

NEWS RELEASE

**VirginiaDOT.org**

RELEASE: IMMEDIATE

CO - 0792

CONTACTS: Joan Morris, VDOT, 703-383-2465; 571-238-5030 cell  
12/20/07

Jennifer Aument, Fluor Transurban, 571-527-2053; 703-861-5810 cell

Barbara Reese, Deputy Secretary of Transportation, 804-840-1156

**VDOT COMPLETES AGREEMENT FOR CAPITAL BELTWAY HOT LANES**

**Transit and HOV Service Coming to Virginia's Busiest Highway**

**\$1.4 Billion Private, Federal and State Funding Construction Partnership**

RICHMOND - Virginia Department of Transportation Commissioner David S. Ekern has signed all agreements with Virginia's federal and private partners on the Interstate 495 Capital Beltway High Occupancy Toll (HOT) Lanes project ensuring that construction will begin on the 14-mile project this spring.

"I am pleased to announce that we have completed all the needed agreements, secured all financial commitments and we are now ready for action." Ekern said. "With this partnership, we will deliver the first-ever dedicated HOV and transit services to the Capital Beltway and address congestion on Virginia's busiest highway. Even as the world's financial markets are struggling with financial uncertainties, financial close has been accomplished with our federal and private funding partners. This agreement will serve as a national model."

Transurban Executive Vice President North America Michael Kulper said "The Capital Beltway HOT Lanes Project demonstrates what can be achieved when the government and the private sector work in partnership to deliver much-needed improvements to the transportation network. We have negotiated an agreement that balances the public needs with the private sector's ability to deliver high quality construction and operations. We are accepting significant risk to demonstrate that these partnerships do have a role in moving the U.S. transportation system into the future. We have been asked to undertake this financing because the Commonwealth does not have the funding or debt capacity to finance a project of this magnitude given its other unmet transportation needs."

Fluor Vice President Herb Morgan said "We look forward to immediately starting this project and working with the VDOT leadership to deliver regional congestion relief. Northern Virginia will see this project begin construction this spring. Our partnership will meet the challenges of delivering a high quality project to the region. All the partners, public and private, state and federal, are ready to go."

"We understand that VDOT is managing the construction of this project with that of the I-95 Fourth Lane, Fairfax County Parkway, Telegraph Road interchange, and Dulles Rail projects in a comprehensive traffic and construction management program to make sure that we keep traffic moving throughout the region. That's good news for Fairfax County residents and businesses," noted Fairfax County Chairman Gerry Connolly.

Key aspects of the 80-year agreement require the Commonwealth of Virginia to:

- \* Retain ownership and oversight of the HOT lanes including ensuring that Fluor-Transurban meets all of the daily and hourly operational standards of the HOT lanes. VDOT will continue to own and manage the Beltway general purpose lanes, as VDOT has done since the opening of the Beltway in 1964.
- \* Share in project revenues and refinancing gains when they exceed a total return on investment of 8.1 percent - a first in the U.S. concession market.
- \* Provide a \$409 million financial grant to the project to support the construction of key elements including the final phase of the Springfield Interchange (Phase VIII), improvements to the I-66 interchange, participation in the regional congestion management plan and reconstruction of aging bridges on the Beltway.
- \* Have the right to build any other transportation improvement in the corridor. However, Fluor-Transurban may bid to construct those additional improvements.
- \* Provide police and emergency services to the corridor

Key aspects in the 80-year agreement require Fluor-Transurban to:

- \* Finance and build a 14-mile stretch of HOT lanes (two lanes in each direction) on the Capital Beltway, based on a fixed-price, fixed-time, design-build contract. Construction is expected to last five years (see map at [www.virginiadot.org/projects/HOT\\_495.asp](http://www.virginiadot.org/projects/HOT_495.asp) <[http://www.virginiadot.org/projects/HOT\\_495.asp](http://www.virginiadot.org/projects/HOT_495.asp)>). Construction costs may not exceed \$1.4 billion and must be completed before Spring 2013.
- \* Finance and build three new access points from the Beltway into Tysons

Corner, build HOV connections from I-95 to the Beltway (known as Phase VIII of the Springfield Interchange), as well as reconstruct and improve more than \$250 million of existing bridges, traffic lanes, overpasses, interchanges and signs. These maintenance and reconstruction costs are long-term savings to Virginia taxpayers.

