in the best interest of the public**
- **Deliver a project that best meets the needs of the public**
- **Be transparent and accountable to the public and elected officials**
- **Embrace P3 reforms of HB1886 (2015)**

# McAuliffe Administration P3 Philosophy

Protect the taxpayers	Reformed P3 Process – Saved \$2.5 billion
Use P3s only when in the best interest of the public	Developed a public option and created competition with private sector
Deliver a project that best meets the needs of the public	Project provides travel choices, congestion relief, and improved reliability. Created \$500M in additional funding from private sector to address transportation needs in the corridor
Be transparent and accountable	Established open and accountable process
Embrace HB 1886 P3 Reforms	Established major business terms at the outset of procurement

# How did we get here?

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- **Identified flaws in original P3 process**
- **Found that entire P3 process needed to be reformed to put Virginia taxpayers first**
- **Developed new philosophy and process for P3s**
- **Established the cost for the state to build the project without private sector investment**
- **Challenged private sector to compete against state-funded public option**

# Flaws with Original P3 Process

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- **Original P3 development process analysis showed the project:**
  - Required significant public funding – Public would need to pay \$900M to \$1B to build the project
  - Did not deliver the full project and benefits for the public – transit and future corridor improvements
- **Started with assumption that a P3 procurement was the right answer**
- **Assumed risks for project same as other P3 projects despite unique nature each project**
- **Failed to explore all public financing options**

# Flaws with Original P3 process

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**Value for Money analysis found that P3 would reduce cost to Commonwealth by \$186M**

- **Risk that toll revenues would be off by 25% - or \$828M in NPV**
  - **Public option more than 20% of the revenues were unused during the term of the project**
- **Assumption that politics would interfere with maintenance and state of good repair of tolled facility - \$122M in NPV**
  - **State law requires toll revenues to be used first for maintenance of a toll facility**

# Determining New Path Forward

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- **How do we ensure P3 deals are consistent with the Administration's policy?**
- **What do we want to accomplish?**
- **How much does it cost?**
- **What are the revenues?**
- **What are the risks?**

# What would it cost the public to build the project?

	Original P3 Process Analysis	Public Option
Upfront Public Funding	900 to 1,000	400 to 600
Support for Corridor Transit	No	Yes - 800
Funds for Future Corridor Improvements	0	200 to 500

Figures in millions

# Established Competitive Process

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- Offered private sector opportunity to compete against the public state-financed option
- Public option will remain on the table until deal is signed with private partner
- Issued RFQ for
  - Design-Build-ATC with public financing
  - Design-Build-Operate-Maintain with public financing
  - Toll concession



# Summary Results from RFQ Responses

(\$ millions)	Concession		DBOM		DB-ATC	
	Low	High	Low	High	Low	High
Upfront Public Funding	(600)	148	(1,420)	(416)	(1,218)	(564)
Future Corridor Improvements <sup>1</sup>	350	350	241	289	248	320
Net Public Funding	(250)	498	(1,131)	(175)	(898)	(300)

(1) Present Value.

Note: Dollars in millions and in nominal terms, unless otherwise noted. Present value calculations are discounted at 6.14% as of November 15, 2020.

# Established Competitive Process

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- **Based on responses Administration moved forward with toll concession P3 procurement**
- **Final RFP issued with deal terms on July 29, 2016**
- **Two teams submitted compliant bids**
  - **Transurban/Skanska**
  - **Cintra/Meridiam/Ferrovial**

# How did we evaluate the proposals?

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- **Cost - 70% of score**
  - Lowest project cost received 70 points
  - Score for other team determined based on relative difference to lowest score with each additional \$10M in cost reducing score by 1 point
- **Technical factors - 30% of score**
  - Customer service, hand back condition, structure durability, tolling, long-term partnership, public outreach
  - Evaluated by executive team: Deputy Secretary, Deputy Commissioner, Chief Financial Officer, Chief Engineer, NOVA Assistant District Administrator

# Results of the Procurement

	Original P3 Analysis	2015 Public Option	Cintra/ Meridiam/ Ferrovial
Upfront Public Funding	(900 to 1,000)	(400 to 600)	0
Transit Capital and Operating	0	800	800
Future Corridor Improvements	0	350	350
Concession Payment to TTF	0	0	500

