1	CHAPTER- <mark>22 XX</mark> .
2	PUBLIC-PRIVATE TRANSPORTATION ACT OF 1995.
3	Drafting note: Chapter 22 (§ 56-556 et seq.) of Title 56 is relocated to Title 33.2
4	because it has a more logical nexus with Transportation. Throughout the chapter, the use
5	of the term "and/or," a grammatical shortcut that often leads to confusion or ambiguity,
6	has been amended in a list of more than two to reflect that any combination is permitted
7	but has been retained when used with only two options, such as "development and/or
8	operation."
9	§ 56-556. Title.
10	This chapter may be cited as the "Public Private Transportation Act of 1995."
11	Drafting note: This section is deleted as unnecessary because of the Code-wide
12	application of § 1-244, which states that the caption of a subtitle, chapter, or article serves
13	as a short title citation.
14	§- 56-557<u>33.2-xxx</u>. Definitions.
15	As used in this chapter, unless the context requires a different meaning:
16	"Affected-jurisdiction locality or entity" means any county, city, or town in which all or
17	a portion of a qualifying transportation facility is located and any other responsible public entity
18	directly affected by the qualifying transportation facility.
19	"Asset management" means a systematic process of operating and maintaining the state
20	system of highways by combining engineering practices and analyses with sound business
21	practices and economic theory to achieve cost-effective outcomes.
22	"Commission" means the State Corporation Commission.
23	"Comprehensive agreement" means the comprehensive agreement between the private
24	entity and the responsible public entity required by § 56-566 of this chapter 33.2-xxx.
25	"Concession" means any lease, license, franchise, easement, or other binding agreement
26	transferring rights for the use or control, in whole or in part, of a qualifying transportation
27	facility by a responsible public entity to a private entity for a definite term during which the

private entity will provide transportation-related services, including, but not limited to,
operations and maintenance, revenue collection, toll-collection enforcement, design,
construction, and other activities that enhance throughput, reduce congestion, or otherwise
manage the facility, in return for the right to receive all or a portion of the revenues of the
qualifying transportation facility.

33 "Concession payment" means a payment from a private entity to a responsible public
34 entity in connection with the development and/or operation of a qualifying transportation
35 facility pursuant to a concession.

36 "Develop" or "development" means to plan, design, develop, finance, lease, acquire,37 install, construct, or expand.

38 "Interim agreement" means an agreement, including a memorandum of understanding or
39 binding preliminary agreement, between the private entity and the responsible public entity that
40 provides for completion of studies and any other activities to advance the development and/or
41 operation of a qualifying transportation facility.

42

"Maintenance" means that term as defined in § 33.1-23.02.

43 "Material default" means any default by the private entity in the performance of its
44 duties under subsection E of §-56-565 of this chapter <u>33.2-xxx</u> that jeopardizes adequate service
45 to the public from a qualifying transportation facility and remains unremedied after the
46 responsible public entity has provided notice to the private entity and a reasonable cure period
47 has elapsed.

48 "Multimodal transportation facility" means a transportation facility consisting of49 multiple modes of transportation.

50 "Operate" or "operation" means to finance, maintain, improve, equip, modify, repair, or51 operate.

52 "Private entity" means any natural person, corporation, general partnership, limited
53 liability company, limited partnership, joint venture, business trust, public benefit corporation,
54 non-profit nonprofit entity, or other business entity.

55 "Public entity" means the Commonwealth and any agency or authority thereof; any 56 county, city, or town; and any other political subdivision of any of the foregoing, but shall does 57 not include any public service company.

58

"Qualifying transportation facility" means one or more transportation facilities 59 developed and/or operated by a private entity pursuant to this chapter.

60 "Responsible public entity" means a public entity, including local governments and 61 regional authorities, that has the power to develop and/or operate the qualifying transportation 62 facility.

63 "Revenues" means all revenues, including, but not limited to, income,; earnings; user 64 fees; lease payments; allocations; federal, state, regional, and local appropriations or the 65 appropriations or other funds available to any political subdivision, authority, or instrumentality 66 thereof₋; bond proceeds₋; equity investments, and/or; service payments; or any combination 67 thereof arising out of or in connection with supporting the development and/or operation of a 68 qualifying transportation facility, including without limitation, money received as grants or 69 otherwise from the United States of America, from any public entity, or from any agency or 70 instrumentality of the foregoing in aid of such facility.

71 "Service contract" means a contract entered into between a public entity and the private 72 entity pursuant to § 56-561 of this chapter 33.2-XXX.

73 "Service payments" means payments to the private entity in connection with the 74 development and/or operation of a qualifying transportation facility pursuant to a service 75 contract.

