

OFFICE OF  
TRANSPORTATION  
PUBLIC-PRIVATE  
PARTNERSHIPS

# *Virginia P3's: Past, Present, and Future*

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Development, OTP3



# Virginia's Enabling Legislation

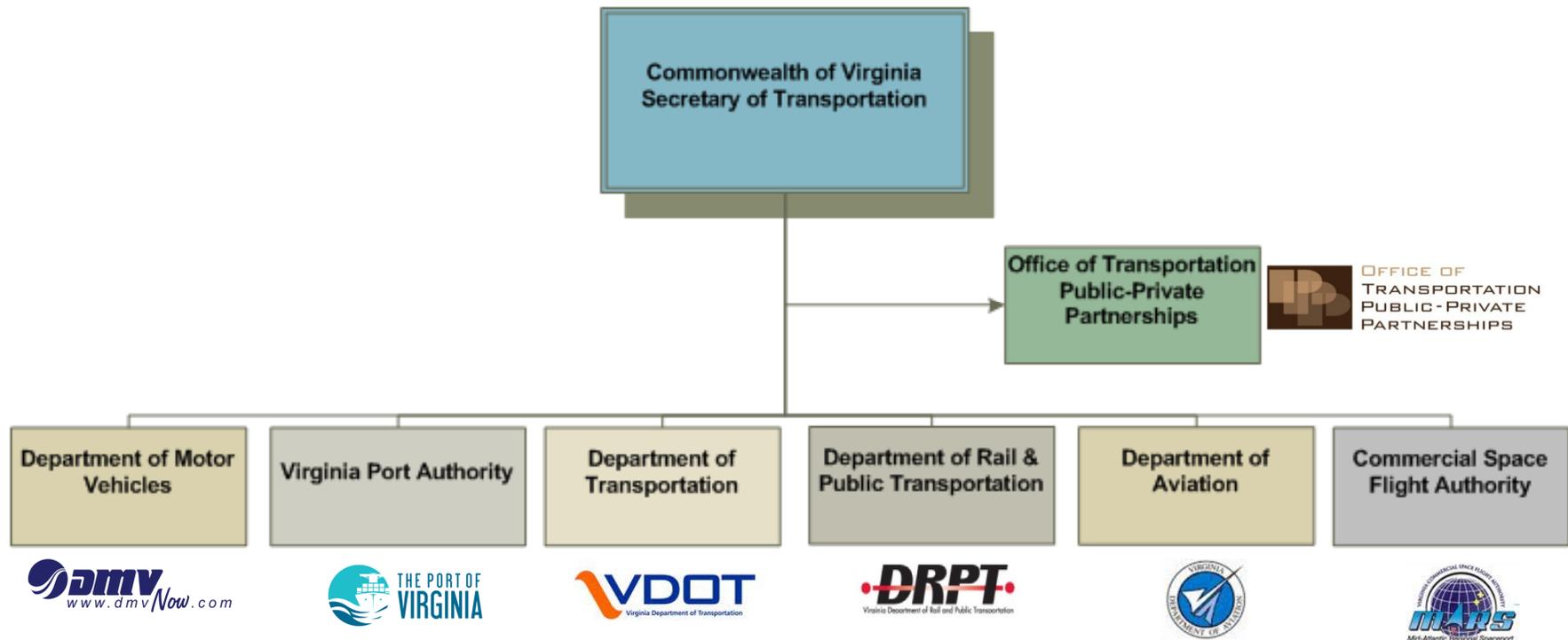
- Public-Private Transportation Act of 1995
  - Intent is to encourage investment by private entities
  - Authorizes private entities to develop and operate qualifying transportation facilities
  - Allows for solicited and unsolicited proposals
  - Requires the development of guidelines that detail the proposal acceptance and review process
  - Allows for the imposition of user fees
  - Includes opportunities for comment on proposals by the public and affected jurisdictions
  - Procuring agency not required to accept lowest price offer



