



COMMONWEALTH of VIRGINIA  
*Office of the*  
SECRETARY of TRANSPORTATION

## I-66 Outside the Beltway

**Aubrey Layne**  
Secretary of Transportation  
May 19, 2015



# McAuliffe Administration Philosophy

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- **Fiduciary responsibility to the taxpayers**
- **Public-private partnerships are great procurement tool that can benefit taxpayers**
- **Consider all options before making decisions**
- **Be transparent and accountable to public and elected officials**
- **Embrace reforms of HB1886 and other legislation**

# Assumptions Questioned

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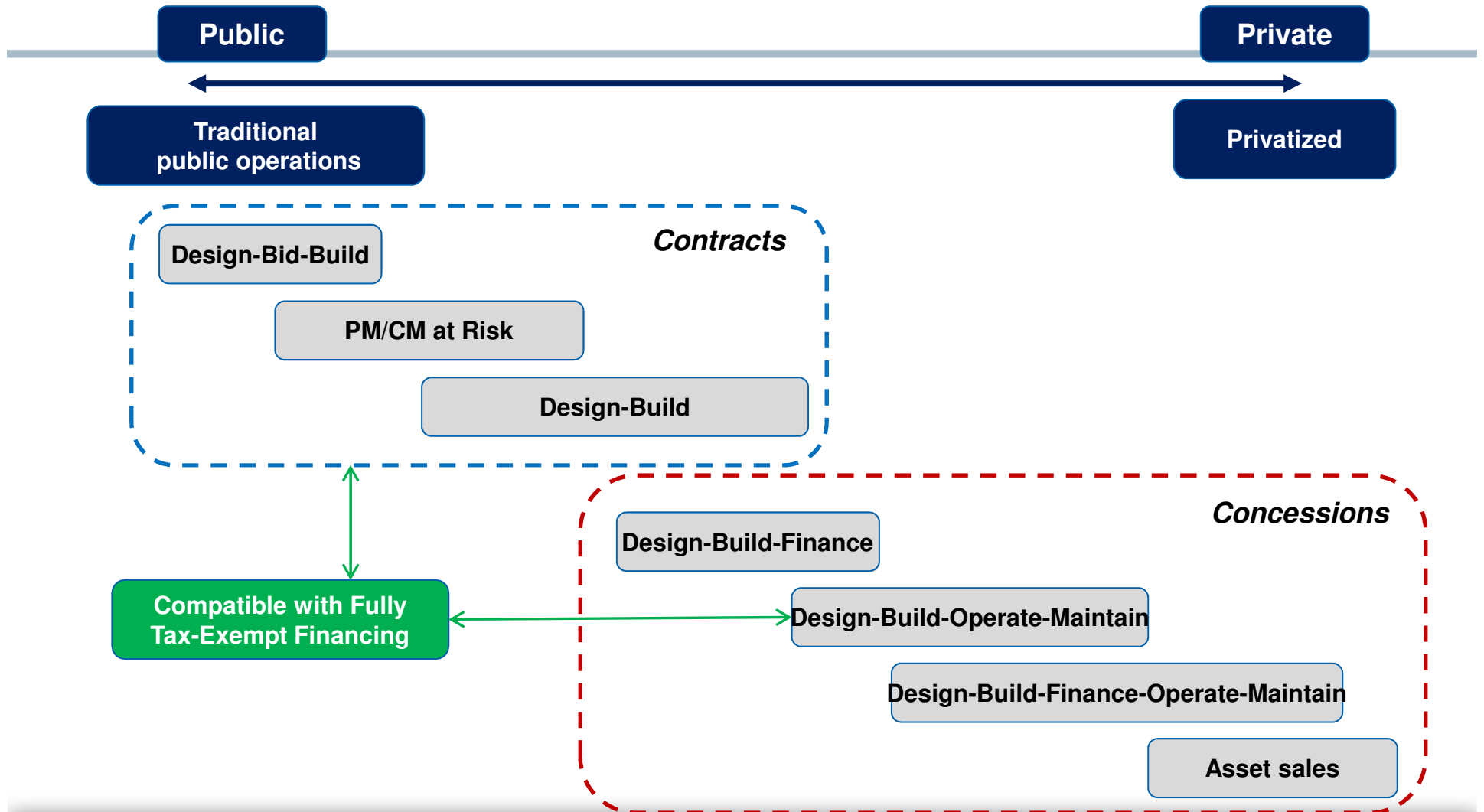
- **Private sector is more efficient than VDOT in construction and operations and maintenance**
- **All public-private partnerships have similar risk profiles and one size fits all deals**
- **Private sector can leverage more resources and result in lowest public subsidy**
- **Best deal for taxpayers is the lowest public subsidy**
- **Only P3s can receive TIFIA loans**

# Evaluating Procurement Options

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- **What do we want to accomplish?**
- **How much does it cost?**
- **What are the revenues?**
- **What are the risks?**

# Evaluating Project Finance & Delivery Alternatives



# Preliminary Analysis of Options - Assumptions

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- **Project cost is ~\$2.1 billion**
- **Transit capital and operations are funded throughout the term of the deal**
- **TIFIA loans representing 33% of project cost are secured by USDOT**
- **40 year term for project**

# Preliminary Analysis of Options

	Public-Private Partnership	Public Finance Options
Upfront Public Funding	\$900-1,000M	\$400-600M
Debt/Equity	\$1,100-1,200M	\$1,500-1,700M
Excess Revenues over Term in NPV	-	\$200-500M

\* Figures are subject to revision with refinement of traffic and revenue analysis

\*\* Public finance options may not impact debt capacity

# Policy and Political Considerations

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- **Available state funding during construction period and impacts on available funding for other projects**
- **General Assembly authorization of public debt**
- **Funding from the Northern Virginia Transportation Authority**
- **Project funding of improved transit service over the term of deal**
- **Future corridor improvements**



# Policy and Political Considerations

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- **Risks with project implementation and financing**
  - **Construction**
  - **Operations and Maintenance**
  - **Toll revenues and debt service**
- **Mitigation of project risks**

# Moving Forward

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- **Hold initial meeting of the Transportation Public-Private Partnership Advisory Committee in next 30-45 days**
- **Recommendation on procurement from VDOT/DRPT in mid-summer**
- **Transportation Public-Private Partnership Committee to consider recommendation in late-summer**