76

"State" means the Commonwealth of Virginia.

77 "Transportation facility" means any road, bridge, tunnel, overpass, ferry, airport, mass 78 transit facility, vehicle parking facility, port facility, or similar commercial facility used for the 79 transportation of persons or goods, together with any buildings, structures, parking areas, 80 appurtenances, and other property needed to operate such facility; however, "transportation 81 facility" does not include a commercial or retail use or enterprise not essential to the 82 transportation of persons or goods-shall not be a "transportation facility."

83

"User fees" mean the rates, tolls, fees, or other charges imposed by the private entity for 84 use of all or a portion of a qualifying transportation facility pursuant to the interim or 85 comprehensive agreement.

86 Drafting note: "Affected jurisdiction" is changed to "affected locality or entity" to 87 comport with practice throughout this title. The reference to a locality means a county, 88 city, or town and is the correct usage within transportation. The term "jurisdiction" is 89 used to mean "authority over." The definitions for "asset management" and 90 "maintenance" are stricken because they are defined for the title in proposed § 33.2-100. 91 The definition of "state" is stricken according to the preferred use of the term "the 92 Commonwealth." The phrases "but not limited to" and "without limitation" in the 93 definitions of "concession" and "revenues" are removed based on § 1-218, which states: 94 "'Includes' means includes, but not limited to." Other changes are technical or made to 95 comport with current practice.

96 §-56-558 33.2-xxx. Policy.

97

A. The General Assembly finds that:

98 1. There is a public need for timely development and/or operation of transportation 99 facilities within the Commonwealth that address the needs identified by the appropriate state, 100 regional, or local transportation plan by improving safety, reducing congestion, increasing 101 capacity, and/or enhancing economic efficiency, or any combination thereof and that such 102 public need may not be wholly satisfied by existing methods of procurement in which 103 qualifying transportation facilities are developed and/or operated;

104 2. Such public need may not be wholly satisfied by existing ways in which transportation 105 facilities are developed and/or operated; and

106 3. Authorizing private entities to develop and/or operate one or more transportation **107** facilities may result in the development and/or operation of such transportation facilities to the public in a more timely, more efficient, or less costly fashion, thereby serving the public safetyand welfare.

B. An action, other than the approval of the responsible public entity under §-56-560 of
this chapter_33.2-XXX, shall serve the public purpose of this chapter if such action, including
undertaking a concession, facilitates the timely development and/or operation of a qualifying
transportation facility.

114 C. It is the intent of this chapter, among other things, to encourage investment in the 115 Commonwealth by private entities that facilitates the development and/or operation of 116 transportation facilities. Accordingly, public and private entities may have the greatest possible 117 flexibility in contracting with each other for the provision of the public services-which that are 118 the subject of this chapter.

119

D. This chapter shall be liberally construed in conformity with the purposes hereof.

120 Drafting note: Technical changes are made.

121 § 56-559 33.2-xxx. Prerequisite for operation.

A. Any private entity seeking authorization under this chapter to develop and/or operate
a transportation facility shall first obtain approval of the responsible public entity under §-56560_33.2-xxx. Such private entity may initiate the approval process by requesting approval
pursuant to subsection A of §-56-560_33.2-xxx or the responsible public entity may request
proposals pursuant to subsection B of §-56-560_33.2-xxx.

B. Any responsible public entity that is an agency or institution of the Commonwealth
receiving a detailed proposal from a private entity for a qualifying transportation facility that is a
port facility as defined in § 62.1-140 shall provide notice of the receipt of such proposal to the
Public-Private Partnership Advisory Commission established in § 30-279.

131

Drafting note: Technical changes.

132 § <u>56-560</u> <u>33.2-xxx</u>. Approval by the responsible public entity.

A. The private entity may request approval by the responsible public entity. Any suchrequest shall be accompanied by the following material and information unless waived by the

responsible public entity in its guidelines or other instructions given, in writing, to the private
entity with respect to the transportation facility or facilities that the private entity proposes to
develop and/or operate as a qualifying transportation facility:

138 1. A topographic map (1:2,000 or other appropriate scale) indicating the location of the139 transportation facility or facilities;

140 2. A description of the transportation facility or facilities, including the conceptual
141 design of such facility or facilities and all proposed interconnections with other transportation
142 facilities;

143 3. The proposed date for development and/or operation of the transportation facility or144 facilities along with an estimate of the life-cycle cost of the transportation facility as proposed;

4. A statement setting forth the method by which the private entity proposes to secureany property interests required for the transportation facility or facilities;

147 5. Information relating to the current transportation plans, if any, of each affected
148 jurisdiction locality or entity;