Figures in millions

# Comparison with Past P3 Deals in the Commonwealth

	Pocahontas Parkway	495 Express Lanes	Midtown/ Downtown	Route 460	95 Express Lanes	Transform 66
Public Funding	0	495	582**	1,150	83	0
Private Equity	141	630*	33	0	280	1,522
Potential Future Liabilities	0	HOV usage	\$700M+	N/A	HOV usage / Route 1 upgrades	0
Team	Transurban (hand over to senior lenders)	Transurban /Fluor/Lane	Macquire/ Skanska	Ferrovial (cancelled)	Transurban- Fluor/Lane	Cintra/ Meridiam/ Ferrovial

Figures in millions

\*Deal restructured in 2014

\*\* Additional public funding invested after financial close to reduce tolls

# Comparison with Past P3 Deals in the Commonwealth

	Pocahontas Parkway	495 Express Lanes	Midtown/Downtown	Route 460	95 Express Lanes	Transform 66
Competition	N	N	N	Y + N	Y + N	Y
Major Business Terms Established at Outset	N	N	N	N	N	Y
Pressing Transportation Need	N	Y	Y	N	Y	Y
Determination of Public Cost to Deliver	N/A	N	N	N/A	N	Y

# Other Benefits to the Commonwealth

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- **\$300M will return to the High Priority Project Program in SMART SCALE for statewide competition**
  - Increases available funding for SMART SCALE from ~\$700M to \$1B
- **\$500M now available for additional improvements to the I-66 Corridor subject to Code requirements**
- **\$300M will return to the Northern Virginia Transportation Authority for other key regional projects**

# Why were we successful?

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- **Governor made it clear he would rather have no project than a bad deal**
- **Kept the public option on the table – able to walk away from a bad deal**
- **Established competitive process to leverage better deal from private sector**
- **Detailed key business terms at outset of procurement and maintain terms throughout**





*Multimodal Solutions - 495 to Haymarket*

## **Overview of the Procurement and Project Milestones**

December 6, 2016

Charles A. Kilpatrick, P.E.  
Commissioner of Highways  
Virginia Department of Transportation



Multimodal Solutions - 495 to Haymarket

## Project Development The Path to Date

Summer 2011	Environmental Process Initiated (NEPA)
November 2013	Record of Decision (ROD) issued on Tier 1 NEPA
August 2015	Commissioner makes Finding of Public Interest (FOPI) to initiate procurement under PPTA ; Transportation Public-Private Partnership Advisory Committee concurs with the FOPI
September 2015	CTB authorizes VDOT to proceed with the procurement, Request for Qualifications
October 2015	Received 13 Statement of Qualifications (SOQ)
December 2015	Received indicative financial proposals from Short-Listed Proposers
	Selected the toll concession (DBFOM) as the preferred delivery model
	VDOT briefs CTB and Transportation Public-Private Partnership Advisory Committee



Multimodal Solutions - 495 to Haymarket

## Key Policy Considerations

- **Funding for transit is a requirement**
- **Developer retains the risks for:**
  - Excessive HOV use
  - Limited relief for alternative facilities
- **Alternative Technical Concepts (ATC) desired**
  - Emphasis on innovation and increasing value
  - Reduced scope or cheaper quality not acceptable
- **Minimize negative impact of construction activities**
  - Expedited construction schedule with Liquidated Damages (LDs) for late Project Completion
  - Liquidated damages for lane closures
- **No Notice to Proceed (NTP) for construction until the necessary permits are obtained**



Multimodal Solutions - 495 to Haymarket

## Key Business Terms

- **Concession Term: 50 years**
- **Financing:**
  - The Developer will finance the Project at its own cost and risk and non-recourse to VDOT.
  - VDOT will provide up to \$600 million public contribution.
- **Permits:**
  - VDOT will obtain required NEPA approvals, CTB approvals, and approvals by the FHWA of the CA and Project Management Plan as necessary.
  - Developer will be responsible for obtaining all other permits and government approvals, and will be responsible for obtaining any required reevaluation of the NEPA approvals as a result of Developer's ATCs.
- **Design and Construction:** fixed priced turnkey contract between the Developer and the Design-Build Contractor
- **Operation and Maintenance (O&M)**
  - The Developer will be responsible for O&M of the Express Lanes, except for snow and ice removal which will be done by VDOT.
  - VDOT will be responsible for operation and maintenance of the general purpose lanes.