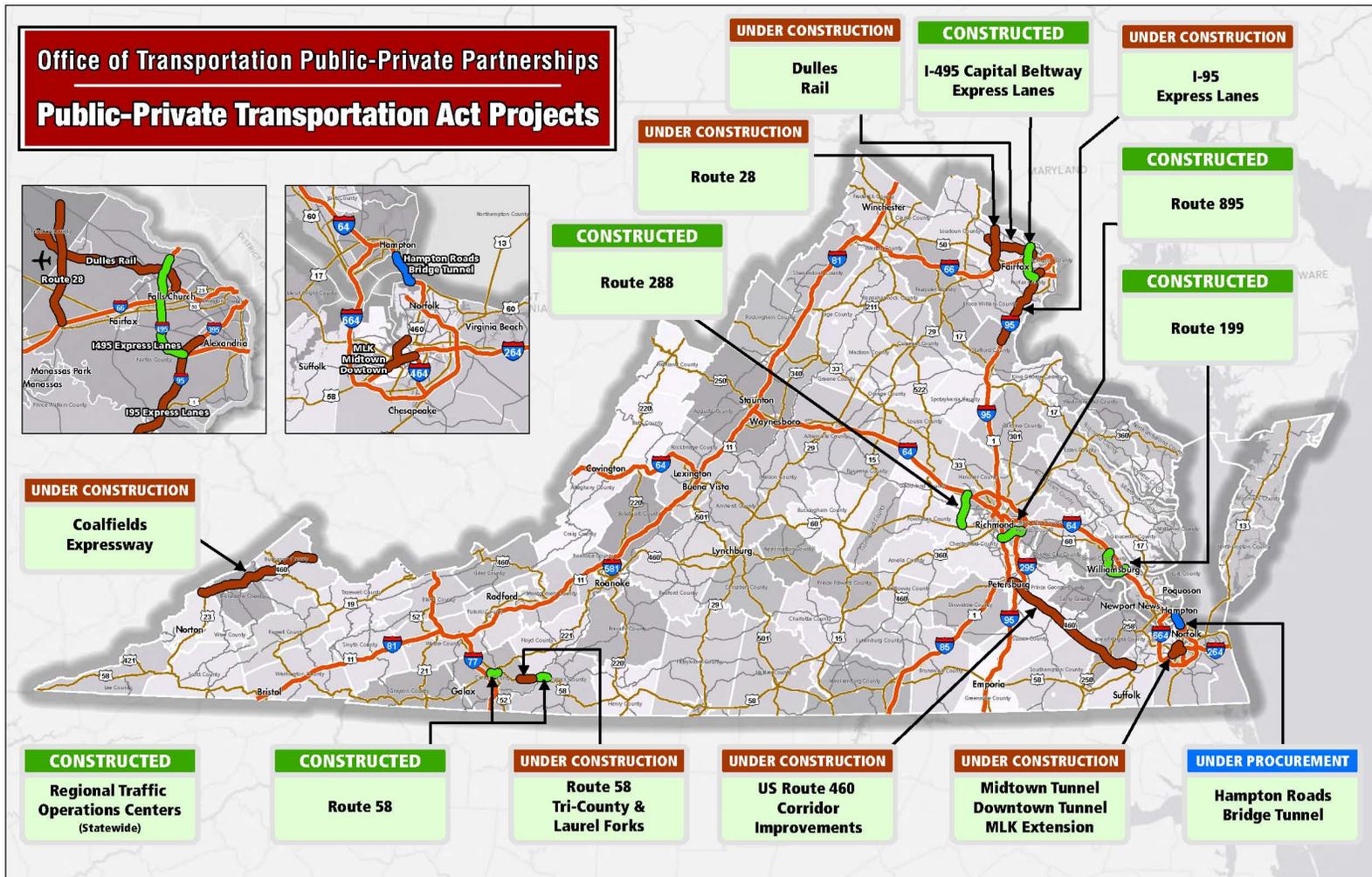
# Keys to Virginia's P3 Success



# Office of Transportation Public-Private Partnerships



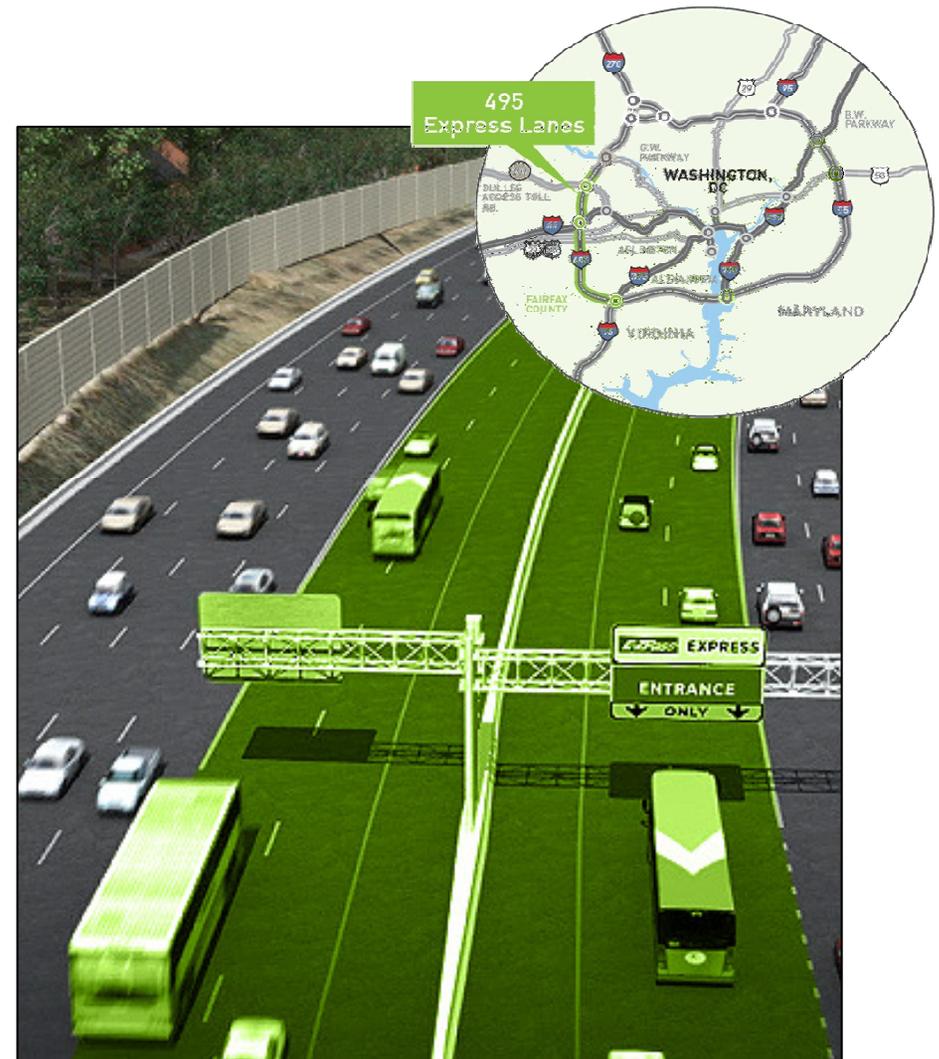
# Virginia Portfolio of P3 Projects



# Virginia's P3 Projects – Completed

## Capital Beltway Express Lanes

- Comprehensive agreement with Transurban / Fluor executed in 2007
- Open to traffic November 2012
- Concession period 80 years
- State contribution of \$409 million combined with private sector contribution leveraged a total project valued at **\$1.7 billion**



# Virginia's P3 Projects Under Construction

## I-95 Express Lanes

- Comprehensive agreement with partners, Transurban/Fluor executed July 2012
- Construction started August 2012; completion 2014