6. A list of all permits and approvals required for developing and/or operating
improvements to the transportation facility or facilities from local, state, or federal agencies and
a projected schedule for obtaining such permits and approvals;

152 7. A list of public utility facilities, if any, that will be crossed by the transportation
153 facility or facilities and a statement of the plans of the private entity to accommodate such
154 crossings;

8. A statement setting forth the private entity's general plans for developing and/or
operating the transportation facility or facilities, including identification of any revenue, public
or private, or proposed debt or equity investment or concession proposed by the private entity;

158 9. The names and addresses of the persons who may be contacted for further information159 concerning the request;

160 10. Information on how the private entity's proposal will address the needs identified in161 the appropriate state, regional, or local transportation plan by improving safety, reducing

162 congestion, increasing capacity, <u>and/or</u> enhancing economic efficiency, <u>or any combination</u>
163 thereof; and

164 11. Such additional material and information as the responsible public entity may165 reasonably request pursuant to its guidelines or other written instructions.

B. The responsible public entity may request proposals from private entities for the
development and/or operation of transportation facilities. The responsible public entity shall not
charge a fee to cover the costs of processing, reviewing, and evaluating proposals received in
response to such requests.

C. The responsible public entity may grant approval of the development and/or operation
of the transportation facility or facilities as a qualifying transportation facility if the responsible
public entity determines that it serves the public purpose of this chapter. The responsible public
entity may determine that the development and/or operation of the transportation facility or
facilities as a qualifying transportation facility serves such public purpose if:

175 1. There is a public need for the transportation facility or facilities the private entity176 proposes to develop and/or operate as a qualifying transportation facility;

177 2. The transportation facility or facilities and the proposed interconnections with existing
178 transportation facilities, and the private entity's plans for development and/or operation of the
179 qualifying transportation facility or facilities, are, in the opinion of the responsible public entity,
180 reasonable and will address the needs identified in the appropriate state, regional, or local
181 transportation plan by improving safety, reducing congestion, increasing capacity, and/or
182 enhancing economic efficiency, or any combination thereof;

183 3. The estimated cost of developing and/or operating the transportation facility or184 facilities is reasonable in relation to similar facilities; and

185 4. The private entity's plans will result in the timely development and/or operation of the186 transportation facility or facilities or their more efficient operation.

190

D. The responsible public entity may charge a reasonable fee to cover the costs of

187 In evaluating any request, the responsible public entity may rely upon internal staff
188 reports prepared by personnel familiar with the operation of similar facilities or the advice of
189 outside advisors or consultants having relevant experience.

191 processing, reviewing, and evaluating the request submitted by a private entity pursuant to 192 subsection A, including-without limitation, reasonable-attorney's attorney fees and fees for 193 financial and other necessary advisors or consultants. The responsible public entity shall also 194 develop guidelines that establish the process for the acceptance and review of a proposal from a 195 private entity pursuant to subsections A and B. Such guidelines shall establish a specific 196 schedule for review of the proposal by the responsible public entity, a process for alteration of 197 that schedule by the responsible public entity if it deems that changes are necessary because of 198 the scope or complexity of proposals it receives, the process for receipt and review of competing 199 proposals, and the type and amount of information that is necessary for adequate review of 200 proposals in each stage of review. For qualifying transportation facilities that have approved or 201 pending state and federal environmental clearances, have secured significant right of way, have 202 previously allocated significant state or federal funding, or exhibit other circumstances that

203 could reasonably reduce the amount of time to develop and/or operate the qualifying
204 transportation facility in accordance with the purpose of this chapter, the guidelines shall
205 provide for a prioritized documentation, review, and selection process.

206 E. The approval of the responsible public entity shall be subject to the private entity's 207 entering into an interim agreement or a comprehensive agreement with the responsible public 208 entity. For any project with an estimated construction cost of over \$50 million, the responsible 209 public entity also shall require the private entity to pay the costs for an independent audit of any 210 and all traffic and cost estimates associated with the private entity's proposal, as well as a review 211 of all public costs and potential liabilities to which taxpayers could be exposed (including 212 improvements to other transportation facilities that may be needed as a result of the proposal, 213 failure by the private entity to reimburse the responsible public entity for services provided, and potential risk and liability in the event the private entity defaults on the comprehensive agreement or on bonds issued for the project). This independent audit shall be conducted by an independent consultant selected by the responsible public entity, and all such information from such review shall be fully disclosed.

F. In connection with its approval of the development and/or operation of the transportation facility or facilities as a qualifying transportation facility, the responsible public entity shall establish a date for the acquisition of or the beginning of construction of or improvements to the qualifying transportation facility. The responsible public entity may extend such date from time to time.