Multimodal Solutions - 495 to Haymarket

## HB1886 – Governor’s P3 Reform Bill

- **Codified key concepts consistent with revised P3 guidelines adopted by Board in November 2014**
  - Provided for legislative involvement up-front in the process
  - Established standards for Finding of Public Interest and requires re-certification that deal is consistent with Finding prior to signing of deal
  - Requires VDOT to establish process to identify high risk projects and mitigate potential risks
- **Established a Transportation Public-Private Partnership Advisory Committee**
- **Committee must determine a P3 procurement is in the public interest based on information from Finding of Public Interest prior to initiating procurement**
- **VDOT/DRPT may not enter into a comprehensive agreement unless the Secretary certifies that risks, liabilities and permitting responsibilities have not materially changed from the Finding of Public Interest**



Multimodal Solutions - 495 to Haymarket

## How are we meeting the requirements of HB 1886?

- **August 2015 – Initial Finding of Public Interest signed**
  - Design-Build ATC
  - Design-Build-Operate-Maintain
  - Toll Concession
- **The development and operation of the project pursuant to the PPTA under these three options versus other procurement options available to VDOT can provide the following benefits:**
  - Share or transfer major project risks, including escalation in project costs and integration with the existing express lanes network
  - Combine design and construction in one agreement thereby creating incentives to utilize Alternative Technical Concepts (ATCs)
  - The transfer of traffic and revenue risks and risks of toll collection and violations (DBOMF only)
  - Capitalize on the synergy of design, construction, financing, tolling, operations and maintenance under one agreement.



Multimodal Solutions - 495 to Haymarket

## How are we meeting the requirements of HB 1886?

- **Transportation Public-Private Partnership Advisory Committee was briefed on initial Finding of Public Interest in August 2015**
- **Minimal compensation events provided in commercial terms**
- **Specifically, no compensation events for the following:**
  - Widening of existing roads or construction of new roads
  - Expansion of transit service, including Orange Line excluding first 10 years of deal
- **The Secretary affirmed the Finding of Public Interest in September 2015**



Multimodal Solutions - 495 to Haymarket

## Toll Concession Project Sought; Maintain options until successful project closed

- Request for Information for all three potential options issued in September 2015
- Based on responses, a toll concession public-private partnership was recommended
- Final RFP issued in July 2016
  - Key Commercial Terms retained
- Final Proposals received on October 11, 2016
- Public option will remain on the table until a deal is signed with private partner that meets or exceeds the terms of the public option
  - SB60 which authorizes issuance of 9(c) public debt passed Senate with 2/3s majority required and was carried over in the House pending the outcome of P3 procurement





Multimodal Solutions - 495 to Haymarket

# Procurement Milestones

December 2015	Draft request for Proposals (RFP) posted
July 2016	Final RFP issued
October 2016	Technical proposals and Financial proposals received
	Technical proposals scored
	Financial Proposal scored
November 2016	Commissioner and Secretary affirms Finding of Public Interest
	Announcement of preferred bidder
	PPTA Advisory Committee Meeting



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## Preferred Proposer

- **Best value proposal**
- **Express Mobility Partners**
  - **Equity Investors**
    - Cintra Global LTD
    - Meridiam Infrastructure North American Fund II
    - Investing over 40% of project funding
  - **Design-Build Contractors**
    - Ferrovial Agroman US Corp
    - Allan Myers VA, Inc.
- **\$2.3 billion construction project**
- **Provides for the required transit payments and support of corridor improvements**
- **Will make concession fee payment (\$500M) to Commonwealth**
- **Construction design provides innovative solutions to improve the physical quality and operations of the project**



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## Next Steps

- **Brief CTB on the key commercial terms of the project and contract on December 6, 2016**
- **Achieve Commercial Close with Preferred Proposer by December 15, 2016**
- **Financial Close to be reached by July 15, 2017**



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## Major Project Milestones

Milestone	Dates and Schedule
Begin Final Design	January 2017
Design Public Hearing Date	September 2017
Begin Construction	Fall 2017
Right of Way Acquisition – Offers, etc.	October 2017 – December 2018
Park and Ride Milestone Date (960 Parking Spaces near Gainesville)	March 2019
Route 28 Signalization Date (Remove 4 Traffic Signals from Route 28)	February 2020
Begin Tolling (Service Commencement Date)	July 2022
Project Completion Date	August 2022



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## Other Procurement Related Documents and Activities

- **Project Fact Sheet**
- **Summary of Major Business Terms**
- **Comprehensive Agreement**
  - Updating to reflect Proposer specific information
- **Final RFP Risk Analysis**
  - Largest potential cost impact tied to delayed financial close
- **Final VfM Analysis**
  - Impact of the Concession Fee Payment versus a Public contribution has increased the value of the toll concession P3
- **Statutory PPTA Audit**