- State contribution of \$71 million combined with private sector contribution leveraged a total project valued at **\$925 million**



# Virginia's P3 Projects Under Construction

## Downtown/Midtown Tunnel/MLK Extension

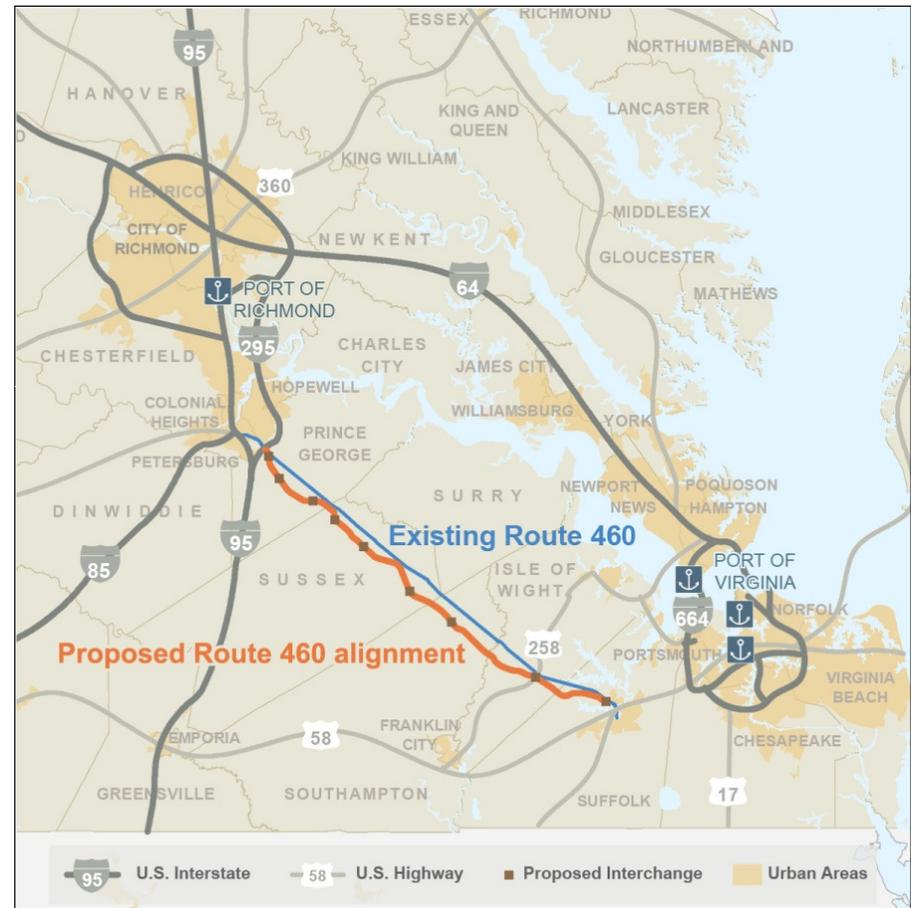
- Comprehensive agreement with Elizabeth River Crossings executed in December 2011
- State contribution of \$420.5 million combined with private sector contribution leveraged a total project valued at **\$2.1 billion**



# Virginia's P3 Projects Under Construction

## U.S. Route 460 Corridor Improvements

- Comprehensive agreement with US 460 Mobility Partners executed December 2012
- State 63-20 corporation structure to provide best value for lowest public subsidy
- Design and ROW beginning 2013
- Construction beginning in 2014
- Estimated project value **\$1.393B**