G. The responsible public entity shall take appropriate action, as more specifically set forth in its guidelines, to protect confidential and proprietary information provided by the private entity pursuant to an agreement under subdivision 11 of § 2.2-3705.6.

H. The responsible public entity may also apply for, execute, and/or endorse applications
submitted by private entities to obtain federal credit assistance for qualifying projects developed
and/or operated pursuant to this chapter.

Drafting note: The term "jurisdiction" is changed to "locality" to comport with practice throughout this title. The reference to a locality means a county, city, or town and is the correct usage within transportation. The term "jurisdiction" is used to mean "authority over." Technical changes are made.

233

§-<u>56-561_33.2-xxx</u>. Service contracts.

In addition to any authority otherwise conferred by law, any public entity may contract with a private entity for transportation services to be provided by a qualifying transportation facility in exchange for such service payments and other consideration as such public entity may deem appropriate.

238 Drafting note: No change.

239 <u>§ 56-562. Repealed.</u>

240 Drafting note: Repealed by Acts 1995, c. 647.

241

§ <u>56-563</u> <u>33.2-xxx</u>. Affected jurisdictions localities or entities.

A. Any private entity requesting approval from, or submitting a proposal to, a
responsible public entity under § <u>56 560 33.2-xxx</u> shall notify each affected <u>jurisdiction locality</u>
or entity by furnishing a copy of its request or proposal to each affected <u>jurisdiction locality</u> or
entity.

B. Each affected jurisdiction locality or entity that is not a responsible public entity for
the respective qualifying transportation facility shall, within 60 days after receiving a request for
comments from the responsible public entity, submit in writing any comments it may have in
writing on the proposed qualifying transportation facility to the responsible public entity and
indicating indicate whether the facility will address the needs identified in the appropriate state,
regional, or local transportation plan by improving safety, reducing congestion, increasing
capacity, and/or enhancing economic efficiency, or any combination thereof.

C. Any qualifying transportation facility, title or easement to which is held by the
Commonwealth or an agency or authority therefor and the rights to develop or operate which
have been granted to the private entity through a concession as defined in § 56-557 33.2-XXX,
shall be subject to the provisions of Title 15.2 in the same manner as a facility of the
Commonwealth, mutatis mutandis, except that such private entity shall comply with the
provisions of subsections B and C of § 15.2-2202 as they relate to the affected jurisdiction's
locality's or entity's comprehensive plan.

Drafting note: The term "jurisdiction" is changed to "locality" to comport with practice throughout this title. The reference to a locality means a county, city, or town, and is the correct usage within transportation. The term "jurisdiction" is used to mean "authority over." Technical changes are made.

264 § <u>56-564 33.2-xxx</u>. Dedication of public property.

Any public entity may dedicate any property interest that it has for public use as a qualified transportation facility if it finds that so doing will serve the public purpose of this chapter. In connection with such dedication, a public entity may convey any property interest 268 that it has, subject to the conditions imposed by general law governing such conveyances, to the 269 private entity, subject to the provisions of this chapter, for such consideration as such public 270 entity may determine. The aforementioned consideration may include, without limitation, the 271 agreement of the private entity to develop and/or operate the qualifying transportation facility. 272 The property interests that the public entity may convey to the private entity in connection with 273 a dedication under this section may include licenses, franchises, easements, concessions, or any 274 other right or interest the public entity deems appropriate. Such property interest including, but 275 not limited to, a leasehold interest in and/or rights to use real property constituting a qualifying 276 transportation facility shall be considered property indirectly owned by a government if 277 described in § 58.1-3606.1.

Drafting note: The phrases "without limitation" and "but not limited to" are removed based on § 1-218, which states: "'Includes' means includes, but not limited to." Other technical changes are made.

§-<u>56-565</u> <u>33.2-xxx</u>. Powers and duties of the private entity.

281

A. The private entity shall have all power allowed by law generally to a private entity having the same form of organization as the private entity and shall have the power to develop and/or operate the qualifying transportation facility and impose user fees and/or enter into service contracts in connection with the use thereof. However, no tolls or user fees may be imposed by the private entity on any existing rural Interstate highway Interstate 81 without the prior approval of the General Assembly-if the affected Interstate System component is Interstate **288** Route 81.

289 B. The private entity may own, lease, or acquire any other right to use or develop and/or
290 operate the qualifying transportation facility.

291 C. Subject to applicable permit requirements, the private entity shall have the authority
292 to cross any canal or navigable watercourse so long as the crossing does not unreasonably
293 interfere with then current navigation and use of the waterway.

294 D. In operating the qualifying transportation facility, the private entity may:

295 1. Make classifications according to reasonable categories for assessment of user fees;296 and

297 2. With the consent of the responsible public entity, make and enforce reasonable rules298 to the same extent that the responsible public entity may make and enforce rules with respect to299 a similar transportation facility.