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## CTB Action Items

- **Endorsement of the Commissioner's final Finding of Public Interest and support for the Commissioner's execution of a Comprehensive Agreement with Express Mobility Partners**
- **Authorization of a loan from the State Infrastructure Bank to I-66 Express Mobility Partners LLC, for the Transform 66 P3 Project in Virginia**
  - Up to \$30 million available after Commercial Close
  - Provided to support Early Works as defined in the CA
  - To be repaid in full at Financial Close



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**For additional information visit**  
**Transform66.org**

# Hampton Roads Crossing Study (HRCS) Supplemental Environmental Impact Statement (SEIS)

## Commonwealth Transportation Board Briefing

December 6, 2016

Angel Deem  
VDOT, Environmental Division Director



## Updates Since October CTB Briefing

- Hampton Roads Transportation Planning Organization (HRTPO) and Hampton Roads Transportation Accountability Commission (HRTAC) have taken action
- VDOT has revised its recommendation for a preferred alternative to the U.S. Army Corps of Engineers (USACE) and other Cooperating Agencies
- Federal Cooperating Agencies have concurred/not objected to recommending Alternative A as the preferred alternative



# Alternative B

- Same improvements considered under Alternative A
- Extend I-564 across the Elizabeth River with a new bridge-tunnel
- Construct new facility along the east side of Craney Island and widen Route 164
- \$6.6 billion in 2016 dollars with a 40% contingency



# Alternative C

- Widen I-664 including transit-only lanes
- Extend I-564 across the Elizabeth River with a new bridge-tunnel that includes transit-only lanes
- Construct new facility along the east side of Craney Island
- \$12.5 billion in 2016 dollars with a 40% contingency



# Alternative D

- Includes all sections considered in other alternatives
- Does not include transit only lanes along I-664 and over the water
- The different footprint allows for more information to be available to the study
- \$11.9 billion in 2016 dollars with a 40% contingency



## HRTPO and HRTAC Actions

- Unanimously endorsed “Alternative A Modified” in October 2016
- For the purposes of the HRCS SEIS, this means selection of Alternative A as the preferred alternative
- Alternative A Modified includes:
  - Alternative A (six lane widening of I-64 from I-664 to I-564)
  - Improvements to the I-64/I-264/I-664 interchange at Bowers Hill
  - Construction of other important regional projects consistent with the region’s 2040 Long Range Transportation Plan projects

## Hampton University

- Draft HRCS SEIS indicated there could be some impacts to Hampton University property
  - Impacts were based on planning level corridors
  - No impacts to Emancipation Oak
  - Draft HRCS SEIS included commitments to refine a preferred alternative to reduce impacts
- As noted in today's resolution, VDOT is committing to:
  - No permanent acquisition of Hampton University property
  - Documenting this commitment in the Final SEIS and requesting that FHWA include the commitment in its Record of Decision
  - Developing a Memorandum with Hampton University by June 2017 to outline the terms should temporary access be necessary during construction

For more information and/or future updates  
Visit: [www.HamptonRoadsCrossingStudy.org](http://www.HamptonRoadsCrossingStudy.org)

or

Email: [HRCsSEIS@VDOT.Virginia.Gov](mailto:HRCsSEIS@VDOT.Virginia.Gov)





## **Economic Development Access Program Bonded Projects Update**

December 6, 2016

Julie Brown

Director, Local Assistance Division

# Program Overview

## Economic Development Access Requirements:

### Virginia Code § 33.2-1509:

- “Funds shall be appropriated to the CTB”
- “Funds shall be expended by the Board for constructing, reconstructing, maintaining, or improving access roads to economic development sites ...”
- Projects must meet criteria established by Virginia Economic Development Partnership (VEDP)
- Funding also available for public airports
- Allows for bonded projects
- Requires roads to be accepted into Secondary or Urban System

# Program Overview

## Economic Development Access Projects can be:

- Traditional (named business)
- Bonded (speculative)

### Traditional projects

The business is known and the locality confirms they can document sufficient capital investment\* by that business

### Bonded projects

No business has committed yet or a business is known but cannot yet document sufficient capital investment\*

\* Currently set at 5X Economic Development Access road allocation

# Program Overview

## Economic Development Access Bonded projects:

- Appropriate surety allows expenditure of Program funds under the condition that sufficient capital investment is documented within 5 years of CTB approval\*
- Requires total or partial reimbursement by localities if qualifying investment is not established within 5 years
- A locality that pays VDOT back after 5 year bonded period can seek 50% reimbursement if qualifying investment is established within following 2 years

