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TRANSPORTATION SECRETARY LAYNE ANNOUNCES PROCESS FOR PROCURING IMPROVEMENTS TO I-66 OUTSIDE THE BELTWAY IN NORTHERN VIRGINIA

*Commonwealth continues to conduct due diligence
to ensure best deal for taxpayers*

RICHMOND - Transportation Secretary Aubrey Layne announced today the process that the Commonwealth will follow to select the right procurement method to finance improvements to I-66 Outside the Beltway. A decision on whether the project will be publicly financed by the state or procured under the Public-Private Transportation Act, commonly known as a P3, will be made by November 2015.

"Now that we have analyzed the baseline public option and know what the Commonwealth can finance this project on its own, it is time to sit down with the private sector to see if they can offer us a better deal," said Layne. "These discussions will allow us to make a decision by November on the best path forward. What is important is that we move forward on making critically needed improvements to one of the most heavily traveled corridors in the country."

During the Commonwealth Transportation Board's meeting last month, Layne presented an initial analysis that shows the state could finance the project, saving up to \$600 million and providing as much as \$500 million in excess revenues as compared with typical P3 concession terms that have been previously negotiated by the state on several large projects.

The state could deliver the project with the following:

- Up to \$600 million in upfront public funding;
- Up to \$500 million in additional future corridor improvements;
- Capital and operating support for new and expanded transit service throughout the term of the deal; and,
- Reservation of space in the median for future Metrorail expansion.

Moving forward, the Virginia Department of Transportation (VDOT), in partnership with the Department of Rail and Public Transportation and the Virginia Office of Public-Private Partnerships (VAP3), will hold confidential meetings with interested private parties and consortiums through June to determine whether the private sector can deliver the project in a more advantageous manner for the taxpayers of Virginia.

"If the private sector indicates that they can deliver this project with risk transferred and more benefits to taxpayers than the state can do by itself, VDOT will then recommend in July to the Transportation Public-Private Partnership Advisory Committee that a P3 procurement be initiated," continued Layne. "Virginia would welcome a partner on this project - but only if it is in our citizens' best interest."

The Transportation Public-Private Partnership Advisory Committee is a key component of Governor Terry McAuliffe's P3 reform legislation from the 2015 General Assembly Session.

The Committee must affirm a recommendation of VDOT and DRPT that a public-private partnership represents the best option for the Commonwealth before a P3 procurement is initiated. It is anticipated that the committee will hold public meetings in July if the recommendation by VDOT and DRPT is to move forward with a P3 procurement.

If the Committee affirms with the recommendation of VDOT, then a request for qualifications will be issued. VDOT, DRPT and the VAP3 would then meet with the qualified respondents. Key to these meetings will be the ability of the potential private partners to demonstrate the ability to deliver the project and meet the major business terms outlined by the Commonwealth.

Importantly, over the coming months the Commonwealth will continue to take necessary steps to allow VDOT and DRPT to advance the project using public financing, should a P3 deal not be recommended or move forward.

For more information on I-66, go to:
<http://www.transform66.org/splash.html>

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