300 E. The private entity shall:

301 1. Develop and/or operate the qualifying transportation facility in a manner that meets
302 the standards of the responsible public entity for transportation facilities operated and
303 maintained by such responsible public entity, all in accordance with the provisions of the
304 interim agreement or the comprehensive agreement;

305 2. Keep the qualifying transportation facility open for use by the members of the public
306 in accordance with the terms and conditions of the interim or comprehensive agreement after its
307 initial opening upon payment of the applicable user fees; and/or service payments; provided
308 that the qualifying transportation facility may be temporarily closed because of emergencies or,
309 with the consent of the responsible public entity, to protect the safety of the public or for
310 reasonable construction or maintenance procedures;

311 3. Maintain, or provide by contract for the maintenance of, the qualifying transportation312 facility;

313 4. Cooperate with the responsible public entity in establishing any interconnection with314 the qualifying transportation facility requested by the responsible public entity; and

315 5. Comply with the provisions of the interim or comprehensive agreement and any316 service contract.

317

Drafting note: Technical changes.

318 § 56-566 33.2-xxx. Comprehensive agreement.

A. Prior to developing and/or operating the qualifying transportation facility, the private
entity shall enter into a comprehensive agreement with the responsible public entity. The
comprehensive agreement shall, as appropriate, provide for:

- 322 1. Delivery of performance and payment bonds in connection with the development
 323 and/or operation of the qualifying transportation facility, in the forms and amounts satisfactory
 324 to the responsible public entity;
- 325 2. Review of plans for the development and/or operation of the qualifying transportation
 326 facility by the responsible public entity and approval by the responsible public entity if the plans
 327 conform to standards acceptable to the responsible public entity;
- 328 3. Inspection of construction of or improvements to the qualifying transportation facility
 329 by the responsible public entity to ensure that <u>they such construction or improvements</u> conform
 330 to the standards acceptable to the responsible public entity;
- 4. Maintenance of a policy or policies of public liability insurance (copies of which shall
 be filed with the responsible public entity accompanied by proofs of coverage) or self-insurance,
 each in form and amount satisfactory to the responsible public entity and reasonably sufficient
 to insure coverage of tort liability to the public and employees and to enable the continued
 operation of the qualifying transportation facility;
- 336 5. Monitoring of the maintenance practices of the private entity by the responsible public
 337 entity and the taking of such actions as the responsible public entity finds appropriate to ensure
 338 that the qualifying transportation facility is properly maintained;
- 339 6. Reimbursement to be paid to the responsible public entity for services provided by the340 responsible public entity;
- 341 7. Filing of appropriate financial statements in a form acceptable to the responsible342 public entity on a periodic basis;
- 343 8. Compensation to the private entity-<u>which that</u> may include a reasonable development
 344 fee, a reasonable maximum rate of return on investment, and/or reimbursement of development
 345 expenses in the event of termination for convenience by the responsible public entity as agreed
 346 upon between the responsible public entity and the private entity;
- 347 9. The date of termination of the private entity's authority and duties under this chapter348 and dedication to the appropriate public entity; and

349 10. Guaranteed cost and completion guarantees related to the development and/or
350 operation of the qualified transportation facility and payment of damages for failure to meet the
351 completion guarantee.

352 B. The comprehensive agreement shall provide for such user fees as may be established 353 from time to time by agreement of the parties. Any user fees shall be set at a level that takes into 354 account any lease payments, service payments, and compensation to the private entity or as 355 specified in the comprehensive agreement. A copy of any service contract shall be filed with the 356 responsible public entity. A schedule of the current user fees shall be made available by the 357 private entity to any member of the public on request. In negotiating user fees under this section, 358 the parties shall establish fees that are the same for persons using the facility under like 359 conditions except as required by agreement between the parties to preserve capacity and prevent 360 congestion on the qualifying transportation facility. The execution of the comprehensive 361 agreement or any amendment thereto shall constitute conclusive evidence that the user fees 362 provided for therein comply with this chapter. User fees established in the comprehensive 363 agreement as a source of revenues may be in addition to, or in lieu of, service payments.

C. In the comprehensive agreement, the responsible public entity may agree to make grants or loans for the development and/or operation of the qualifying transportation facility from time to time from amounts received from the federal government or any agency or instrumentality thereof.