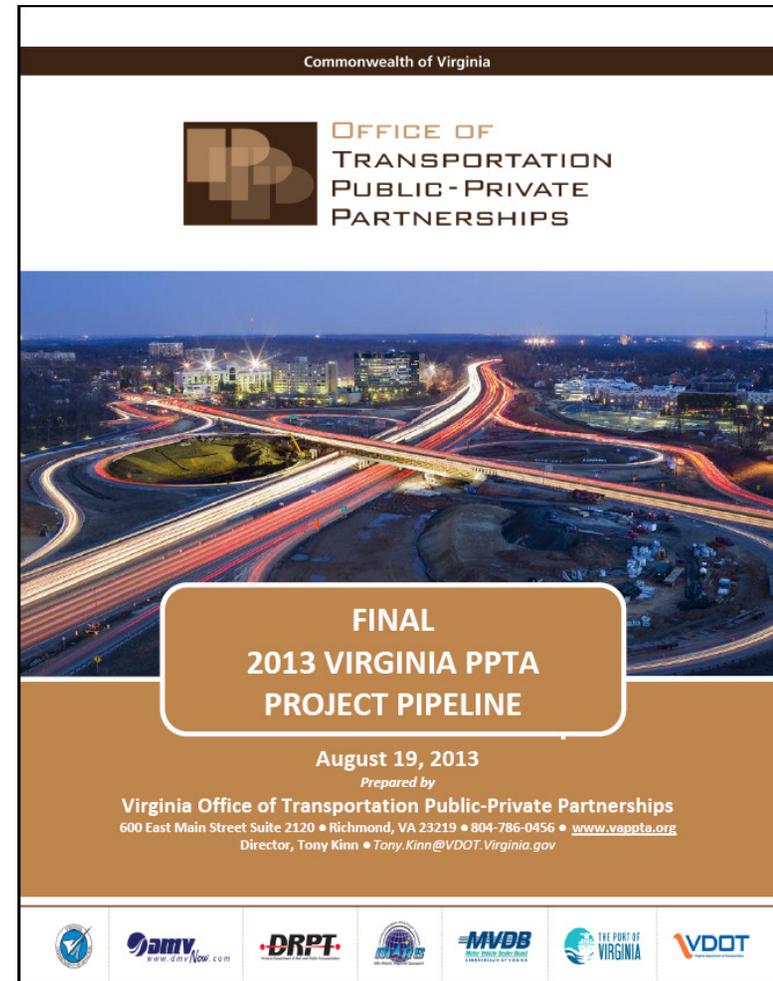


# Keys to Virginia's P3 Success

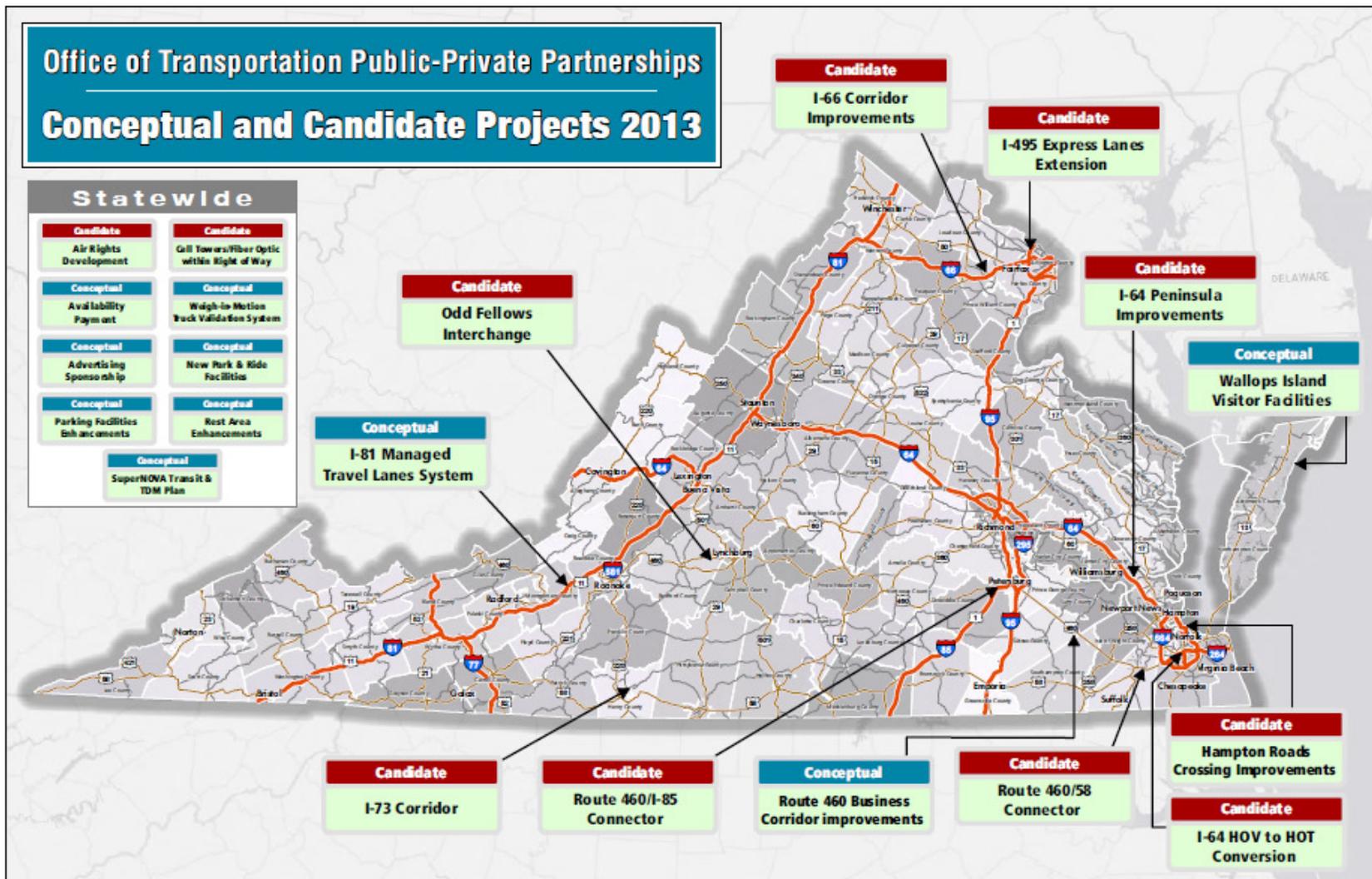


# Virginia's P3 Project Pipeline

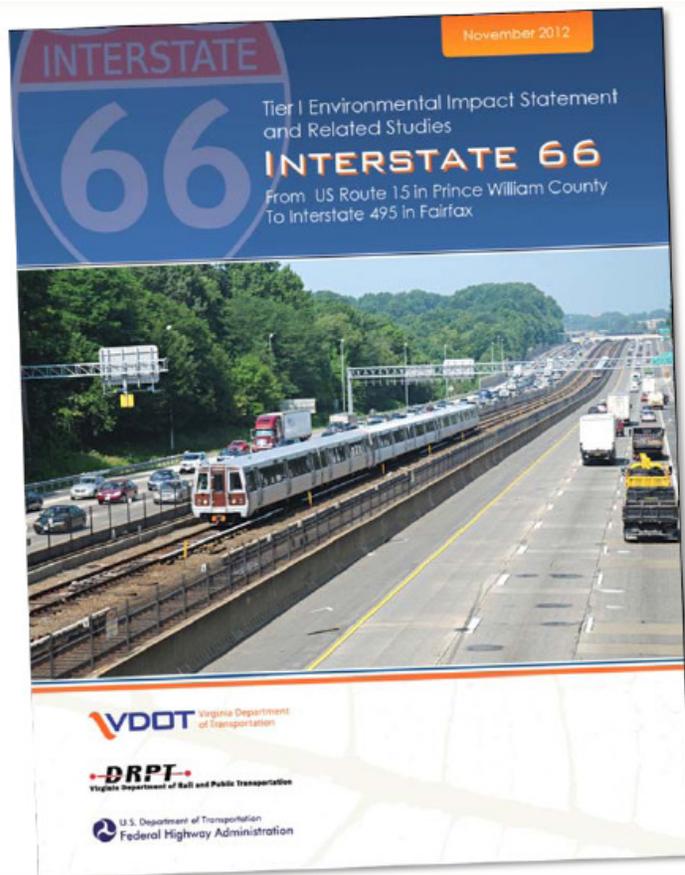
- OTP3 released final 2013 Virginia PPTA Project Pipeline in August
- Elected officials, private sector and stakeholder feedback shaped final 2013 Virginia PPTA Project Pipeline
- Pipeline includes 11 Candidate projects and 11 Conceptual projects
- Candidate and Conceptual projects are diverse –from roads to air rights development



# 2013 Pipeline



# I-66 Corridor Multimodal Improvement Project



- Identifying potential multimodal improvements between I-495 and Rte. 15
- Study considering possible improvements to I-66, Metrorail, Virginia Railway Express, and express bus service
