



Multimodal Solutions - 495 to Haymarket

Transportation PPTA Advisory Committee

August 17, 2015

Charles Kilpatrick, P.E, Commissioner of Highways
Douglas Koelemay, Director, Virginia Office of Public-Private Partnerships



TRANSFORM 66
OUTSIDE the Beltway

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I-66 Outside-the-Beltway Improvement Area

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Scope Elements and Design Features

- Two Express Lanes (convert existing HOV lane & add one lane)
 - HOV-3 and transit travel free
 - Non-HOV pay congestion-based variable toll
 - Current HOV-2 converts to HOV-3 by 2020 already in region's plans
- Three regular lanes
 - Open to all traffic, no tolls
 - Ramp-to-ramp connections (auxiliary lanes)
- Bus Service and Other Multimodal Improvements
 - High frequency of service during peak hours and new service available beyond peak hours
 - Travel in express lanes for predictable travel times
 - Park-and-Ride lots, Transportation Demand Management



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NEPA Status

Environmental review process to date

- Tier 1 Environmental Impact Statement November 2013
- Tier 2 Environmental Assessment May 2015
- Public hearings May/June 2015
- Commonwealth Transportation Board to adopt Preferred Alternative in October 2015
- Expect Finding of No Significant Impact, approval of Interchange Justification Report by FHWA in January 2016



Public Engagement and Stakeholder Coordination

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- Ongoing stakeholder engagement through Stakeholder Technical Advisory Group (STAG) and Transit Technical Advisory Group (TTAG)
- More than 125 outreach meetings to date
- The four Public Hearings were attended by more than 600 people.
- Ongoing project briefings with:
 - Direct-impact homeowner associations
 - Key stakeholder groups
 - Northern Va. Congressional Delegation
 - General Assembly members
 - Local officials
 - Transportation groups
- Proactive media engagement
- **Transform66.org** and interactive community discussion board – More than 1,000 emails received
- Responding to public inquiries





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Procurement Options

Secretary of Transportation publicly compared preliminary analyses of public funding/financing and P3 options in May 2015.

	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



Input from Private Sector

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A request for private sector teams to revalidate their interest in submitting a P3 proposal was issued on June 8, 2015 to meet with interested private sector teams.

Project Team met with 5 interested teams:

- Transurban, Skanska, Societe Generale, Archer Western
- ACS, Shikun & Binui, HOCHTIEF, Flatiron, Dragados
- Fluor, Lane, Infrared, Isolux, Granite
- OHL , Tutor Perini; Cherry Hill)
- Cintra, Merridium, Ferrovial)

Four of the five teams indicated they could materially meet the business terms.



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Additional Due Diligence

Project team continues to evaluate procurement options.

- Met with industry experts with experience in other states and internationally.
- Met with other State's Transportation Agencies to gain insight on their experiences.
- Takeaways include:
 - The importance of Alternative Technical Concepts.
 - The importance of maintaining competition.
 - P3 teams can be highly creative and adaptable in responding to project opportunities.



Commissioner's FOPI

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At this time there are three P3 options that are in public interest:

- A toll revenue concession (DBFOM)
- A Design-Build-Operate-Maintain (DBOM)
- A Design-Build with Alternative Technical Concepts (DB-ATC)

The development and operation of the project pursuant to the PPTA under the three options versus other procurement options available to VDOT can provide the following benefits:

- Enable VDOT to share or transfer major project risks, including escalation in project costs and expenses and integration with the existing express lanes network in Northern Virginia.
- Combine design and construction in one agreement thereby creating incentives to utilize Alternative Technical Concepts (ATCs), which are not available under a VPPA Design-Build contract.
- The transfer of traffic and revenue risks and risks of toll collection and violations (DBOMF only).
- The synergy of design, construction, financing, tolling, operations and maintenance under one agreement.

Commissioner's FOPI

The final allocation of risks will be defined by the Commonwealth in the Comprehensive Agreement but will conform with the high-level overview of the risks, responsibilities and liabilities outlined below.

	Toll Concession	Design-Build-Operate-Maintain	Design-Build-ATC
Private Entity	Design & Construction Operations & Maintenance Financing & Revenue	Design & Construction Operations & Maintenance	Design & Construction
Public Entity		Financing & Revenue	Operations & Maintenance Financing & Revenue

Based on experience related to the development of projects of similar size and complexity, the inputs received from internal and external stakeholders, comments received from the general public and the results of the risk analysis workshop, the delivery risk of this Project is assessed to be **medium**.



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Key Milestones

Key Milestones	Expected Dates
Transportation P3 Advisory Committee Meeting	August 17, 2015
Draft P3 Request For Qualifications (RFQ) for Industry Review	August 24, 2015
CTB Action to Initiate P3 Procurement	September 16, 2015
CTB Action on NEPA Preferred Alternative	Fall 2015
Qualify Teams and Initiate Draft Request for Proposals (RFP)	Fall 2015
Decision Point for transfer of Financing and Revenue Risk	December 2015
Announcement of Successful Proposer	September 2016
PPTA Statutory Audit, Final FOPI & CTB Allocation of Funds	October 2016
Commercial Close	October 2016
Limited Notice to Proceed	October 2016
Financial Close and Start of Construction	2017