368 D. The comprehensive agreement shall incorporate the duties of the private entity under 369 this chapter and may contain such other terms and conditions that the responsible public entity 370 determines serve the public purpose of this chapter. Without limitation, the comprehensive 371 agreement may contain provisions under which the responsible public entity agrees to provide 372 notice of default and cure rights for the benefit of the private entity and the persons specified 373 therein as providing financing for the qualifying transportation facility. The comprehensive 374 agreement may contain such other lawful terms and conditions to which the private entity and 375 the responsible public entity mutually agree, including, without limitation, provisions regarding unavoidable delays or provisions providing for a loan of public funds for the developmentand/or operation of one or more qualifying transportation facilities.

E. The comprehensive agreement shall provide for the distribution of any earnings in excess of the maximum rate of return as negotiated in the comprehensive agreement. Without limitation, excess earnings may be distributed to the <u>Commonwealth's</u> Transportation Trust Fund, to the responsible public entity, or to the private entity for debt reduction or they may be shared with appropriate public entities. Any payments under a concession arrangement for which the Commonwealth is the responsible public entity shall be paid into the Transportation Trust Fund.

F. Any changes in the terms of the comprehensive agreement, as may be agreed upon by
the parties from time to time, shall be added to the comprehensive agreement by written
amendment.

388 G. Notwithstanding any contrary provision of this chapter, a responsible public entity
389 may enter into a comprehensive agreement with multiple private entities if the responsible
390 public entity determines in writing that it is in the public interest to do so.

391 H. The comprehensive agreement may provide for the development and/or operation of392 phases or segments of the qualifying transportation facility.

393

Drafting note: Changes made were to comport with current practice.

394 § <u>56-566.1 33.2-xxx</u>. Interim agreement.

395 A. Prior to or in connection with the negotiation of the comprehensive agreement, the 396 responsible public entity may enter into an interim agreement with the private entity proposing 397 the development and/or operation of the facility or facilities. Such interim agreement may (i) 398 permit the private entity to commence activities for which it may be compensated relating to the 399 proposed qualifying transportation facility, including project planning and development, 400 advance right-of-way acquisition, design and engineering, environmental analysis and 401 mitigation, survey, conducting transportation and revenue studies, and ascertaining the 402 availability of financing for the proposed facility or facilities; (ii) establish the process and

403 timing of the negotiation of the comprehensive agreement; and (iii) contain any other provisions
404 related to any aspect of the development and/or operation of a qualifying transportation facility
405 that the parties may deem appropriate.

B. Notwithstanding anything to the contrary in any provision of this chapter to the
contrary, a responsible public entity may enter in to an interim agreement with multiple private
entities if the responsible public entity determines in writing that it is in the public interest to do
so.

410

Drafting note: Technical changes.

411 § 56-566.2 33.2-xxx. Multiple public entities.

A. If a private entity submits a proposal pursuant to subsection A of § <u>56-560_33.2-xxx</u>
to develop and/or operate a qualifying transportation facility or a multimodal transportation
facility that may require approval by more than one public entity, representatives of each of the
affected public entities shall, prior to acceptance of such proposal, convene and determine which
public entity shall serve as the coordinating responsible public entity. Such determination shall
occur within 60 days of the receipt of a proposal by the respective public entities.

B. If public entities request proposals from private entities for the development and/or
operation of a qualifying transportation facility or a multimodal transportation facility pursuant
to subsection B of §-56-560_33.2-xxx, the determination of which public entity shall serve as the
coordinating responsible public entity shall be made prior to any request for proposals.

422 C. Once a determination has been made in accordance with <u>subsections subsection</u> A or
423 B, the coordinating responsible public entity and the private entity shall proceed in accordance
424 with this chapter.

425

Drafting note: Technical changes.

426

§-56-567_33.2-xxx. Federal, state, and local assistance.

427 A. The responsible public entity may take any action to obtain federal, state, or local
428 assistance for a qualifying transportation facility that serves the public purpose of this chapter
429 and may enter into any contracts required to receive such federal assistance. If the responsible

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public entity is a state agency, any funds received from the state or federal government or any
agency or instrumentality thereof shall be subject to appropriation by the General Assembly.
The responsible public entity may determine that it serves the public purpose of this chapter for
all or any portion of the costs of a qualifying transportation facility to be paid, directly or
indirectly, from the proceeds of a grant or loan made by the local, state or federal, state, or local
government or any agency or instrumentality thereof.

B. The responsible public entity may agree to make grants or loans for the development
and/or operation of the qualifying transportation facility from time to time from amounts
received from the federal, state, or local government, or any agency or instrumentality thereof.

C. Nothing in this chapter or in an interim or comprehensive agreement entered into
pursuant to this chapter shall be deemed to enlarge, diminish, or affect the authority, if any,
otherwise possessed by the responsible public entity to take action that would impact the debt
capacity of the Commonwealth or the affected jurisdictions localities or entities.