- Detailed-level screening of candidate PPTA project will consider elements of a business case including traffic & revenue analysis, risks, cost benefit analysis, and preliminary cost analyses
- Request for Information released June 2013



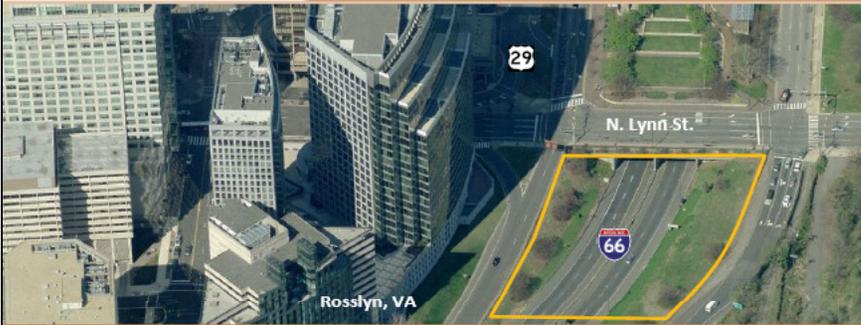
# Air Rights Development



OFFICE OF TRANSPORTATION PUBLIC-PRIVATE PARTNERSHIPS

## Air Rights Project

Utilizing air space above transportation facilities



Rossllyn, VA

The Virginia Office of Transportation Public-Private Partnerships (OTPP3) and the Virginia Department of Transportation (VDOT) are gathering input from the public and ideas from the private sector for development of airspace above Interstate 66 at the East Falls Church Metro station and Rosslyn Metro Station Areas of Arlington County.