*\* “The time limits of the bond shall be based on a regular review and consideration by the Board”*

## Economic Development Access Program Bonded Program Completion – 20 Yr History

Total Bonded EDA Projects Approved	Cancelled	Total Bonded EDA Roads Built	Fully Successful (Full Investment Documented)	Partially Successful (Some investment-partial payback)	No Investment	Still Pending
130	23	107	43 ( 40%)	27 ( 25%)	25 ( 23%)	12 ( 11%)

## Economic Development Access Program Bonded Period Changes over the Years

Policy / CTB Action
1978 – CTB amended Policy to allow construction of industrial access roads under the “bonded concept; established bonding period to be <b>2 years</b>
1991 – CTB amended Policy to extend bonding period to <b>3 years</b>
2001 – CTB amended Policy to extend bonding period to <b>5 years</b>
2006 – CTB amended Policy to allow refund of 50% of funding forfeited by locality; if locality established & documented investment within 2 years after original 5-year period expired

## **Economic Development Access Program Bonded Program Payback Requirements**

### **Current Program**

- **Requires qualifying business capital investment of 5X allocation**
- **Provides 5 years to obtain investment**
- **At end of 5 years, locality returns entire allocation or portion not qualified by investment or VDOT would be required to call the bond**
- **If locality establishes investment with 2 years after 5 year time-frame, locality can receive 50% reimbursement of original allocation**

## Economic Development Access Program Bonded Program Proposed Payback Provisions

### Proposal

- Continue to provide 5 years to obtain investment
- At end of 5 years, locality is given the option to provide repayment of 100% or provide repayment of 20% and provide surety for remaining 80% and then repay 20% annually for a period of 4 years
- At any time during 4 year payback period sufficient capital investment is documented, payback will cease
- Locality may request refund of reimbursement made if sufficient capital investment documented during extended bond period
- 4 year payback option is contingent on appropriate surety provided by locality
- All projects under current moratorium may begin a 4 year payback at end of moratorium



## Next Steps

### If Proposal for Payback Provisions are accepted:

- Approve Revised CTB Resolution entitled *Economic Development Access Fund Policy (revision)*
- Notify affected localities
- Revise Economic Development Access Guide to reflect updated payback provisions

### If Proposal not accepted:

- Continue with payback based on current policy



## **Economic Development Access Program Bonded Project Moratorium Update**

December 6, 2016

Julie Brown

Director, Local Assistance Division



# Revenue Sharing Program Potential Changes

December 6, 2016

Julie Brown

Local Assistance Division

## Today's Discussion

- **Revenue Sharing Program Allocation Process**
  - Current Program
  - Possible Programmatic Changes CTB could Implement
- **Revenue Sharing Program Transfer Process**
  - Current Program
  - Possible Changes CTB Could Implement

# Current Revenue Sharing Program Allocation Legislation

- Priority Selection based on § 33.2-357
  1. Existing Revenue Sharing Projects
  2. Projects that meet need in Statewide Transportation Plan or in locality's capital plan that can be accelerated
  3. Deficient pavement or bridges (maintenance)
  4. All other requests
- \$10M - Maximum application amount per locality
  - Up to \$5M of the Locality's application can be designated for maintenance projects
- \$15M-\$200M – CTB may make any allocation in range to the Program annually

# Current Revenue Sharing Program Allocation Implementation

- Current Allocation Implementation per CTB Policy:
  - Fully fund requests in each Tier before moving to next Tier
  - If a Tier cannot be fully funded, fund each locality's request within that Tier up to \$1M, then prorate the remaining
  - If first \$1M of request in each locality within a Tier cannot be funded, prorate entire Tier's requests
- FY 2017 Example with \$150M in Allocations plus deallocated funds:
  - Priority 1 Existing Revenue Sharing projects— fully funded
  - Priority 2 – funded each locality up to the first \$1M, then each project received an additional 61% of request
    - **Overall 77.5% of Tier 2 requests funded**
  - Priority 3 and 4 – no funding received

# Potential Revenue Sharing Allocations for FY18

- Using FY18 applications received as baseline & assuming \$100M in total allocations for FY18, distribution of allocations would be:
  - Tier 1: 100% of prior Revenue Sharing Requests would be fully funded (but < \$1M would remain for distribution to remaining tiers)
- Tentative Request by Tier
  - Tier 1 ~\$99M*
  - Tier 2 ~\$70M*
  - Tier 3 ~\$9M*
  - Tier 4 ~\$34M*

