



Innovative Program Delivery

Public-Private Partnerships (P3s)



Civil Rights Forum
Washington, DC

Regina McElroy, Director
Office of Innovative Program Delivery
Federal Highway Administration

September 26, 2012



Challenging Times

Innovative Program Delivery

- Increasing investment requirements
- Mounting budget pressures
- Efficient operation of system more important, but difficult to financially sustain
- Traditional ways of paying for and procuring projects aren't fully up to the challenge



I-495 Capital Beltway HOT Lanes

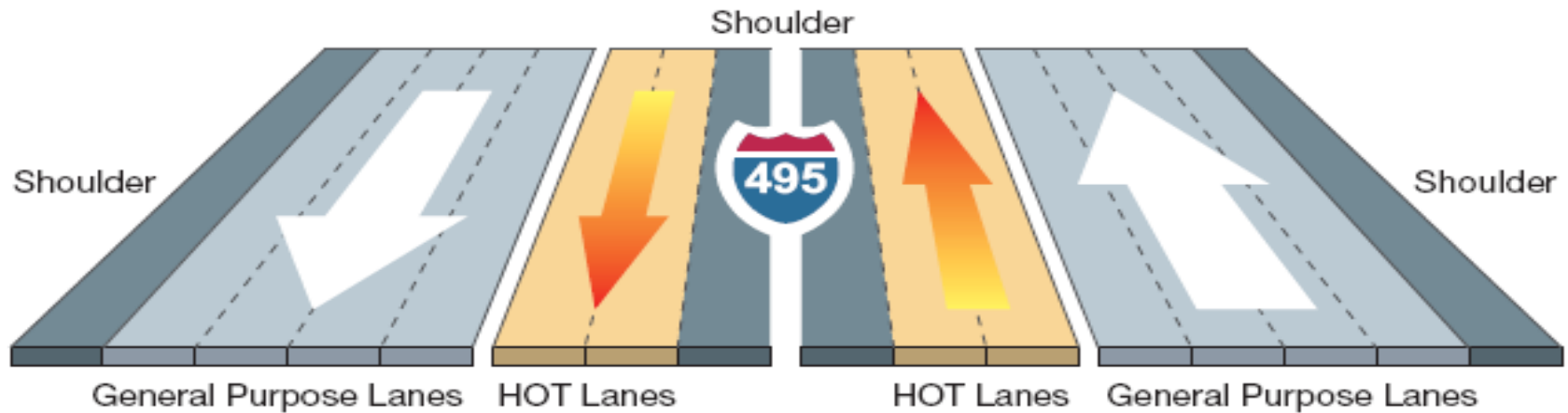
Innovative Program Delivery



Capital Beltway HOT Lanes

Innovative Program Delivery

Lane Configuration: Beltway (I-495) HOT Lanes



- 14-mile segment, two new HOT lanes in each direction
- Variable tolls, HOV-3 free
- Congestion-free network for transit service
- Replacement of more than \$260 million of aging infrastructure, including more than 50 bridges and overpasses