443 Drafting note: The term "jurisdiction" is changed to "locality or entity" to 444 comport with practice throughout this title. The reference to a locality means a county, 445 city, or town, and is the correct usage within transportation. The term "jurisdiction" is 446 used to mean "authority over." Other changes made were to comport with current 447 practice of ordering entities from the largest to the smallest.

448

§-<u>56-567.1</u><u>33.2-xxx</u>. Financing.

Any financing of a qualifying transportation facility may be in such amounts and upon such terms and conditions as may be determined by the parties to the interim or comprehensive agreement. Without limiting the generality of the foregoing, the private entity and the responsible public entity may propose to utilize any and all revenues that may be available to them and may, to the fullest extent permitted by applicable law; issue debt, equity, or other securities or obligations; enter into leases, concessions, and grant and loan agreements; access any designated transportation trust funds; borrow or accept grants from any state infrastructure 456 | bank; and secure any financing with a pledge of, security interest in, or lien on, any or all of its
457 property, including all of its property interests in the qualifying transportation facility.

458 Drafting note: Technical changes are made including reorganization through 459 punctuation for clarity.

460 § <u>56-568</u> <u>33.2-xxx</u>. Material default; remedies.

461 A. Upon the occurrence and during the continuation of material default, the responsible462 public entity may exercise any or all of the following remedies:

1. The responsible public entity may elect to take over-the <u>a qualifying</u> transportation
facility-or facilities and in such case-it shall succeed to all of the right, title, and interest in such
transportation facility or facilities, subject to any liens on revenues previously granted by the
private entity to any person providing financing therefor.

467

468

2. The responsible public entity may terminate the interim or comprehensive agreement and exercise any other rights and remedies which that may be available to it at law or in equity.

469 3. The responsible public entity may make or cause to be made any appropriate claims
470 under the performance and/or payment bonds required by §-56-566 33.2-xxx.

471 B. In the event the responsible public entity elects to take over a qualifying 472 transportation facility pursuant to subsection A, the responsible public entity may develop 473 and/or operate the qualifying transportation facility, impose user fees for the use thereof, and 474 comply with any service contracts as if it were the private entity. Any revenues that are subject 475 to a lien shall be collected for the benefit of, and paid to, secured parties, as their interests may 476 appear, to the extent necessary to satisfy the private entity's obligations to secured parties, 477 including the maintenance of reserves, and such liens shall be correspondingly reduced and, 478 when paid off, released. Before any payments to, or for the benefit of, secured parties, the 479 responsible public entity may use revenues to pay current operation and maintenance costs of 480 the qualifying transportation facility or facilities, including compensation to the responsible **481** public entity for its services in operating and maintaining the qualifying transportation facility. **482** Remaining revenues, if any, after all payments for operation and maintenance of the 483 transportation facility or facilities, and to, or for the benefit of, secured parties, have been made, 484 shall be paid to the private entity, subject to the negotiated maximum rate of return. The right to 485 receive such payment, if any, shall be considered just compensation for the transportation 486 facility or facilities. The full faith and credit of the responsible public entity shall not be pledged 487 to secure any financing of the private entity by the election to take over the qualifying 488 transportation facility. Assumption of operation of the qualifying transportation facility shall not 489 obligate the responsible public entity to pay any obligation of the private entity from sources 490 other than revenues.

491

Drafting note: Technical changes.

492

§-<u>56-569</u><u>33.2-xxx</u>. Condemnation.

493 A. At the request of the private entity, the responsible public entity may exercise any
494 power of condemnation that it has under law for the purpose of acquiring any lands or estates or
495 interests therein to the extent that the responsible public entity finds that such action serves the
496 public purpose of this chapter. Any amounts to be paid in any such condemnation proceeding
497 shall be paid by the private entity.

B. Except as provided in subsection A, until the Commission, after notice to the private
entity and the secured parties, as may appear in the private entity's records, and an opportunity
for hearing, has entered a final declaratory judgment that a material default has occurred and is
continuing, the power of condemnation may not be exercised against a qualifying transportation
facility.

C. After the entry of such final order by the Commission, any responsible public entity
having the power of condemnation under state law may exercise such power of condemnation,
in lieu of, or at any time after taking over the transportation facility pursuant to subdivision A 1
of §-56-568 33.2-xxx, to acquire the qualifying transportation facility or facilities. Nothing in
this chapter shall be construed to limit the exercise of the power of condemnation by any
responsible public entity against a qualifying transportation facility after the entry by the
Commission of a final declaratory judgment order pursuant to subsection B. Any person that has

510 provided financing for the qualifying transportation facility and the private entity, to the extent

511 of its capital investment, may participate in the condemnation proceedings with the standing of a

- 512 property owner.
- 513

B Drafting note: Technical changes.

