



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Richmond, Virginia 23219

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Agenda Item # 17

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 7, 2016

MOTION

Made By: Mr. Garczynski, Seconded By: Mr. Connors
Action: Motion Carried

ENDORSEMENT OF THE COMMISSIONER'S FINAL FINDING OF PUBLIC INTEREST FOR THE TRANSFORM66 OUTSIDE-THE-BELTWAY PROJECT UNDER THE PUBLIC- PRIVATE TRANSPORTATION ACT ("PPTA")

WHEREAS, on January 13, 2015, the Virginia Department of Transportation, Virginia Department of Rail and Public Transportation ("DRPT") and Virginia Office of Public Private Partnerships ("VAP3"), ("Transform66 Team") provided a briefing of information concerning a potential project to address improvements to I-66 outside the Beltway ("Transform66 Outside the Beltway Project" or "Project") to the Commonwealth Transportation Board ("CTB"); and

WHEREAS, on August 15, 2015, the Commissioner of Highways ("Commissioner") provided a Finding of Public Interest ("FOPI") for the proposed Project pursuant to § 33.2-1803.1, and sought affirmation of the FOPI from the Public Private Partnership Advisory Committee ("Committee"), and

WHEREAS, on August 17, 2015, the Commissioner presented the FOPI to the Committee, who after receiving public comment took action through an affirmative vote of a majority of Committee members, concurring with the Commissioner's findings that the proposed development and operation of the Project as a qualifying transportation facility under the PPTA serves the public interest; and

WHEREAS, on January 19, 2016 the Commissioner briefed the CTB on the major business terms, including: key policy decisions related to transit funding requirements, risk allocation, concession term, tolling policy, financing and permit requirements, and owner/developer rights as assessed from indicative financial proposals received from the Short-Listed Qualified Proposers ; and

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WHEREAS, on October 11, 2016 VDOT received two competing and compliant proposals submitted in response to the final RFP issued in July 2016; and

WHEREAS, on November 3, 2016 the Secretary and the Commissioner presented an update of the PPTA procurement process and an update of the Project procurement to the Committee and the Commissioner affirmed his previous determination that the development of the Project pursuant to the PPTA as a toll revenue concession Project is in the public interest and that a Comprehensive Agreement should be entered into between VDOT and Express Mobility Partners; and

WHEREAS, on December 6, 2016, the Secretary and the Commissioner briefed the Board on the updated PPTA process and the Commissioner's final determination of public interest.

NOW, THEREFORE, BE IT RESOLVED, the CTB endorses the Commissioner's final Finding of Public Interest and hereby supports the Commissioner's execution of a Comprehensive Agreement with Express Mobility Partners.

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CTB Decision Brief

ENDORSEMENT OF THE COMMISSIONER'S FINAL FINDING OF PUBLIC INTEREST FOR THE TRANSFORM66 OUTSIDE-THE-BELTWAY PROJECT UNDER THE PUBLIC-PRIVATE TRANSPORTATION ACT ("PPTA")

Issue The 2014PPTA Implementation Manual and Guidelines requires the Commissioner to brief the CTB on key project documents and information including the Final Finding Of Public Interest (FOPI). As part of the briefing, the Commissioner will seek the CTB's endorsement of the Final FOPI indicating support of the Agency Administrator's execution of a Comprehensive Agreement.

Facts: On January 13, 2015, the CTB was briefed on a potential project to address improvements to I-66 outside the Beltway. On August 15, 2015, the Commissioner of Highways ("Commissioner") provided a FOPI for the proposed Project pursuant to § 33.2-1803.1, and sought affirmation of the FOPI from the Public Private Partnership Advisory Committee ("Committee"). The Committee concurred with the Commissioner's finding on August 17, 2015.

On January 19, 2016 the Commissioner briefed the CTB on the major business terms, including: key policy decisions related to transit funding requirements, risk allocation, concession term, tolling policy, financing and permit requirements, and owner/developer rights as assessed from indicative financial proposals received from the Short-Listed Qualified Proposers ; and

The final RFP was issued in July 2016 and on October 11, 2016, VDOT received two competing and compliant proposals. Following the evaluation of the proposals, the Secretary and the Commissioner presented on November 3, 2016 an update of the PPTA procurement process and an update of the Project procurement to the Committee and the Commissioner affirmed his previous determination that the development of the Project pursuant to the PPTA as a toll revenue concession is in the public interest and that a Comprehensive Agreement should be entered into between VDOT and Express Mobility Partners.

Recommendations: Based on the results of the proposals and the identified Preferred Proposer, VDOT recommends that the CTB endorse the Commissioner's final Finding of Public Interest and support the Commissioner's execution of a Comprehensive Agreement with Express Mobility Partners.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to endorse the Commissioner's final Finding of Public Interest and thereby supporting the Commissioner's execution of a Comprehensive Agreement with Express Mobility Partners..

Result, if Approved: The Commissioner will complete the procurement of this project by executing the Comprehensive Agreement with Express Mobility Partners.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219 2000

Charles A. Kilpatrick, P.E.
Commissioner

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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The Honorable William J. Howell
The Honorable Aubrey L. Layne, Jr.
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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,

A handwritten signature in black ink, appearing to read 'C. Kilpatrick', written in a cursive style.

Charles A. Kilpatrick, P.E.
Commissioner