

495 Express Lanes in Virginia Project

High Steel Open House
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Deputy Project Director -
Construction
October 4, 2013

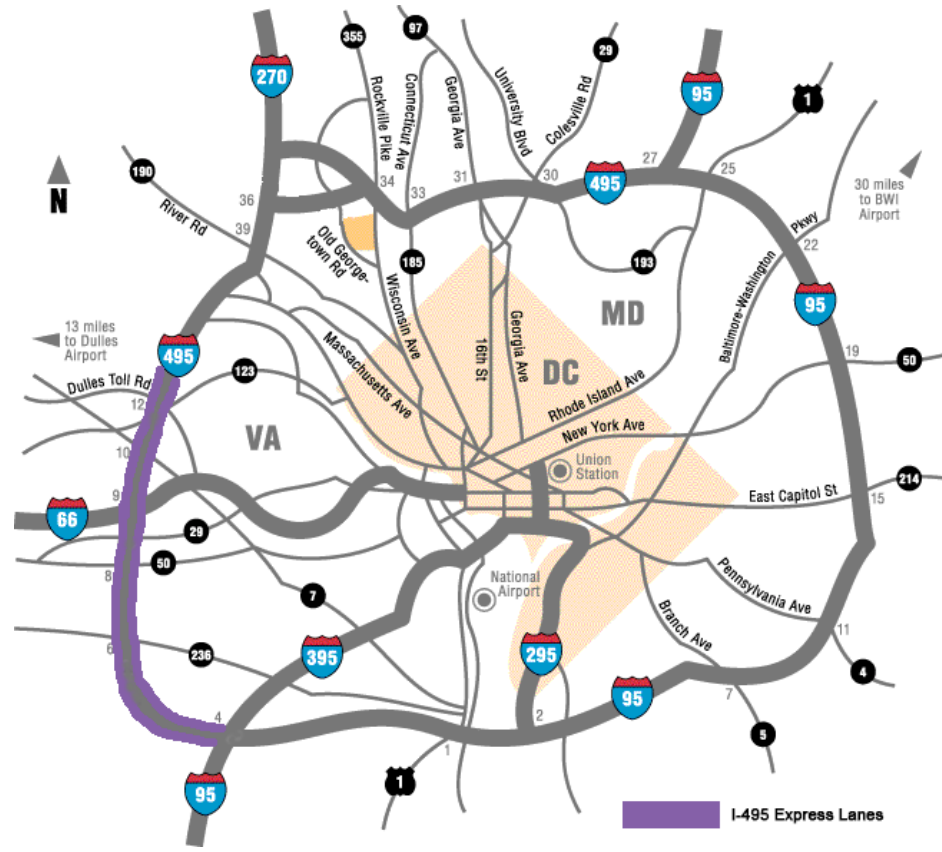




I-495 EXPRESS LANES

A PUBLIC-PRIVATE PARTNERSHIP PROJECT

P3



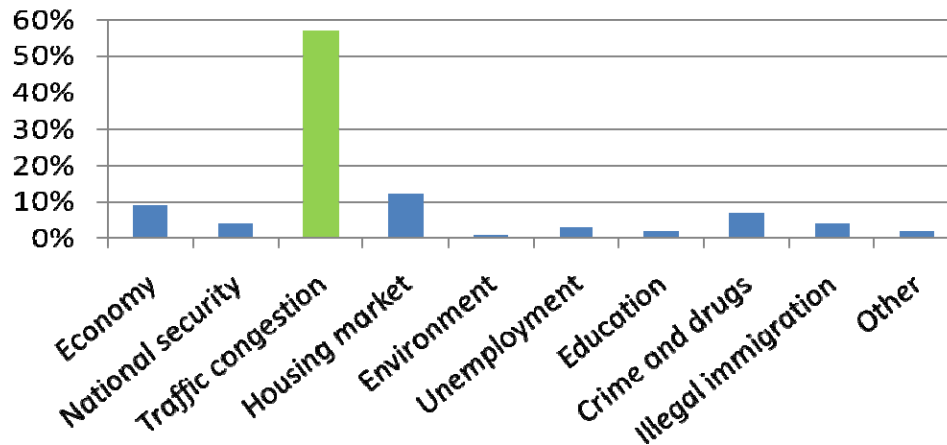
Congestion Crisis



- Washington, D.C. ranked 1st in worst traffic congestion in U.S.
- Each year, the average Washington commuter wastes over 3 days a year in their cars - 74 hours per year
- Beltway 3rd most congested roadway in the U.S.