- \* Finance all but \$409 million in project costs-accepting the financial risk if HOT lane use does not meet expectations or if construction costs exceed current estimates.
- \* Manage and fund all operations and maintenance of the HOT lanes including major repairs and rehabilitation.
- \* Collect tolls from non-HOV vehicles. Tolls will vary and be based on the level of congestion in the HOT lanes. All toll collection will be "open lane" and with transponders. During rush hours, the average trip cost is expected to be \$5 to \$6 and Fluor-Transurban must ensure free-flowing traffic conditions in the HOT lanes at all times.
- \* Ensure that HOV, transit, and commuter buses travel for free. Toll collection and enforcement will be in accordance with state laws including privacy requirements and EZ Pass requirements. Today, toll enforcement is by camera and police monitoring. Initial HOV enforcement technology will also be police monitoring of the lanes.
- \* Return the HOT lanes to the Commonwealth in good order at the end of the agreement.

Today's agreement is the culmination of more than five years of work among numerous local, private, regional, state and federal entities. Some key milestones in that period include:

April 2002 - At a series of environment impact statement public hearings, strong public opposition to the 2001 Virginia proposal is voiced. That widening proposal would have required the condemnation of hundreds of homes and businesses and billions of public dollars for a massive widening of the Beltway and complete reconstruction of several interchanges. Fairfax County requested that VDOT consider a smaller highway footprint and a HOT lane concept.

June 2002 - Based on public comment, Fluor submitted an unsolicited proposal for the HOT lanes

July 2003 - Following an internal VDOT review, the Commonwealth Transportation Board approves further evaluation of the HOT lane proposal,

including public and local government commentary

July 2004 - After formal public comment and four public meetings, the independent Advisory Panel recommends to the VDOT commissioner that he further pursue the project as a public-private partnership

April 2005 - The Federal Highway Administration approves the public-private partnership approach to the project and the initial project agreement between Fluor-Transurban and VDOT is signed

June 2006 - The record of decision for the environmental impact statement that includes a HOV/HOT Lane alternative is approved by the Federal Highway Administration. A re-evaluation was accepted by FHWA in May 2007. The original major investment study was completed in 1997

September 2007 - Agreement is reached between VDOT and Fluor-Transurban on all business terms. Information is released to the public and the Commonwealth Transportation Board is briefed on the business terms and all information is provided to the General Assembly, Northern Virginia Transportation Authority, Fairfax County, and the general public

November 2007 - Tax-exempt private activity bonds are authorized for the project by the U.S. Department of Transportation

December 2007 - Federal Transportation Infrastructure Finance Investment Act (TIFIA) loan for the project is approved by the U.S. Department of Transportation;

December 2007 - Metropolitan Washington Transportation Planning Board approves Project for inclusion in the region's Transportation Six-Year Improvement Plan

For details about the Capital Beltway HOT Lanes project, go to [www.VirginiaDOT.org/projects/HOT\\_495.asp](http://www.VirginiaDOT.org/projects/HOT_495.asp)<[http://www.VirginiaDOT.org/projects/HOT\\_495.asp](http://www.VirginiaDOT.org/projects/HOT_495.asp)> . The comprehensive agreement and design-build contract documents will be posted on the project site when they become available.

The Capital HOT Lanes Project Risk and Rewards Sharing document is available at [www.virginiadot.org/projects/resources/CapBeltwayRiskAllocation.pdf](http://www.virginiadot.org/projects/resources/CapBeltwayRiskAllocation.pdf)<<http://www.virginiadot.org/projects/resources/CapBeltwayRiskAllocation.pdf>>.

A map showing I-495 HOT Lanes interchanges is at [www.virginiadot.org/projects/resources/495access.pdf](http://www.virginiadot.org/projects/resources/495access.pdf)<<http://www.virginiadot.org/projects/resources/495access.pdf>>.

A map of the entry/exit points at Tysons Corner is available at [www.virginiadot.org/projects/resources/TysonsEntryExitpoints.pdf](http://www.virginiadot.org/projects/resources/TysonsEntryExitpoints.pdf)<<http://www.virginiadot.org/projects/resources/TysonsEntryExitpoints.pdf>>.

(END)