# Programmatic Allocation Changes CTB Could Implement

- Option 1- Limit total annual allocations to \$5M per locality (\$10M limit per 2 year cycle)
- Option 2- Limit maximum allocation per project to \$10M
- Option 3- Require any local funds committed on application as part of prior Revenue Sharing allocation to be spent before additional allocations are provided
- Option 4 – Any combination of above options



# Revenue Sharing Allocations Transfer Policy

## Policy Purpose:

Allows transfer of Revenue Sharing allocations to provide needed additional funding to address:

- Meeting an approved federal obligation schedule
- Meeting or advancing an advertisement date
- Funds needed for project award
- Estimate increases
- Project Deficits

# Revenue Sharing Allocations Transfer Policy

## Current Policy

- Can transfer between 2 existing revenue sharing projects administratively; email or letter from locality needed concurring with request
- Can transfer to a project that has never been approved as a revenue sharing project if in SYIP; resolution required from locality and must obtain CTB approval
- Once identified for de-allocation, funds can only be transferred to completed projects in deficit or projects needing additional funding to meet ad date within the current FY (de-allocation year)

# Revenue Sharing Allocations Transfer Policy Issues/Concerns

- **Current process allows localities to “create” Revenue Sharing projects outside the application process (with CTB approval)**
  - *Note: In any fiscal year that all priority categories were not funded, transfers affecting those fiscal year allocations can only be made to projects meeting the same priority selection criteria that received funding originally.*
- **Localities that create a new Revenue Sharing project through a transfer can then “accept” surplus Revenue Sharing allocations within the locality and can qualify as Priority 1 project for new allocations**
  - *Note: Once change implemented in 2015 and existing Revenue Sharing projects became Tier 1, Program Guidelines were updated to reflect that projects receiving a transfer of Revenue Sharing allocations could not be considered a Tier 1 project during the next Revenue Sharing Application Cycle.*

# Revenue Sharing Transfer Policy – Possible Options to Consider

- **Stricter interpretation of “existing” project within a locality**
- **All Transfers must go to CTB for Approval**
- **Any Transfer of Surplus Funding goes to Statewide Balance Entry for Distribution**
  - **Establish rules for re-distribution / prioritize funding-deficit projects or projects ready for advertisement**
  - **Funds in statewide balance entry could be made available during year to previous year’s pro-rated projects**
- **Use same guidelines for all transfers as allowed in de-allocation policy for transfers**
  - **Surpluses during de-allocated process must go to completed projects in deficit or projects needing additional funds by current FY**

# Recommended Modifications to Allocation and Transfer Policy/Process

- **Allocation Process**
  - **Implement All 3 Options**
    - Limit total annual allocations to \$5M per locality (\$10M limit per 2 year cycle)
    - Limit maximum allocation per project to \$10M
    - Require any local funds committed on application as part of prior Revenue Sharing allocation to be spent before additional allocations are provided
- **Transfers**
  - **All Transfers must go to CTB for Approval**

## Next Steps

**Determine what changes Board would like in Allocation Process**

**Determine what changes Board would like in Transfer Policy/Process**

**Revise Revenue Sharing Program Guidelines as Appropriate**

**Notify localities of changes**



# Revenue Sharing Program Potential Changes

December 6, 2016

Julie Brown

Local Assistance Division



## COMMONWEALTH of VIRGINIA

### *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

## **COMMONWEALTH TRANSPORTATION BOARD**

### **WORKSHOP AGENDA**

**VDOT Central Auditorium**

**1221 East Broad Street**

**Richmond, Virginia 23219**

**December 6, 2016**

**10:00 a.m.**

9. Virginia Beach Light Rail Update  
*Jennifer Mitchell, Virginia Department of Rail & Public Transportation*

*This presentation is currently unavailable*





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#### 10. Smart Scale Update

*Nick Donohue, Deputy Secretary of Transportation*

*This presentation is currently unavailable*



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#### 11. Commissioner's Items

*Charles Kilpatrick, Virginia Department of Transportation*

*This item does not have a presentation associated with it but rather serves as an opportunity for the Commissioner to provide updates on various items.*



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Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
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December 6, 2016

10:00 a.m.

#### 13. Secretary's Items

*Aubrey Layne, Secretary of Transportation*

*This item does not have a presentation associated with it but rather serves as an opportunity for the Secretary to provide updates on various items.*

###