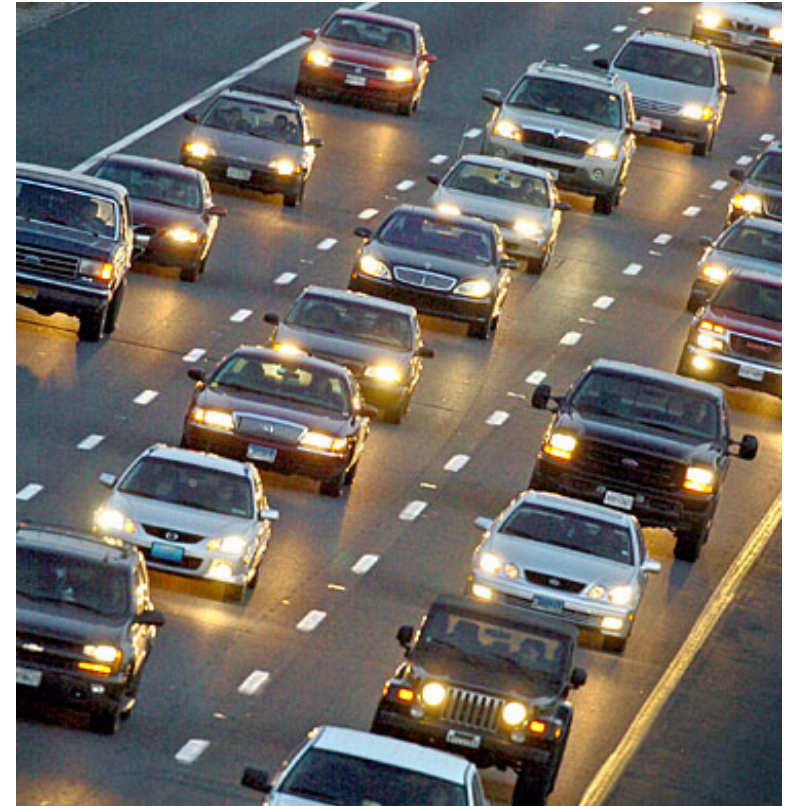
Top Issues Living in DC Region



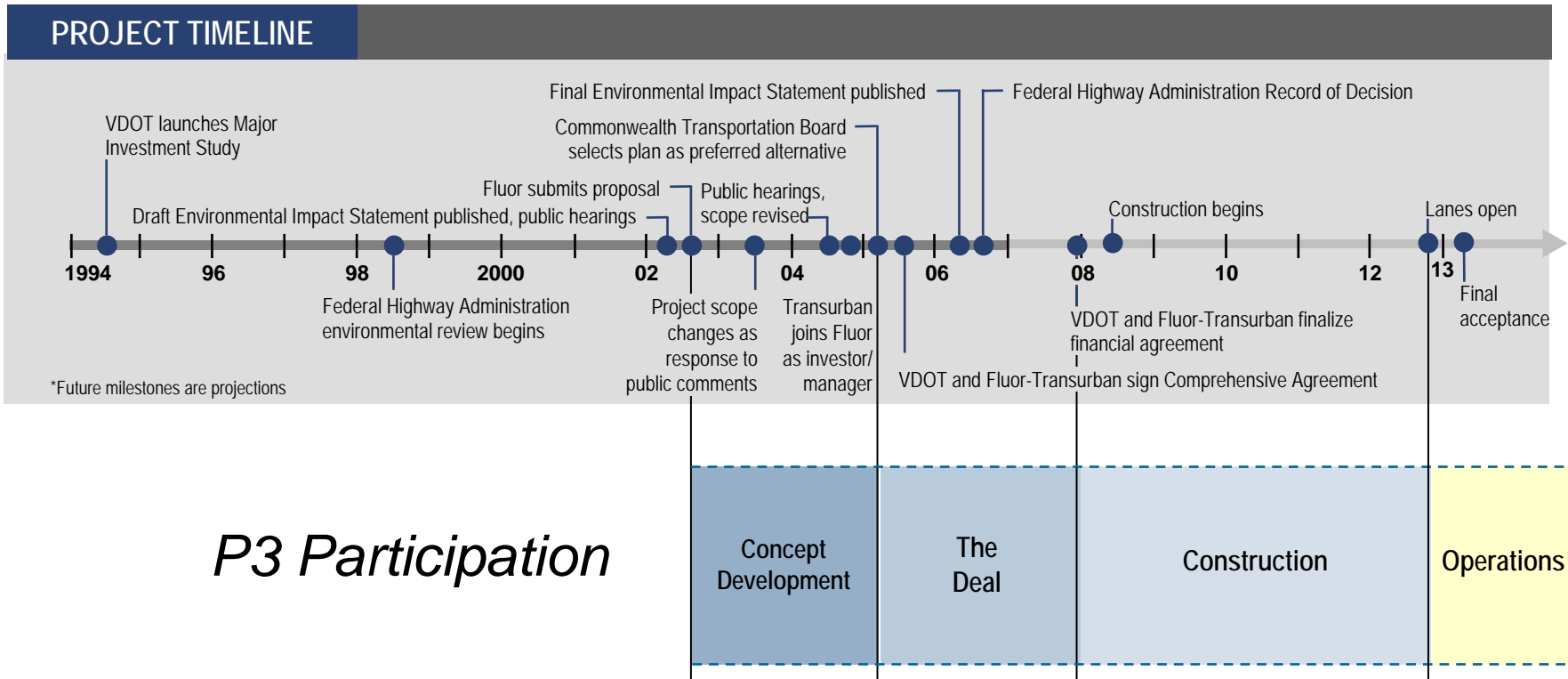
Source: Texas Transportation Institute 2011 Annual Urban Mobility Report

Road to Improvement

- Initial proposal for traditional expansion of Beltway failed due to public opposition, prohibitive costs and impacts
- Private proposal for Express Lanes provided:
 - Funding source
 - Reduced impact on community and environment
 - Reduced ROW requirements
 - Operational expertise
 - Risk transfer to private sector



Overall Project Timeline



Key Dates

- 2002 – Fluor submits proposal
- 2004 – Transurban joins Fluor
- Dec 18, 2007 – Contracts executed (Concessionaire and Design-Build)
- Nov 17, 2012 – Express Lanes open

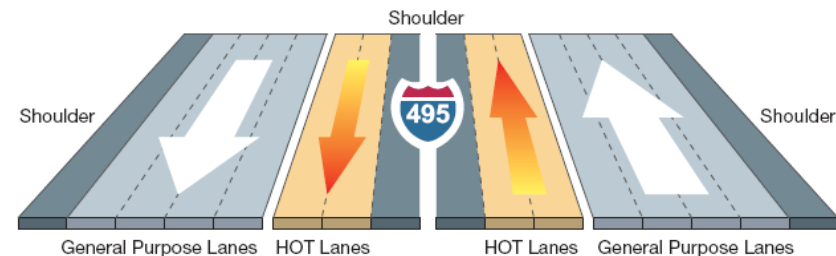


What are 495 Express Lanes?