Air Rights developments for high-density real estate projects have been implemented in dense metropolitan areas, where shortages of developable land have forced communities and jurisdictions to identify areas over railroads and thoroughfares to create new 'land' for development. These developments provide mixed use residential, office and commercial space, pedestrian walkways, bike paths, and green spaces in coordination with communities' land use and transportation plans.

The OTPP3, in coordination with VDOT, is exploring ways to maximize the value of existing public assets by making selected Air Rights available for development in and around transportation facilities in the Commonwealth. By leasing Air Rights to private developers, the Commonwealth can establish a revenue stream to fund future transportation projects.

Leasing Air Rights to private developers can also provide local benefits by increasing a jurisdiction's tax base and creating new jobs through construction and additional office space to attract new employers.

For more information, please visit [vappta.org](http://vappta.org)



Washington Blvd  
East Falls Church Metro Station  
N. Sycamore St



- Assessing opportunities and viability of air rights development in Virginia
- Detailed-level screening of candidate PPTA project considered elements of business case and financial case including risks, cost benefit analysis, and preliminary cost analyses
- Request for Information released July 2013



# Rural P3 Projects

**Project B2**

- Roundabout at Murray Pl. and Albert Lankford Dr.
- New bridge
- Road improvements

**Project B1**

- Roundabout at Mayflower Dr.
- Road Improvements

**Project A**

- New Interchange
- Connection to Odd Fellows Rd
- Roundabout at Top Ridge Rd

**Project Overview**

- **New Interchange at Odd Fellows Road (Project A)** – Build a diamond interchange on U.S. Route 460/29 with a proposed extension of Odd Fellows Road and a roundabout at Top Ridge Road.
- **Improvements to Odd Fellows Road (Project B1 and B2)**
  - **Project B1:** Include one travel lane in each direction, a two-way left-turn lane in the center, and a shared use path on one side of the roadway. Additionally, the traffic signal at the Mayflower Drive intersection will be replaced with a roundabout to provide operational and safety improvements between the proposed interchange at US 460 and Mayflower Drive intersection.
  - **Project B2** between the Mayflower Drive intersection and Lynchburg Expressway will include reconstruction of the road and bridge over the Norfolk Southern railroad tracks to provide a two-way left turn lane in the center and the addition of a shared use path.
- **Widen Greenview Drive (Project C)** from Hermitage Road intersection to just south of Leesville Road. Additionally, the proposed improvements include a sidewalk and shared use path, an upgraded traffic signal at Leesville Road, roadway lighting, retaining walls, erosion control, and stormwater management

**Opportunities for public input**

- Environmental review process and evaluation
- Design public hearing
- Ongoing outreach to stakeholders and public through the project's duration
- Ongoing coordination with Affected Jurisdictions

**Next steps**

- Coordination with City of Lynchburg and Campbell County – *currently underway*
- Development of a Detail-Level Screening and decision to advance for competitive proposals – *fall 2013*
- Receive/review proposals – *early 2014*
- Major Business Points to Commonwealth Transportation Board – *spring 2014*
- Comprehensive Agreement *spring/summer 2014*
- Construction could begin - *2015*

- English Construction Company and team submitted unsolicited project proposal for priority project in City of Lynchburg
- Offers opportunity to advance transportation improvements years earlier than originally planned
- Exact levels of public and private sector contributions will not be determined until final proposals are received and pending final negotiations with private sector. Tolling is not under consideration.

