November 3, 2016

The Honorable Terry McAuliffe
Governor
P.O. Box 1475
Richmond, VA  23218

The Honorable Stephen D. Newman
President Pro Tempore of the Senate
P. O. Box 480
Forest, VA  24551

The Honorable William J. Howell
Speaker of the House
Virginia House of Delegates
P.O. Box 8296
Fredericksburg, VA  22404

The Honorable Aubrey L. Layne, Jr.
Secretary of Transportation
P.O. Box 1475
Richmond, VA  23218

Dear Gentlemen:

Based on available information in August of 2015, I made a finding that it was in the public interest to advance the procurement, development and operation of the Transform 66 – Outside the Beltway Project (Project) pursuant to the Public-Private Transportation Act of 1995 (PPTA), as amended (§ 33.2-1800). In addition, the Public Private Partnership Advisory Committee (August 17, 2015) and Secretary of Transportation Aubrey Layne (September 16, 2015) concurred with the finding of public interest (FOPI) and approved proceeding with development of the Project.
The Honorable Terry McAuliffe
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After an assessment of the value to the Commonwealth under three public-private partnership alternatives, the Project procurement advanced as a toll revenue concession in December 2015. The Project procurement documents, including the Comprehensive Agreement (CA) and Technical Requirements have been drafted consistent with the benefits discussed in the FOPI and the risk allocation identified in the Term Sheet.

In October 2016, the Department received two competing proposals submitted in response to a Request for Proposal. After a comprehensive review by my staff, I have concluded that both proposals are compliant with procurement requirements. The risk allocation in the CA is consistent with the Term Sheet and competition has generated significant value for the Commonwealth of Virginia. Therefore, I affirm my original finding that development and operation of the Project pursuant to the PPTA is still in the public interest of the Commonwealth of Virginia. Moreover, I hereby certify that the transfer, assignment, and assumption of risks, liabilities, and permitting responsibilities or the mitigation of revenue risk by the private sector enumerated in the FOPI have not materially changed since the FOPI was issued and the finding of public interest is still valid.

Sincerely,

Charles A. Kilpatrick, P.E.
Commissioner