- Two new lanes in each direction on the Virginia side of the Capital Beltway – from the Springfield Interchange to just north of the Dulles Toll Road
- High Occupancy Toll (HOT) lanes that provide faster, more direct options for high-occupancy vehicles and toll-paying customers
- More reliable trip for all users through dynamic pricing to ensure the lanes maintain highway speeds at all times of day – even during rush hour



Lane Configuration: Beltway (I-495) HOT Lanes



495 Express Lanes Improvements

- The project delivered the most significant improvements to the Capital Beltway in a generation.
- Replaced of more than \$260 million of aging infrastructure, including 58 bridges and overpasses
- Expanded the region's HOV service through new connections from I-495 to existing HOV lanes on I-95/395, I-66 and Dulles Toll Road
- Upgrades to 12 key interchanges and new access points at Merrifield and Tysons Corner

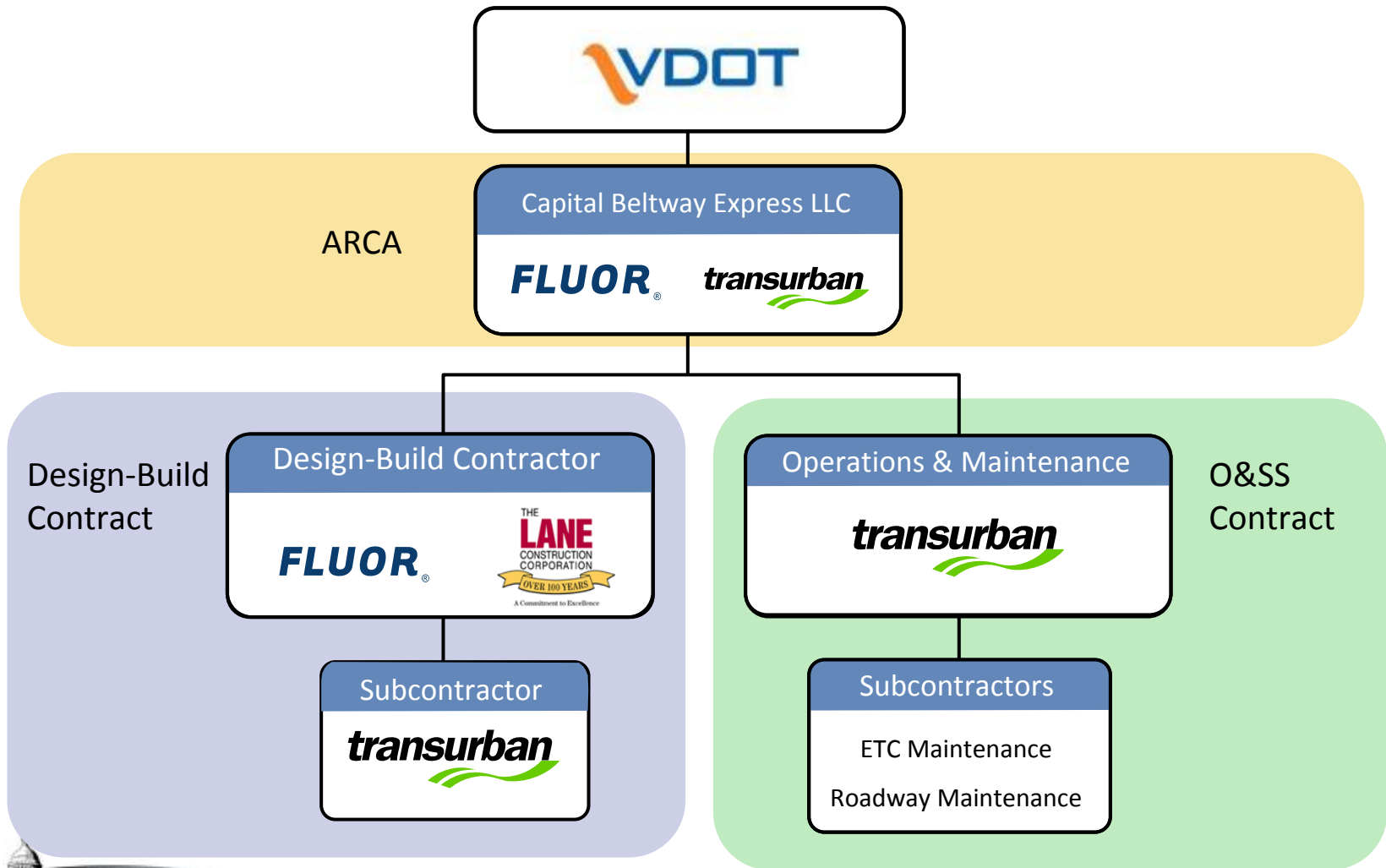


Partnership Delivers Benefits

- Public-Private Partnership:
 - 495 Express Lanes are the product of a public-private partnership between the Virginia Department of Transportation, the Virginia Department of Rail and Public Transportation, the Federal Highway Administration and Transurban-Fluor
 - The 495 Express Lanes are funded through a contribution from the Commonwealth, private equity, private activity bonds and a federal loan through the government's TIFIA program



