

COMMONWEALTH of VIRGINIA

Office of the

SECRETARY of TRANSPORTATION

Virginia's Public-Private Partnership Program

Barbara W. Reese, Deputy Secretary of Transportation
Spring 2008


www.dmv.virginia.gov



DRPT

Virginia Department of Rail and Public Transportation


MVDB
Motor Vehicle Dealer Board
COMMONWEALTH OF VIRGINIA




Virginia Department of Transportation

Topics

- **Background**
- **P3 Program Requirements**
- **Tolling and Concessions**
- **Program Status**
- **Lessons Learned**
- **Key Highlights of the Pocahontas Parkway and Capital Beltway HOT Lanes**

Virginia's Public-Private Partnership (P3) Program

- **Virginia has two laws that guide the P3 Program**
 - **Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA)**
 - **Public-Private Transportation Act of 1995 (PPTA)**
- **Common policy goals:**
 - **Public need for the project**
 - **Private resources to help address public need**
 - **More timely**
 - **Less costly**
 - **Transparency and accountability**
- **At state level, thus far, PPEA used for building renovation, technology operations, and enterprise application program for financial systems**

Commonwealth PPEA Projects

Buildings

- Northern Virginia Forensics Laboratory - \$60 million
- Capitol Square Buildings – about \$120 million
 - The building projects are under construction or have been completed

Technology

- Technology operations – \$2 billion over 10 years; partnership with Northrop Grumman is IT infrastructure and operations; signed in 2005
- PPEA Enterprise Applications – \$71 million
 - Budgetary constraints have slowed the Enterprise Applications project

PPTA Program – the Background

- **The Commonwealth is responsible for almost all roads in Virginia – local, regional, and interstate**
- **The Commonwealth invests significantly in transit, rail, and airports – Dulles Airport is critical to international aviation services**
- **The Commonwealth owns 3 of 4 port operations in the Port of Hampton Roads – the deepest shipping channel on the East Coast**
- **Virginia law is “first maintain and operate” transportation infrastructure**
 - Majority of state and federal transportation funding is dedicated to these functions
 - New capacity is funded last

Early Years of P3s in Virginia

- **First law was enacted in late 1980's – only applied to one road – the Dulles Greenway**
- **In 1995, the Public-Private Transportation Act of 1995 was enacted**
 - **Joint effort by administration and General Assembly**
 - **Unsolicited and solicited proposals**
 - **First projects were interstate maintenance and the Pocahontas Parkway**
- **Generally, between 1995 and 2002, signed P3 agreements were fundamentally sole source contracts using traditional public funds/debt**
 - **no financial risk or investment by private sector**
 - **Unsolicited proposals set transportation funding priorities**

Today's P3 Program Requirements

- **Requires commitments or guarantees by private sector – mandatory risk sharing**
- **Rejects unsolicited proposals which do not include private risk**
- **Identifies timelines and activities within each phase of the P3 procurement**
- **Allows for interim agreements to accelerate required activities**
- **Requires ability to use federal funding**

Today's P3 Program Requirements, cont'd

- **Public involvement and transparency**
- **<http://www.vdot.virginia.gov/business/ppta-default.asp>**
 - Information readily available on guidelines
 - Active projects; anticipated projects
 - Consultants
 - Conflict of Interest

Tolling

- **Since 2003, joint work with legislature on expanding use of tolls to address transportation needs**
 - **Closely linked to transportation alternatives – transit and rail**
 - **Closely linked to an alternative “free” solution**
 - **Closely linked to providing solutions within a “reasonable” footprint**
- **First step was joining the EZ Pass Network which reduced costs**
- **Embraced open road technology along with enhanced enforcement**
- **Do not have separate tolling agency but have 7 different toll operators – mix of public and private**

