March 21, 2012

Mr. Gregory A. Whirley
Commissioner
Virginia Department of Transportation
1401 East Broad Street
Richmond, Virginia 23219

RE: Patriot’s Crossing

Dear Commissioner Whirley:

Chapter 568 of the 2011 Acts of Assembly (Ch. 568) directs the Virginia Department of Transportation (VDOT) to accept for review unsolicited proposals under the Public-Private Transportation Act of 1995 (PPTA) for development and operations of the Patriot’s Crossing. As of September 30, 2011, the date established in the act, no unsolicited proposals for development and operations of Patriot’s Crossing have been received.

A letter of interest for Patriot’s Crossing was received from Cintra US on September 30, 2011. However, the letter contained only preliminary information regarding Cintra’s expertise and experience in P3 projects nationally; it lacked the necessary information on scope of work, schedule for project development, proposed cost, conceptual finance plan, and discussion of public benefits of the project. The Office of Transportation Public-Private Partnerships (OTP3) has notified Cintra that their letter of interest does not meet the criteria established for an unsolicited proposal. Therefore, we have prepared a letter for your signature to the Joint Commission on Transportation Accountability indicating the act has been complied with (attached).

At this time, the OTP3 recommends proceeding with the assessment of Patriot’s Crossing as a candidate PPTA project through the detail-level screening process established in the 2010 PPTA Implementation Manual. This recommendation is based on the High-level Screening Report (attached). The OTP3 anticipates the Detail-level Screening Report would be complete in July 2012 if initiated immediately. The detailed-level screening analyses will allow the OTP3 to provide you and the PPTA Steering Committee with a recommendation as to whether the project remains a good candidate PPTA project and the level of priority for the Commonwealth to advance it into the procurement phase.
Should you have any questions or wish to discuss please contact me at 786-3456 or Dusty Holcombe at 786-3173.

Sincerely,

[Signature]

Tony Kinn

cc: Charlie Kilpatrick, P.E.
    Dennis Heuer, P.E.
    Dusty Holcombe
    Jackie Cromwell
    Ryan Pedraza
March 29, 2012

The Honorable Joe T. May, Chair
Joint Commission on Transportation Accountability
P.O. Box 2146
Leesburg, Virginia 20177-7538

RE: Chapter 568 of 2011 Acts of Assembly – Patriots Crossing

Dear Delegate May:

Chapter 568 of the 2011 Acts of Assembly (Ch. 568) directs the Virginia Department of Transportation (VDOT) to accept for review unsolicited proposals under the Public-Private Transportation Act of 1995 (PPTA) for development and operations of the Patriots Crossing (Third Crossing). The legislation further requires that VDOT notify the Joint Commission on Transportation Accountability of completion of each requirement of the act. This letter is sent to brief you and other members of the Committee on VDOT’s progress in meeting the requirements of Ch. 568.

Statutory Requirement Number 1:

Ch. 568 requires VDOT make available on its website any and all information about the proposed Patriots Crossing (Third Crossing) project.

VDOT Action:

VDOT has made the specified information regarding the project and PPTA procurement available on the following sites:

www.virginiadot.org/projects/hamptonroads/patriots_crossing.asp; and

www.virginiadot.org/projects/ppta3rdXingHome.asp

Statutory Requirement Number 2:

Ch. 568 requires that unsolicited proposals for the development and operations of Patriots Crossing (Third Crossing) submitted no later than September 30, 2011 be accepted for review by the Department. The legislation states that unsolicited proposals filed pursuant to the act must include information regarding team qualifications and experience, proposed scope of work,
schedule for project development, proposed cost, conceptual finance plan, and a discussion of the public benefits of the project. The Department is required by the act to develop a process that would permit a private entity that is part of a proposal team to assist with development of state or federally mandated environmental reviews or permits required to complete the project. Further, within 30 days of receiving an unsolicited proposal, the Department is to post a public notice of the unsolicited proposal and provide 120 days for submission of any competing proposals.

VDOT Action:

As of September 30, 2011, VDOT had received no unsolicited proposals for development and operation of Patriots Crossing (Third Crossing). In October 2011, the Office of Transportation Public-Private Partnerships (OTP3) advanced the screening process to determine the feasibility and desirability of procuring the Patriots Crossing (Third Crossing) project under the PPTA, as established in the 2010 PPTA Implementation Manual.

As described above, VDOT has met the statutory requirements of Ch. 568. The Department will continue to advance the necessary environmental reviews for the project and the OTP3 will assess the business case for Patriots Crossing through the PPTA screening process.

Please contact me if you have any questions or concerns.