Partner Relationships and Structure



Partnership Features

- Nearly \$2 billion transportation improvement project
- Design Build contact value \$1,481,670,410
- 80-year partnership agreement
- Approximately \$1.5 billion in private equity and debt
- Key risks transferred to private sector, away from taxpayers
- State grant and use of innovative federal loan programs
- Partnership agreement includes key provisions to protect public interest
- Revenue sharing
- No non-compete
- Transparency
- Performance requirements





- Project funded through 4 sources:
- **Private equity-** \$350 million
 - \$88 million at financial close+\$262 million during construction
- **Commonwealth of Virginia** -\$409 million
- **Senior debt:** Private Activity Bonds-\$586 million
- **Subordinated debt:** TIFIA- \$589 million

- Fair and equitable risk allocation between Fluor-Transurban and Commonwealth allows for reasonable financing terms

- Open, transparent process: Commonwealth, Federal Government, Fluor-Transurban

- All parties working together to achieve aggressive deadlines



What are HOT Lanes?



- Congestion-free lanes for carpools, buses, motorcycles, emergency vehicles, and those choosing to pay tolls
- Toll prices rise and fall based on real-time traffic levels to manage number of cars in the lanes
- Designed to remain congestion-free, even during rush hour



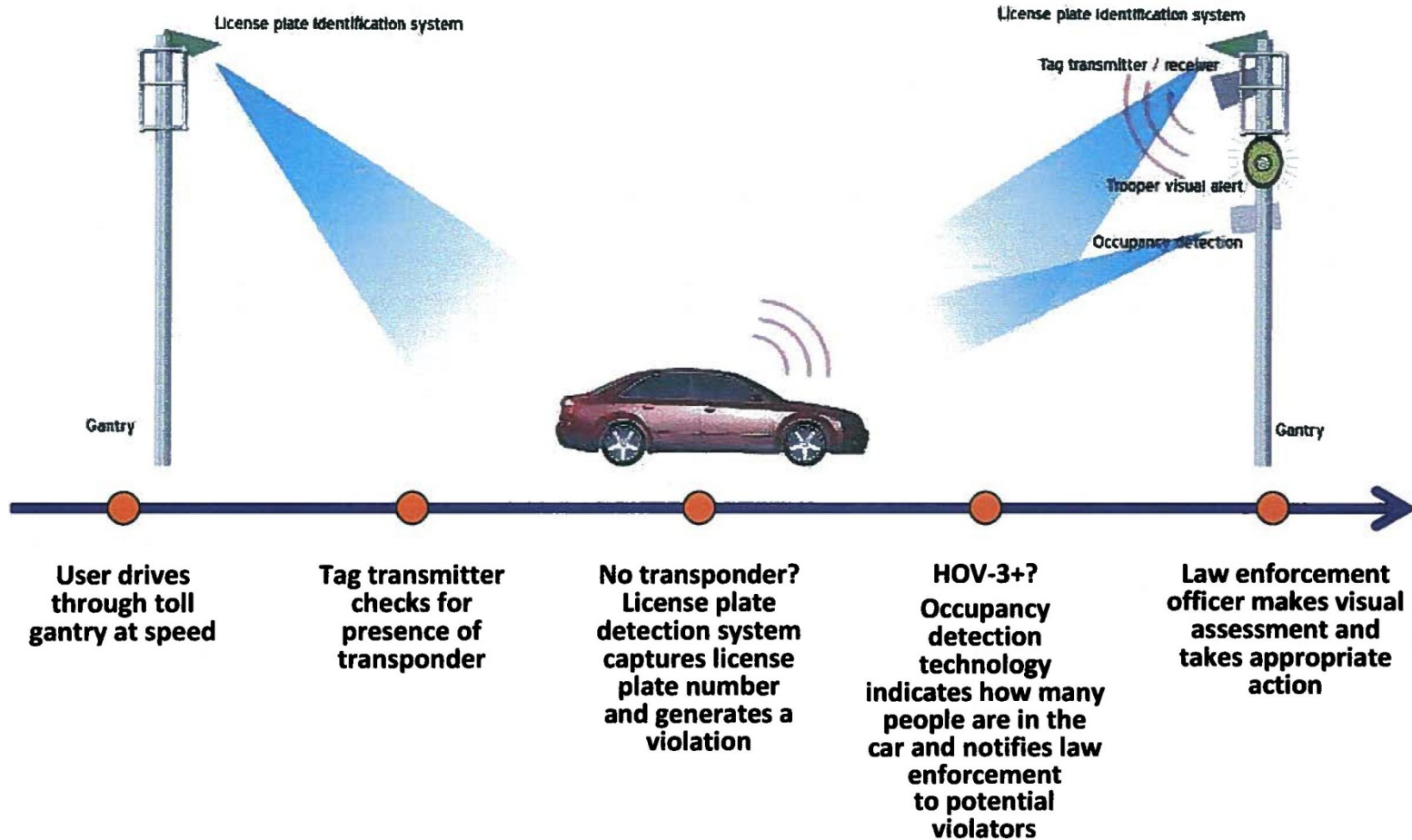
How HOT Lanes Work



- Electronic tolling – E-ZPass system with no toll booths, stopping, or slowing
- Toll rates – “Lock in”
- Video and visual enforcement



HOT Lanes Enforcement



[Future Technology]