P3 Concession – Overview

Innovative Program Delivery

Lane Configuration: Beltway (I-495) HOT Lanes

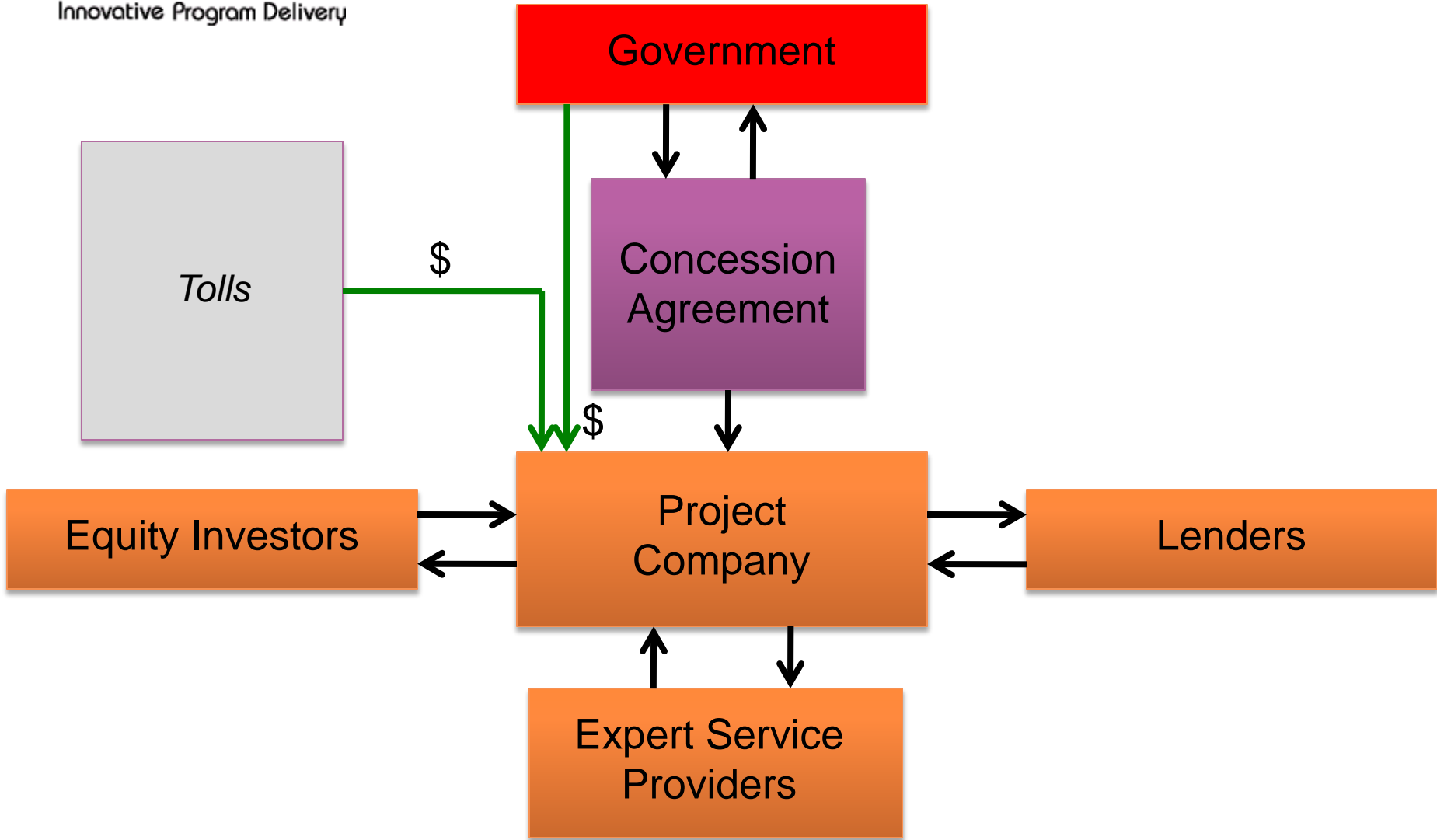
- Capital Beltway Expressway
 - Transurban (90%) / Fluor (10%)
- 80 year concession (VDOT retains ownership)
- VDOT will share in project revenues and refinancing gains when ROI greater than 8.1%
- No non-compete clause
- Turnback provisions

Public	Shared	Private
<ul style="list-style-type: none"> • Hazardous waste • Police and Emergency services 	<ul style="list-style-type: none"> • ROW • Snow Removal • HOV increase 	<ul style="list-style-type: none"> • Design • Finance • Revenue (tolls) • Construction • Operations • Maintenance

Source	Amount (\$000s)
PABs	589,000
TIFIA	588,922
VDOT Contribution	408,895
Equity	348,695
Interest Income During Construction	70,793
Total Sources	2,006,305