Sincerely,

[Signature]

Gregory A. Whirley

C: The Honorable Sean T. Connaughton  
The Honorable Yvonne B. Miller, Vice - Chair  
The Honorable Adam P. Ebbin  
The Honorable R. Edward Houch  
The Honorable Timothy D. Hugo  
The Honorable James M. LeMunyon  
The Honorable Stephen H. Martin  
The Honorable Ralph K. Smith  
The Honorable Jeion A. Ward  
Mr. Walter J. Kucharski  
Charlie Kilpatrick, P.E.  
Dennis W. Heuer, P.E.  
Mr. Tony Kinn  
Mr. Dusty Holcombe
Patriot’s Crossing
High-Level Project Screening Report

This report and recommendation is part of the high-level screening process used by the Office of Transportation Public-Private Partnerships (OTP3) to assess the suitability of delivering a project under the Public-Private Transportation Act (PPTA) of 1995, as amended.

PROJECT BACKGROUND

Date: March 21, 2012
Project Name: Patriot’s Crossing
Project Number: 0064-114-F12, PE102; UPC 99587
Sponsoring Agency:
- ☒ VDOT
- ☐ DRPT
- ☐ VPA
- ☐ AVIATION
- ☐ DMV
- ☐ OTHER
Project Concept Source:
- ☒ SOLICITED
- ☐ UNSOLICITED

OTP3 RECOMMENDATION

PROCEED WITH DETAILED-LEVEL SCREENING PROCESS?  ☒ YES  ☐ NO

OTP3 recommends Patriot’s Crossing be advanced to the detail-level screening phase of the PPTA process. Patriot’s Crossing has the potential to generate revenue to partially offset the public funding required for construction. Funding provided through a combination of toll revenues, private equity, and public subsidies would allow the inclusion of Patriot’s Crossing in the HRPO’s constrained long range plan for construction, a key to advancing the project.

The detailed-level screening will further consider elements of a business case for the project, including sketch level traffic and revenue analysis, risk analysis, cost benefit analysis, and preliminary cost analyses (construction, operations, and maintenance). Once the detailed-level review is complete, the OTP3 will provide a recommendation to the PPTA Steering Committee as to whether the project remains a good candidate PPTA project and the level of priority for the Commonwealth to advance into the procurement phase.

Concur:

[Signature]
Gregory Whitley, Commissioner
Virginia Department of Transportation

[Signature]
3/20/12
Date
Schedule

<table>
<thead>
<tr>
<th>Activity</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft Environmental Assessment – signed by FHWA</td>
<td>November 30, 2011</td>
</tr>
<tr>
<td>Detail-level Screening initiated by OTP3</td>
<td>April 2012</td>
</tr>
<tr>
<td>Detail-level Screening completed by OTP3</td>
<td>July 2012</td>
</tr>
<tr>
<td>OTP3 recommendation to PPTA Steering Committee</td>
<td>August 2012</td>
</tr>
<tr>
<td>OTP3 releases RFQ – if applicable</td>
<td>TBD</td>
</tr>
<tr>
<td>Construction Funding Identified &amp; HRTPO amends constrained long-range plan</td>
<td>TBD</td>
</tr>
<tr>
<td>VDOT requests Finding of No Significant Impact (FONSI) from FHWA for NEPA approval</td>
<td>TBD</td>
</tr>
</tbody>
</table>

TRANSPORTATION NEED STATEMENT

Description: The Patriots’ Crossing project is a component of the original Hampton Roads Third Crossing project; segments consist of HRCS Segment 1 and Segment 3 for a combined length of 12.4 miles.

**Segment 1:** Extends on new alignment from the I-664/Monitor-Merrimac Memorial Bridge Tunnel in Hampton Roads, Virginia to its connection with the planned I-564 Intermodal Connector at Virginia Avenue near Naval Station Norfolk in Norfolk, Virginia. Segment 1 would have four lanes (two in each direction) along the new roadway, bridge, and tunnel. The length of Segment 1 is approximately 6.3 miles.

**Segment 3:** Extends on new alignment from Segment 1 to a new connection to VA 164 in Portsmouth, Virginia. Segment 3 would have four lanes (two in each direction) along the new roadway. The length of Segment 3 is approximately 6.1 miles.

The eastern study limit for Segment 1 was shortened because it would now connect with the planned I-564 Intermodal Connector; a fully funded, committed project and currently under development. The widening of I-664 on the Peninsula and the Southside, including the Monitor-Merrimac Memorial Bridge Tunnel multimodal component of the selected alternative, are not included in this reevaluation because they are not part of this phase of construction. In the years following the completion of the HRCS FEIS in 2001, the 576-acre A.P. Moller-Maersk Container Terminal (APM Terminal) was constructed along the Elizabeth River in Portsmouth. A portion of this facility is now located within the original alignment of Segment 3, thereby necessitating a westward shift of the alignment to avoid impacting this port facility.

The primary purpose of the Patriot’s Crossing project is to improve overall regional accessibility, mobility, and goods movement in the Hampton Roads area to help relieve congestion at the existing I-64 Hampton Roads Bridge Tunnel.
### HIGH-LEVEL SCREENING CRITERIA

#### Complexity to Effectively Leverage Private Sector Innovation/Expertise

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☒</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Supporting info:** Patriot’s Crossing has an estimated total construction cost ranging between $3.7 and $4.2 billion offering potential to leverage private sector financing. In addition, the private sector will bring their expertise and innovation to the design, construction, operations, and maintenance of a complex project within an active shipping channel.