CONSTRUCTION PHASE



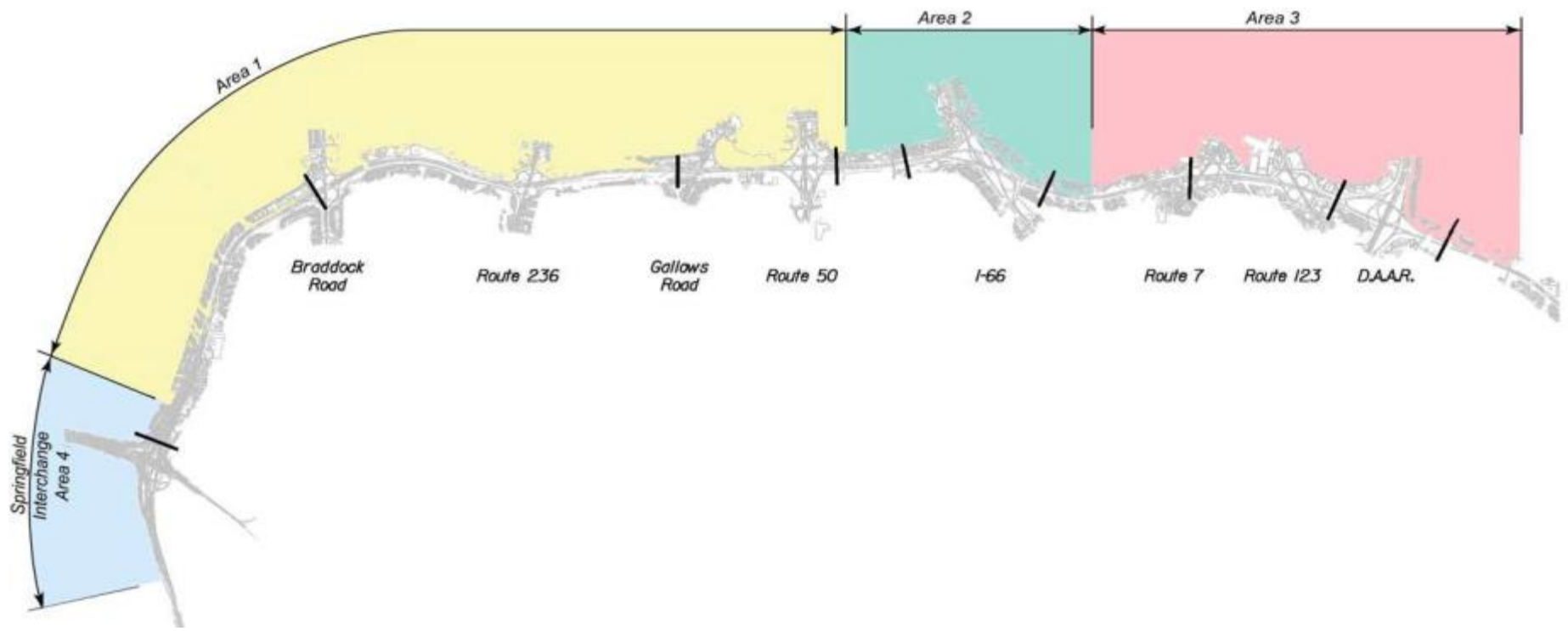
Fluor-Lane Strategic Subcontractors



Subcontractor	Work Performed
HNTB	Design
Virginia Paving (A Division of Lane)	Asphalt Paving
High Steel	Furnish and Erect Steel Bridges
MIDASCO	Furnish and Erect Highway Signs



Construction Areas



General Construction Plan



- Built four outer general purpose lanes: 2008-2011
- Rebuilt/lengthen all bridges and overpasses along alignment: 2008 – 2011
- Shifted traffic onto two new outer general purpose lanes: 2010 – 2011/2012
- Built inner four HOT lanes: 2011 – 2012
- **Express Lanes**
Opened: November 17, 2012



Construction by the Numbers



- 1,200 Fluor-Lane employees and subcontractors
- 58 new bridges and overpasses
- 12 key interchange being rebuilt
- 1.3M ton of asphalt
- 21,400 tons of steel
- 224+ pieces of heavy equipment
- 80,000 linear feet of sound walls
- 890,000 square feet of retaining walls



Project Challenges - Design



- Schedule
- Complexity – Staging
- VDOT Approval



Project Challenges - Construction

- Tight project footprint
- Extensive night work
- Schedule (5 years)
- Volume of Work per month
- Right-of-Way Acquisition
- Utility Relocation
- Public Outreach



Challenges: Maintenance of Traffic



- Traffic Volumes
- Staging
- VDOT Penalties for late lane openings
- Coordination with Project Team
- Public Outreach



Fluor-Lane Commitment to Safety



- **Safety Program**

- **5.0 million safe work hours reached September 2012**
- No lost time incidents on project since September 2, 2010.
- 9,020,177 Work Hours expended as of December 2012
- Proactive Prevention Approach
 - Orientations
 - Safety Training
 - STA
 - Audits