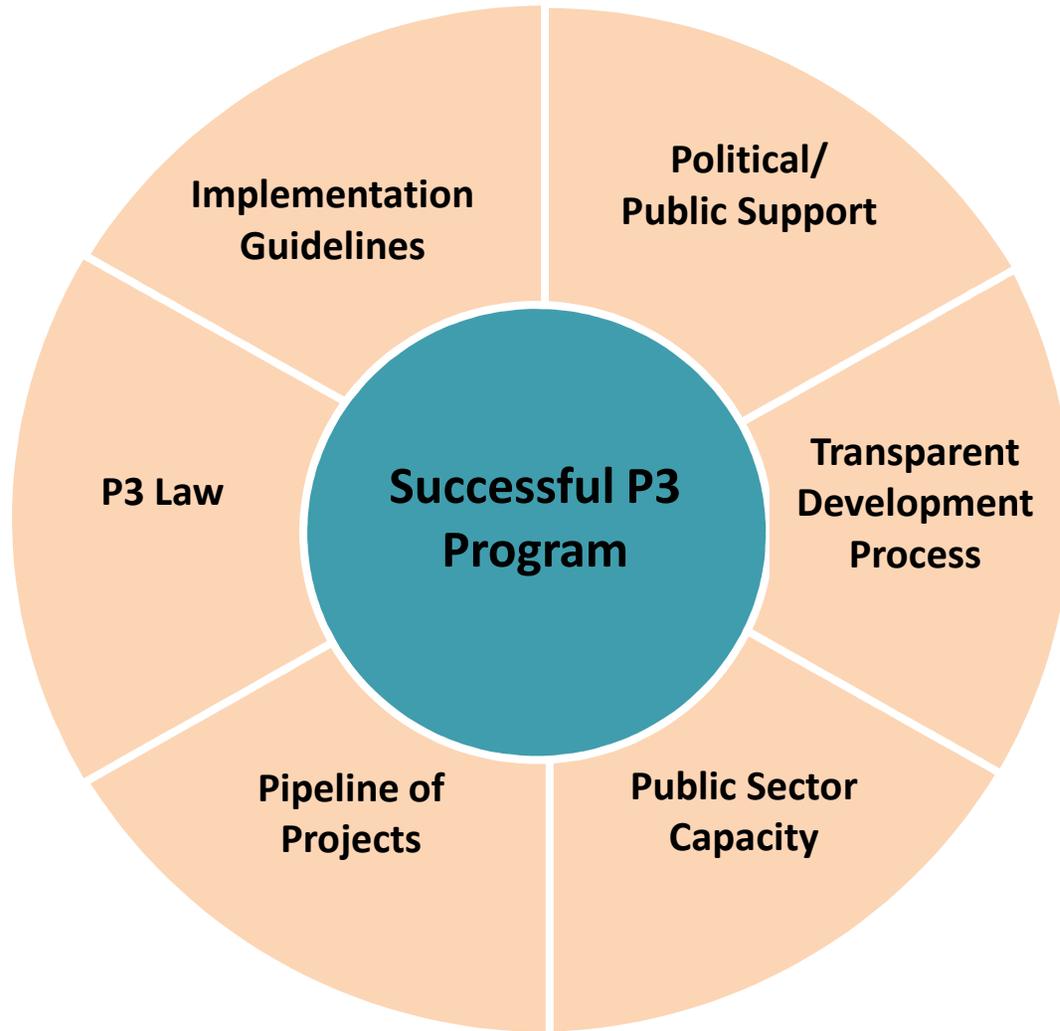


# Still Challenges Remained

- Elected officials supported varied
- General public did not understand electronic tolling, private sector involvement, etc.
- Legal challenge – Virginia Supreme Court upheld right to impose user fees



# Keys to Virginia's P3 Success



# P3 Public Education and Outreach

- Virginia has partnered with elected officials, private sector and transportation stakeholders to enhance transparency of P3 procurement (PPTA Working Group)
- Virginia first state to implement public education outreach specific to P3's
- P3 Fact Sheets explain benefits of economic activity, jobs, and improved transportation choices
- Create outreach plan early and throughout project delivery/procurement/construction and operations
- Avoiding silence and surprises

Commonwealth of Virginia



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**LEGISLATIVE FACT SHEET**

**I-495 Express Lanes**

Public-Private Partnership  
January 9, 2012

Prepared by  
Virginia Office of Transportation PPTA  
600 East Main Street Suite 2120 • Richmond, VA 23219  
Director, Tony Kim • Tony.Kim@dot.virginia.gov

**I-495 Express Lanes**  
*A Successful Model for PPTA Projects*

The Virginia Department of Transportation collaborated with its private partners, Transurban and Fluor, to deliver the largest improvement to the Capital Beltway in a generation.

**Delivering new travel options in Virginia**

- Four new lanes, two in each direction along 14-mile stretch of the Capital Beltway in Virginia
- Carpool/HOV-3 lanes on Beltway and to Tysons Corner
- Congestion-free network for transit buses and carpools
- Seamless HOV connection with I-66, Dulles Toll Road, I-395/I-95
- Toll option for drivers needing predictable travel time
- Fully electronic/dynamic tolling



**Construction: Delivered on-time and on-budget**

- Built four new lanes on the Capital Beltway
- Replaced more than 50 aging bridges and overpasses
- Tripled soundwall protection for adjacent communities
- Added pedestrian/bike access for all overpasses crossing the Beltway
- Relocated major utilities along entire alignment
- Completed in November 2012

**Commitment to safety**

- 495 Express Lanes project among strongest safety records in the country for a project of its scale
- Award-winning "Orange Cones. No Phones." campaign has led to more than 30 percent reduction in dangerous/distractive driving
- Only two lost work days in more than 7.5 million work hours

**Project Funding**



**Robust public engagement**

- 1,000+ community events, public meetings, employer briefings
- Made more than 225,000 calls via phone campaign
- Distributed over 30,000 faxes
- Sent over 300,000 email updates
- Hand delivered more than 30,000 construction notices

**Supported 31,000 jobs, pumped \$3.5 billion into the economy\***

On-site construction jobs, transport of supplies/equipment, non-direct jobs supported by workers spending paychecks in local community. Accounted for as much as 20 percent of total economic growth for Fairfax County in 2009.

\* Dr. Stephen Parker, George Mason University, "Economic Impact of Construction: Outlays for the Capital Beltway I-495 Corridor, November 2008"

**Awarded \$490 million to small and disadvantaged businesses**

Largest contribution to DBEs and SWAMs in Virginia's history for a single transportation project.