#### Consistent with Federal Requirements

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>☒</td>
<td></td>
</tr>
</tbody>
</table>

**Supporting info:** There are two interrelated federal regulatory requirements that must be met to advance Patriot’s Crossing to construction:

1. Patriot’s Crossing is currently listed in the Hampton Roads Transportation Planning Organization’s (HRTPO) long-range transportation plan for preliminary engineering only. Dedicated funding for construction must be identified to allow the HRTPO to amend the 2034 long-range transportation plan and the TIP.
2. The Hampton Roads Third Crossing Environmental Impact Statement (EIS) has been re-evaluated by VDOT in an Environmental Assessment (EA) to comply with the National Environmental Policy Act (NEPA). VDOT initiated the EA in March 2011 and Federal Highway Administration (FHWA) approved the EA on November 30, 2011. The project must be included in the regions constrained long-range plan (CLRP) and transportation improvement program (TIP) for construction before FHWA will issue the Finding of No Significant Impact (FONSI) concluding the NEPA compliance.

#### Accelerated Project Development

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☒</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Supporting info:** Patriot’s Crossing is currently listed in the HRTPO’s long-range transportation plan for preliminary engineering only. Advancing the project via PPTA procurement would identify a funding source for construction (tolling) and allow the HRTPO to amend the constrained long-range plan and TIP, approving the project for construction years sooner than traditional design-bid-build delivery and sources of revenue would allow. Additionally, there would be time savings realized through the single contracting of design, construction, maintenance and operations.

#### Satisfies Public Transportation Need

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☒</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Supporting info:** The overall purpose and need for the Patriot’s Crossing project includes reducing congestion at the Hampton Roads Bridge Tunnel to reduce the peak rush hour traffic and improve safety; improve access and movement of goods between Southside and the Peninsula; accommodate new population and employment growth in the region; improved access to and from military facilities in the project area; accommodate the region’s growing tourism industry; and
improving roadway links to port facilities to support efficient transfer of goods and maintain the economic growth and vitality of the port facilities.

### Addresses Priorities Identified in State, Regional and/or Local Transportation Plan

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
</table>

**Supporting info:**
The Hampton Roads region has long identified a need for improvements in the project area. The Hampton Roads Third Crossing Study was initiated in 1993 to investigate methods of improving mobility across Hampton Roads and relieving congestion at the I-64 Hampton Roads Bridge-Tunnel. Patriot’s Crossing is an element of the Third Crossing. Patriot’s Crossing was one of six recommended project studies identified by the HRTP in their transportation project prioritization efforts in February 2011. The others include Route 460, I-64 Peninsula Corridor, Hampton Roads Bridge-Tunnel, High-Speed and Intercity Passenger Rail, and Virginia Beach Transit Extension.

HRTP modeling measured Patriot’s Crossing high potential for congestion relief, economic benefits, and viability. The Virginia Modeling, Analysis and Simulation Center rated Patriot’s Crossing as the top interstate project, measuring travel time improvements throughout the region during peak hours in 2034.

### Project Efficiencies through PPTA Delivery

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
</table>

**Supporting info:**
Advancing Patriot’s Crossing via PPTA procurement would offer project efficiencies through the single contracting of design, construction, maintenance, and operations for the facility.

### Ability to Transfer Risk

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
</table>

**Supporting info:**
Advancing Patriot’s Crossing via PPTA procurement would allow transfer of revenue risk to the private sector associated with final design and construction efforts, as well as the longer term risks associated with maintenance and operations of the facility.

### Funding Requirement

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
</table>

**Supporting info:**
As a tolled facility, Patriot’s Crossing has the potential to generate revenue to partially offset the public funding required (2011 total estimated construction cost $2.9 billion [HRTP]). A 2012 planning level estimate has total project cost ranging from $3.7 to 4.2 billion. Additional information on source and uses of funding will be assessed in a detailed-level review.

### Ability to Raise Capital

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>TBD</th>
</tr>
</thead>
</table>
Supporting info: Toll revenues generated from the Patriot's Crossing project would offset the public funding required under a traditional delivery method. Private sector interest was substantiated most recently in a September 30, 2011 letter of interest from Cintra Infraestructuras to VDOT for development and operations of Patriot's Crossing.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4. <a href="http://www.virgiiniadot.org/projects/ppta3rdXingHome.asp">www.virgiiniadot.org/projects/ppta3rdXingHome.asp</a></td>
</tr>
<tr>
<td></td>
<td>5. <a href="http://www.virgiiniadot.org/projects/ppta3rdXingStatus.asp">www.virgiiniadot.org/projects/ppta3rdXingStatus.asp</a></td>
</tr>
<tr>
<td></td>
<td>6. <a href="http://www.virgiiniadot.org/projects/resources/studyhro-crossing-feis.PDF">www.virgiiniadot.org/projects/resources/studyhro-crossing-feis.PDF</a></td>
</tr>
</tbody>
</table>