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TRANSPORTATION SECRETARY LAYNE ANNOUNCES FUNDING OPTIONS TO TRANSFORM I-66 OUTSIDE THE BELTWAY IN NORTHERN VIRGINIA

***Presentation Includes Analysis Showing Lower Costs, Greater Benefits of
Public Financing vs. Typical Public-Private Partnership Concession Option***

Virginia Transportation Secretary Aubrey Layne announced today the initial results of the Commonwealth's analysis of procurement options for the Transform I-66: Outside the Beltway project. The analysis demonstrated that of the several available options for procuring the project, a publicly-financed design-build project may save taxpayers between \$300 million and \$600 million and provide for up to \$500 million to be used for future transportation improvements in Northern Virginia. Regardless of how the project moves forward, the McAuliffe Administration is committed to ensuring the transit capital and operating costs are supported by the project.

This analysis was undertaken at the request of Secretary Layne to ensure that all options for advancing major projects are considered to allow the Commonwealth Transportation Board to make informed decisions that provide the most benefits to the taxpayers.

"Smart transportation planning means gathering the best possible data to get the best deal for taxpayers, regardless of politics and ideology," said Secretary Layne. "With this analysis, the public and elected officials now know the options available to the Commonwealth and will have the opportunity to comment on the analysis. Governor McAuliffe and his transportation team will continue to review these figures and prepare to make a recommendation on the future of this project this summer."

Layne said the procurement options would either be a design-build contract managed by the Virginia Department of Transportation (VDOT) or a public-private partnership (P3) procurement. With both options, construction, operations and maintenance risks can be transferred to the private sector. Under the P3 procurement the financing risk and upside would also be transferred to the private sector, while under the design-build procurement the Commonwealth would retain that risk and any future excess revenues.

"As we work to get taxpayers the greatest value for every dollar they spend on this project, this analysis shows that there is merit to considering moving forward with a design-build contract," said Layne. "Our administration would welcome a private partner on I-66, but they must propose the best deal for Virginia. Until we receive a better private proposal, these preliminary numbers indicate that a public finance option may be in the best interest of Virginia taxpayers."

The cost to improve I-66 Outside the Beltway is approximately \$2.1 billion. The chart below demonstrates the potential differences between design-build procurement and a typical P3 procurement. According to the analysis, the design-build option could result in an additional \$500 million to \$1.1 billion in savings and tolling revenues, which could be reinvested in Virginia's transportation system.

I-66 Outside the Beltway Preliminary Figures for Procurement Options:

	Upfront Public Cost	Excess Revenues
Design-build/public financing	\$400 million to \$600 million	\$200 million to \$500 million
P3 financing	\$900 million to \$1 billion	\$0
Projected savings of design-build/public financing option vs. P3 financing	\$300 million to \$600 million	\$200 million to \$500 million

Layne has requested the Transportation Public-Private Partnership Advisory Committee, established by Governor McAuliffe's P3 reform legislation (HB1886), hold a meeting to review and consider procurement options within the next 45 days.

Layne said, "I-66 Outside the Beltway is one of the most important projects being developed in Virginia. Given the significance of this project to taxpayers and to our economy, we owe it to Virginians to explore every available option for getting them the best value on every dollar they spend. This discussion should be driven by the numbers, not by empty ideology or outside interests. Governor McAuliffe and I are committed to working with local and state officials, the private sector and all stakeholders involved so that we can move forward together on a project for this corridor that eases congestion, stimulates economic growth and gets taxpayers the return on investment that they deserve. "

Project Background:

VDOT and the Virginia Department of Rail and Public Transportation are working on a project to transform 25 miles of I-66 from U.S. Route 15 in Haymarket to I-495/Capital Beltway into a multimodal corridor that moves traffic and people more efficiently. Under the proposed plan, I-66 would be improved to provide:

- Three regular lanes in each direction
- Two express lanes in each direction
- High-frequency bus service with predictable travel times
- Enhanced commuter park and ride lots

- Direct access between the express lanes and new or expanded commuter lots

The proposed express lanes would be dynamically-priced toll lanes designed to provide a reliable, faster trip. Drivers traveling with three or more occupants would be considered high occupancy vehicles, and could use the express lanes for free at any time.

Construction could begin in 2017 following public input and environmental approvals with project expected to open to traffic in 2021.

For more information on I-66, go to:

<http://www.transform66.org/splash.html>

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