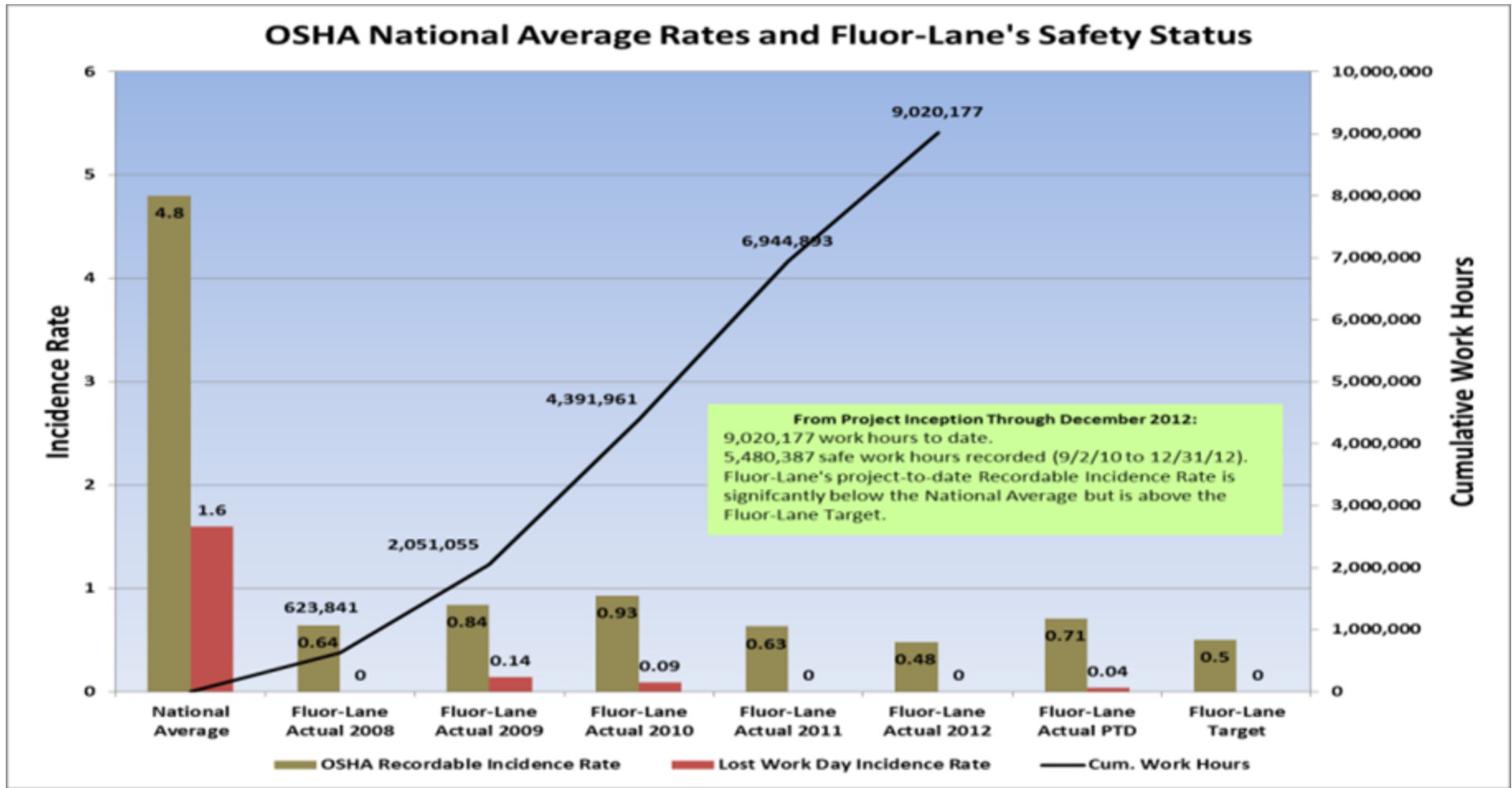
	Industry	Fluor-Lane
Recordable	4.8	.71
Lost Time	1.6	.04

- **Public Safety**

- Extensive Night Work
- Day Shift – single lane closures
- Night Shift – Multi-lane closures
- Extensive P.I. program
- MOT setup per Virginia Work Area Protection Manual
- Police presence during night closures



Project Safety – Recordable's Status



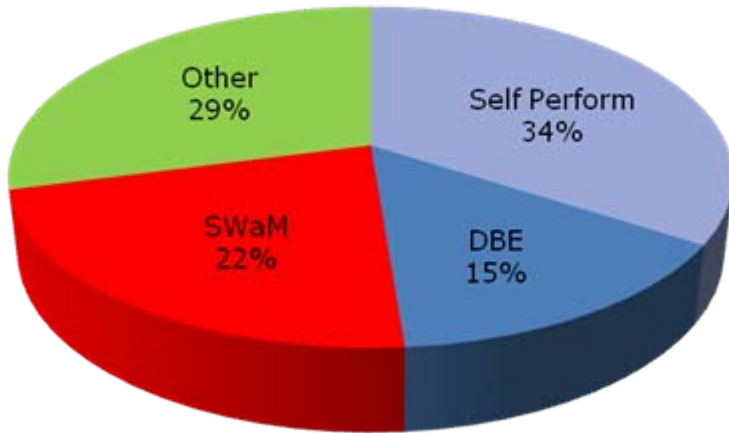
Recordables PTD: 32 - 2012: 5
 Lost Time Injuries PTD: 2 - 2012: 0



DBE/SWaM Participation



DBE & SWaM Participation vs. Original Total Project Value – 1.346B



Total Procurement

Contractor	Amount	%
DBE	\$ 195.6 M	18%
SWaM	\$ 298.2 M	27%
Other	\$ 602.0 M	55%
Total	\$ 1,096 B	100%