Concessions

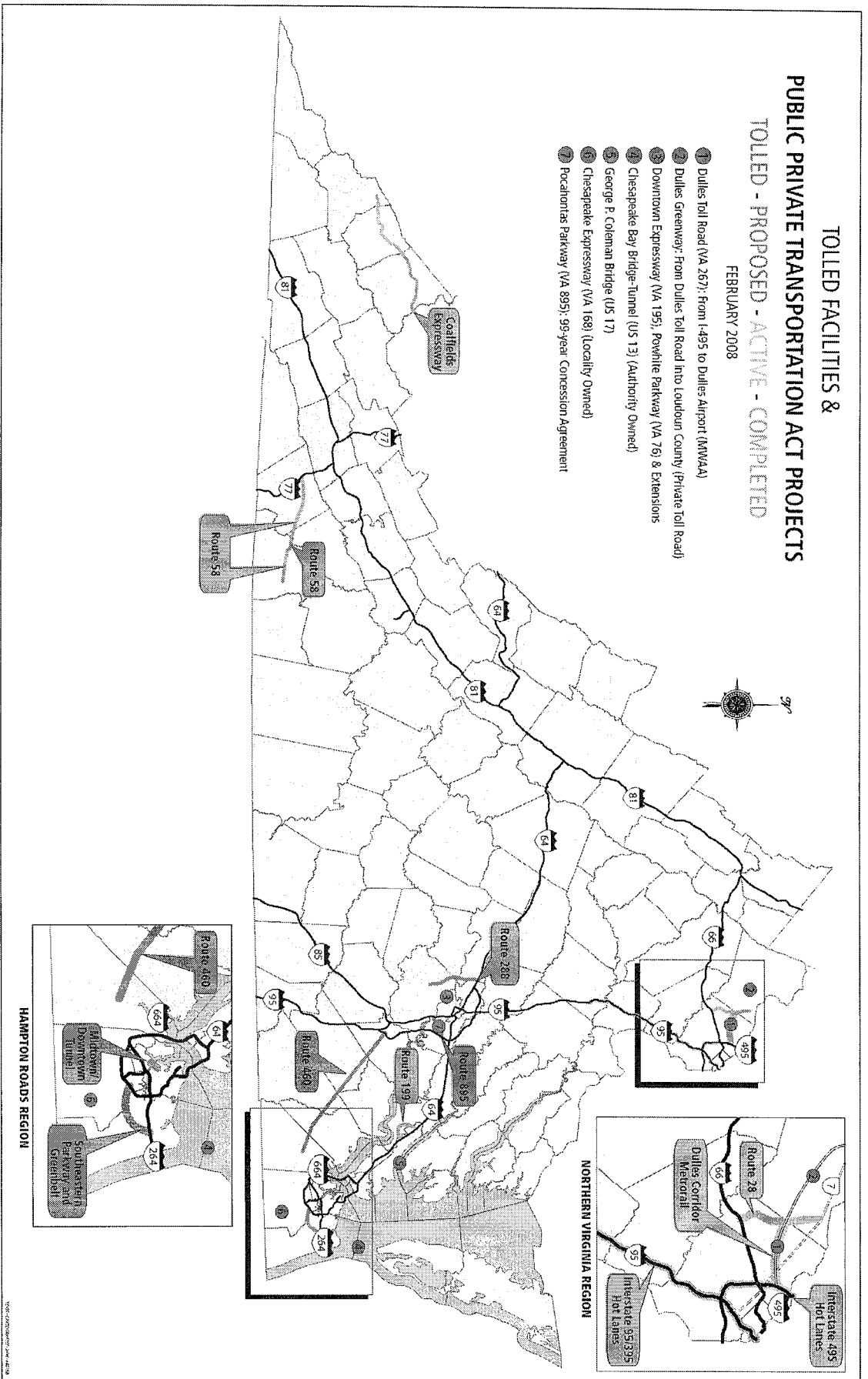
- In 2006 when concessions were coming on the scene, Virginia took the proactive step of having the policy discussion regarding “what to do with the money”
 - Payments to be used only in the transportation corridor for programs and projects that benefit “payers”
- Examples of use include:
 - Provide federal match to other projects along adjoining corridors
 - Concession payment will be used for bike and pedestrian improvements; HOV availability payment; and transit in corridor

TOLLED FACILITIES & PUBLIC PRIVATE TRANSPORTATION ACT PROJECTS

TOLLED - PROPOSED - ACTIVE - COMPLETED

FEBRUARY 2008

- 1 Dulles Toll Road (VA 267): From I-495 to Dulles Airport (TMVA)
- 2 Dulles Greenway: From Dulles Toll Road into Loudoun County (Private Toll Road)
- 3 Downtown Expressway (VA 195), Powhite Parkway (VA 76) & Extensions
- 4 Chesapeake Bay Bridge-Tunnel (US 13) (Authority Owned)
- 5 George P. Coleman Bridge (US 17)
- 6 Chesapeake Expressway (VA 188) (Locally Owned)
- 7 Potomac Parkway (VA 895): 99-year Concession Agreement



Status of P3 Projects Under Agreement – \$8 billion in construction

	Construction complete	Phase Two underway	Begin construction in 2008	Reassigned from original private partner	Awaiting Federal Approval	Concession Agreement	Interim Agreement
Pocahontas Parkway	√	√		√		√	
Route 28	√	√					
Coalfields Expressway			√	√			
Jamestown 2007	√						
Route 288	√						
Route 58	√	√					
I-495 HOT Lanes			√			√	
I-395/95 HOT Lanes					√		√
Dulles Rail					√		