P3 Concession – Overview

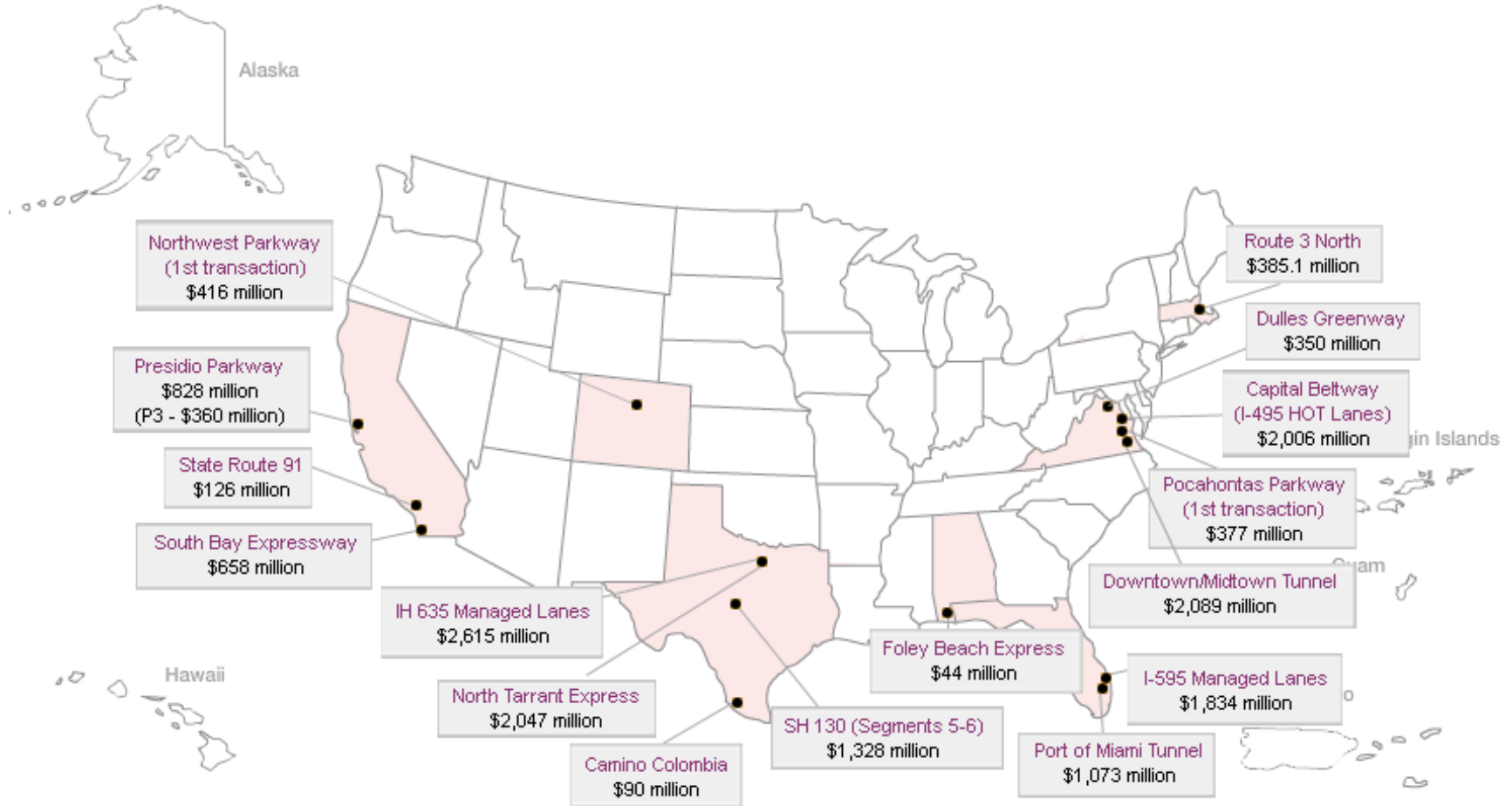
Innovative Program Delivery





P3 Concessions for New-Build Facilities

Innovative Program Delivery





P3s, TIFIA and DBE Requirements

Innovative Program Delivery

- n TIFIA provides flexible, low cost financing
- n TIFIA loans have become essential for P3s
- n If a P3 uses Federal resources, it must meet all Federal requirements
 - n P3s using a TIFIA loan must meet all Federal requirements before the loan can close
 - n A key Federal requirement involves DBE