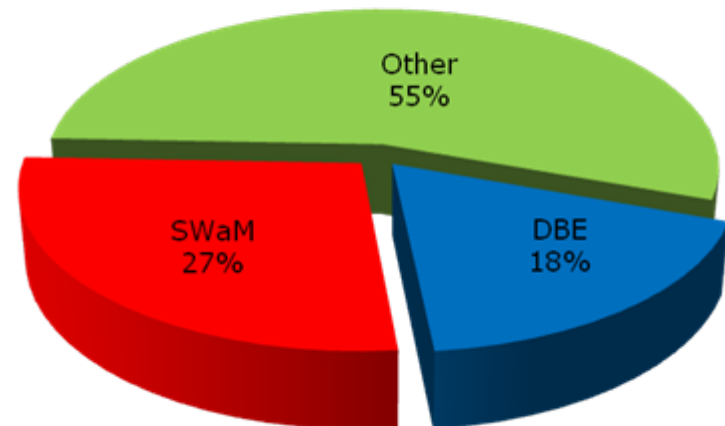


Total Project

Contractor	Amount	Committed	Forecast	Goal
DBE	\$ 195.6 M	14.53%	14.53%*	15.0%
SWaM	\$ 298.2 M	22.14%	22.50%*	25.0%
Total	\$ 493.8 M	36.67%	35.03%	40.0%

* Forecasts increased from 2011 Bid Item Plan
Amounts as reported in 06/30/12 VDOT Quarterly Report

DBE & SWaM Participation vs. Amount Procured To-Date



Steel Erection



Steel Erection



Steel Erection



Steel Erection



Steel Erection



Steel Erection



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SIP Decking and Overhang Formwork



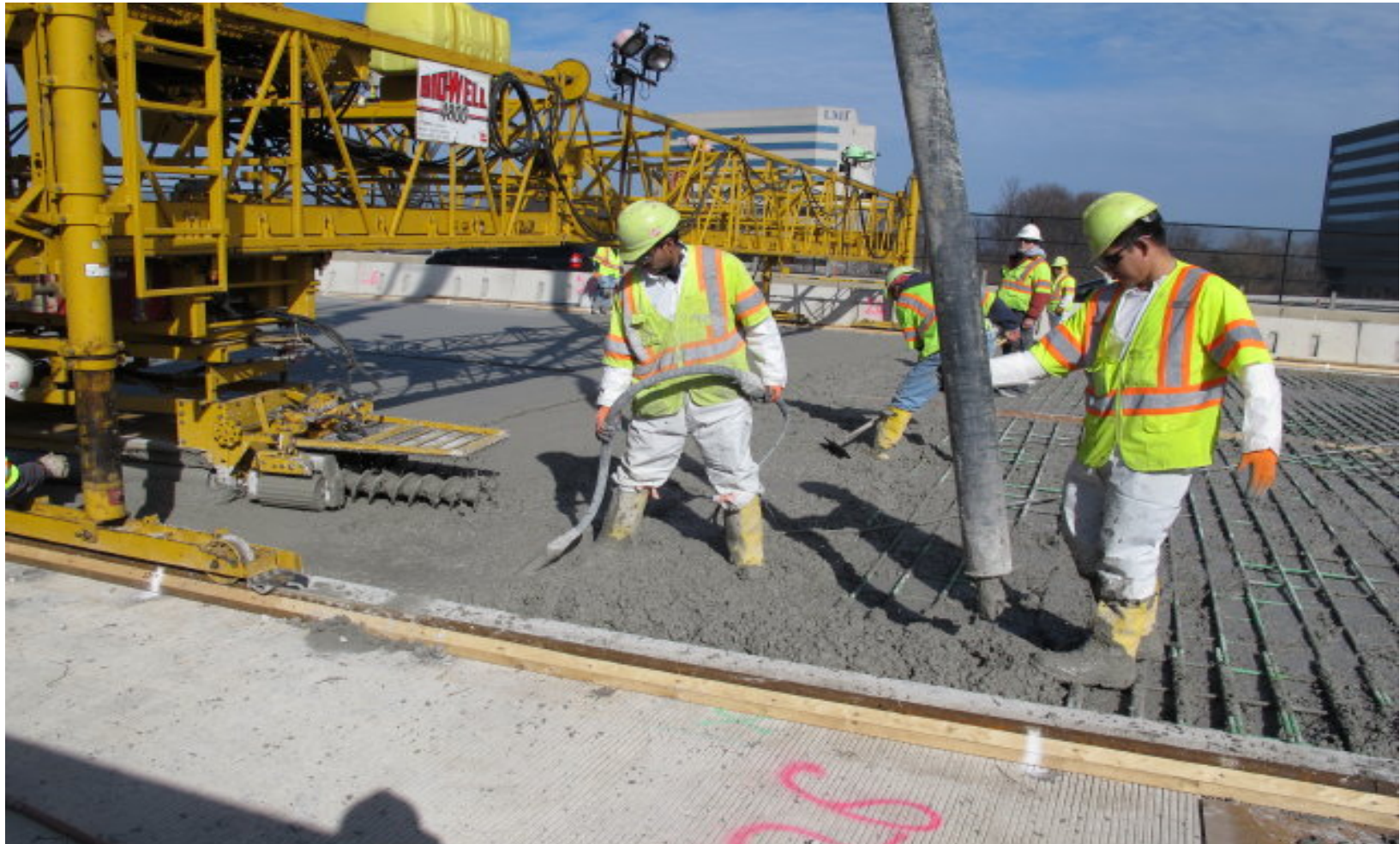
SIP Decking



Deck Concrete



Deck Concrete



Deck Concrete



Area 1



Braddock Road



Area 1



Little River Turnpike



Area 1



Lee Highway



Area 2



Area 3



Leesburg Pike



Area 3



Dulles Toll Road



Area 4



Springfield Interchange



Project Milestones



- u Delivered project a month ahead of schedule
- u Largest DBE & SWaM participation in Commonwealth history
- u Excellent safety programs
- u Extensive public outreach programs
- u Over 300+ nighttime closures of the Beltway