# Public Involvement Opportunities

Key Project Milestones	Public Notice/Involvement
1. Development of P3 Pipeline	Notification to GA Members, MPOs, DAs, Public input solicited, Public Posting, Press Releases
2. Project Development (NEPA)	CTB Location Approval, CTB Proposed Business Terms, Public Meetings, Public input solicited to Proposed Business Terms, Press Releases and Public Posting
3. Request for Qualifications	Notification to GA Members, MPOs, DAs – targeted, Press Releases and Public Posting
4. Request for Proposals	Notification to GA Members, MPOs, DAs – targeted, Press Releases and Public Posting of Draft RFP and Final RFP, CTB Final Major Business Terms
5. Selection of Preferred Proposer	Press Release and Public Posting of Selection and Major Business Points
6. Execution of Agreement	Press Release and Public Posting of Execution



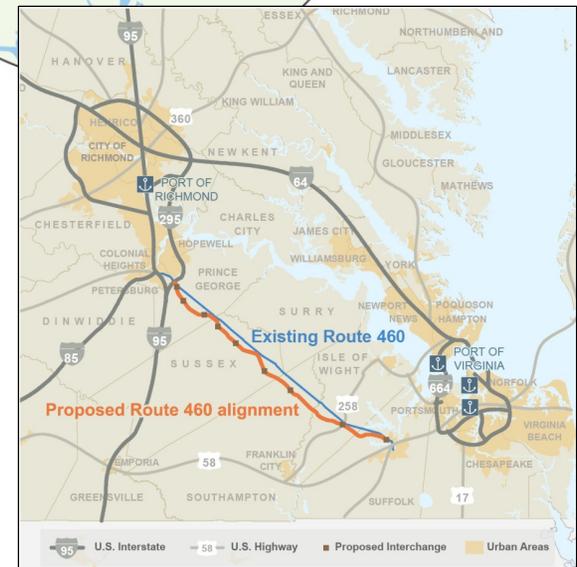
# Communicating Benefits

P3 Project	Project Cost	State Contribution	% of Total Cost	Jobs Supported	Economic Activity
<i>495 Express Lanes</i>	\$1.9 B	\$409 M	22%	31,000	\$3.5 B
<i>95 Express Lanes</i>	\$925 M	\$71 M	7.6%	8,000	\$2 B
<i>US Route 460</i>	\$1.393 B	\$1.15 B	83%	18,000	\$5.7 B
<i>Midtown Tunnel</i>	\$2.1 B	\$420.5 M	20%	1,700	\$170-254 M
<b>Total</b>	<b>\$6.32 B</b>	<b>\$2.05 B</b>	<b>33%</b>	<b>58,700</b>	<b>\$11.4 B</b>



# Defining Benefits = Gaining Support

- **Jobs Supported (Short & Long-Term):**
  - I-495 Express Lanes = 31,000
  - I-95 Express Lanes = 8,000
  - Route 460 = 18,000
  - Midtown Tunnel = 1,700
- **Potential Economic Activity:**
  - I-495 Express Lanes = \$3.5B
  - I-95 Express Lanes = \$2.0B
  - Route 460 = \$5.7B
  - Midtown Tunnel = \$254M/year



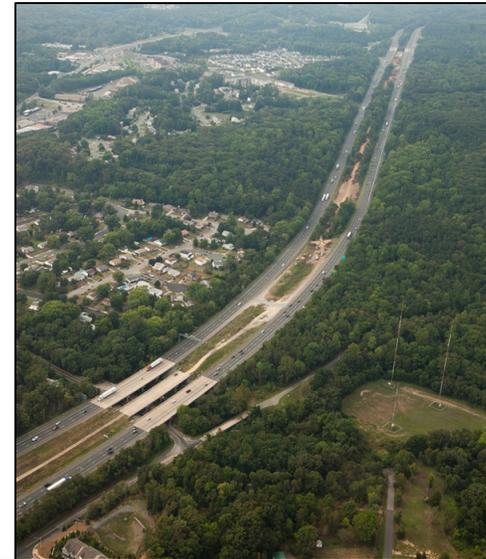
# Defining Benefits = Gains Support

## DBE & SWaM Contract Values:

- I-495 Express Lanes = \$546M
- I-95 Express Lanes = \$190M
- Route 460 = \$449.5M
- Midtown Tunnel = \$308M

## New Infrastructure on I-495:

- 12 Key Interchanges re-built
- 50 new bridges and overpasses
- 80,000 LF of Sound Wall
- 890,000 SF of Retaining Walls



# Project Benefits to the Region

Regional Connectivity • Reduced Congestion • Added Capacity • Project Delivery

**\$2.1 billion**  
regional network  
roadway project

**6 million**  
vehicle hours  
saved annually

**17 million**  
gallons of fuel  
wasted in traffic  
congestion

**P3 Project**  
\$421 million for  
delivery of \$2.1  
billion project

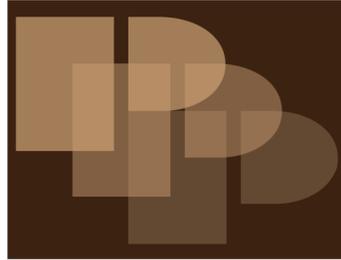


Workdays lost from HRMPO Hampton Roads Regional Benchmarking Study, December 2008  
GRP from Old Dominion University Economic Forecasting Project  
Fuel wasted from HRMPO Hampton Roads Congestion Management Process Report, March 2009

# Economic Benefits to Local Communities

- **500+ project-direct jobs** and **1000+ indirect jobs** through related industry and local suppliers will be created.
- More than **\$1 billion of construction work** performed by **local companies**
- **Contracts** in place for over **\$225 million** with **190 DBE/SWaM firms**.





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