495 Express Lanes Solution





POST-CONSTRUCTION PHASE



Transurban 2013 Results

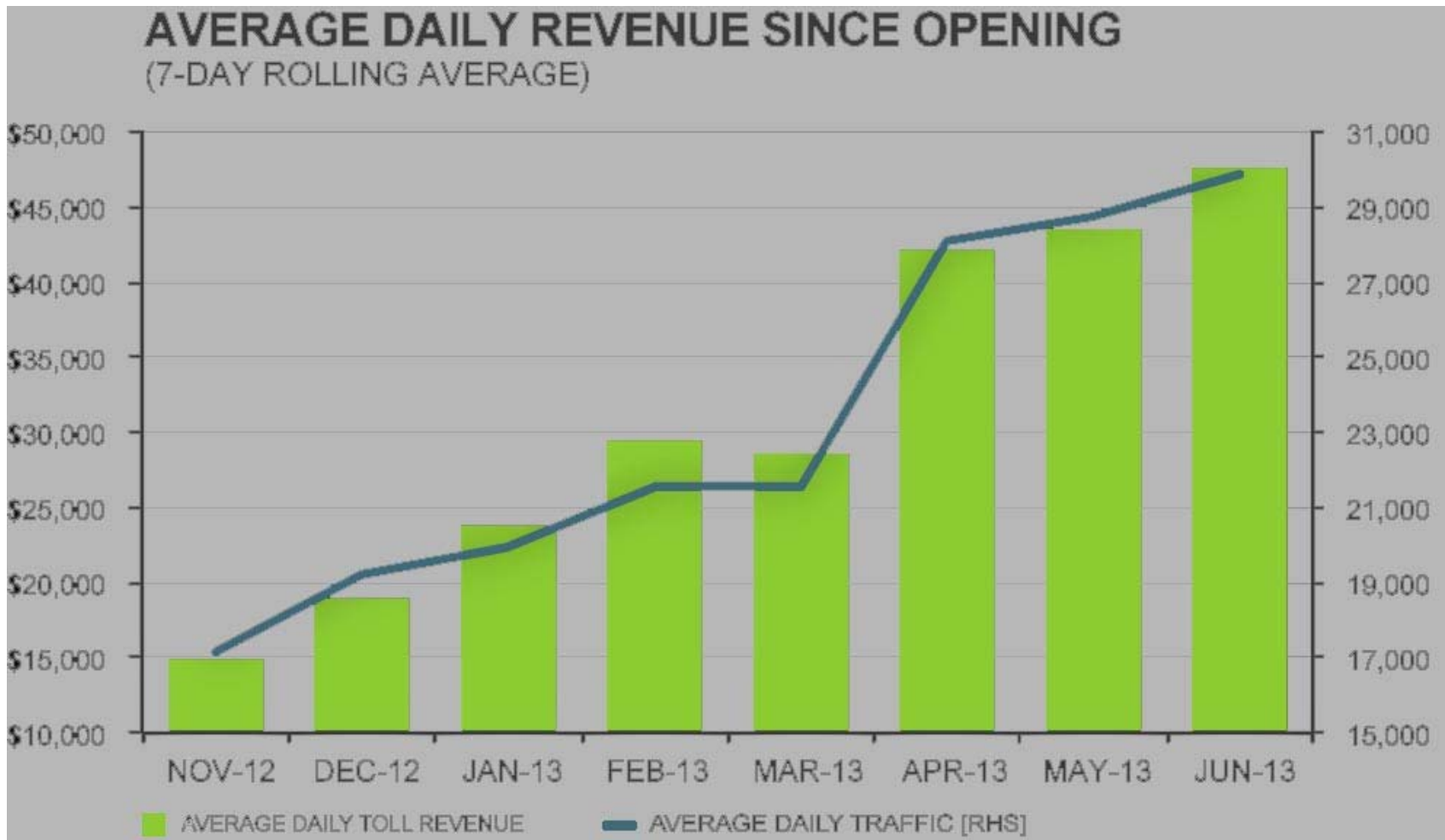


- Half-year Results Ended December 31, 2012 (February 5, 2013)
 - “Initial traffic below expectations”
- Full-year Results Ended June 30, 2013 (August 1, 2013)
 - “Traffic and revenue remain below project case expectations”
- September 2013 Quarter Results (October 9, 2013)
 - “To date traffic remains below project case expectations”



Source: Transurban ASX Releases

Transurban 2013 Results



From Transurban 2013 Full Year Results

Revenue



	Average Daily Toll
March 2013 Quarter	\$27,499
June 2013 Quarter	\$45,270
September 2013 Quarter	\$51,736

- Peak Daily Revenue: \$108,493 (12 Sep 2013)



Source: Transurban ASX Releases

Revenue



	Average Dynamic Toll
March 2013 Quarter	\$1.43
June 2013 Quarter	\$1.71
September 2013 Quarter	\$1.86

- Maximum dynamic toll charged:
 - June 2013 Quarter \$7.55
 - September 2013 Quarter \$8.90

Source: Transurban ASX Releases



Efforts to Improve Usage

- Speed increased from 55 mph to 65 mph
- Free travel weekend in April
- Marketing and Education Campaign



Questions and Answers



Fluor-Lane, LLC