514 §-<u>56-570_33.2-xxx</u>. Utility crossings.

515 The private entity and each public service company, public utility, railroad, and cable 516 television provider, whose facilities are to be crossed or affected shall cooperate fully with the 517 other in planning and arranging the manner of the crossing or relocation of the facilities. Any 518 such entity possessing the power of condemnation is hereby expressly granted such powers in 519 connection with the moving or relocation of facilities to be crossed by the qualifying 520 transportation facility or that must be relocated to the extent that such moving or relocation is 521 made necessary or desirable by construction of or improvements to the qualifying transportation 522 facility, which shall be construed to include construction of or improvements to temporary 523 facilities for the purpose of providing service during the period of construction or improvement. 524 Should the private entity and any such public service company, public utility, railroad, and cable 525 television provider not be able unable to agree upon a plan for the crossing or relocation, the 526 Commission may determine the manner in which the crossing or relocation is to be 527 accomplished and any damages due arising out of the crossing or relocation. The Commission 528 may employ expert engineers who shall examine the location and plans for such crossing or 529 relocation, hear any objections and consider modifications, and make a recommendation to the 530 Commission. In such a case, the cost of the experts is to be borne by the private entity. Any 531 amount to be paid for such crossing, construction, moving, or relocating relocation of facilities 532 shall be paid for by the private entity or any other person contractually responsible therefor 533 under the interim or comprehensive agreement or under any other contract, license, or permit. 534 The Commission shall make a determination within 90 days of notification by the private entity 535 that the qualifying transportation facility will cross utilities subject to the Commission's 536 jurisdiction.

537

Drafting note: Technical changes.

538

§ 56-571 33.2-xxx. Police powers; violations of law.

A. All police officers of the Commonwealth and of each affected local jurisdiction,
locality shall have the same powers and jurisdiction within the limits of such qualifying
transportation facility as they have in their respective areas of jurisdiction, and such police
officers shall have access to the qualifying transportation facility at any time for the purpose of
exercising such powers and jurisdiction. This authority does not extend to the private offices,
buildings, garages, and other improvements of the private entity to any greater degree than the
police power extends to any other private buildings and improvements.

B. To the extent the transportation facility is a road, bridge, tunnel, overpass, or similar
transportation facility for motor vehicles, the traffic and motor vehicle laws of the
Commonwealth or, if applicable, any-local jurisdiction locality shall be the same as those
applying to conduct on similar transportation facilities in the Commonwealth or such-local
jurisdiction_locality. Punishment for offenses shall be as prescribed by law for conduct
occurring on similar transportation facilities in the Commonwealth or such-local jurisdiction
locality.

553 Drafting note: The term "jurisdiction" is changed to "locality" or "locality or 554 entity" to comport with practice throughout this title. The reference to a locality means a 555 county, city, or town, and is the correct usage within transportation. The term 556 "jurisdiction" is used to mean "authority over."

557

§-<u>56-572_33.2-xxx</u>. Dedication of assets.

The responsible public entity shall terminate the private entity's authority and duties under this chapter on the date set forth in the interim or comprehensive agreement. Upon termination, the authority and duties of the private entity under this chapter shall cease, and the qualifying transportation facility shall be dedicated to the responsible public entity or, if the qualifying transportation facility was initially dedicated by an affected jurisdiction locality or entity, to such affected local jurisdiction locality for public use. 564 Drafting note: The term "jurisdiction" is changed to "locality or entity" to 565 comport with practice throughout this title. The reference to a locality means a county, 566 city, or town, and is the correct usage within transportation. The term "jurisdiction" is 567 used to mean "authority over."

568

§ <u>56-573</u> <u>33.2-xxx</u>. Sovereign immunity.

Nothing in this chapter shall be construed as or deemed a waiver of the sovereign
immunity of the Commonwealth, any responsible public entity, or any affected local jurisdiction
locality or any officer or employee thereof with respect to the participation in, or approval of all
or any part of the qualifying transportation facility or its operation, including but not limited to
interconnection of the qualifying transportation facility with any other transportation facility.
Counties, cities, and towns Localities in which a qualifying transportation facility is located
shall possess sovereign immunity with respect to its construction and operation.

576 Drafting note: The term "jurisdiction" is changed to "locality" to comport with 577 practice throughout this title. The reference to a locality means a county, city, or town, and 578 is the correct usage within transportation. The term "jurisdiction" is used to mean 579 "authority over."

580 § 56-573.1. (Effective until July 1, 2014) Procurement.

581 The Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not apply to this chapter;
582 however, a responsible public entity may enter into an interim or a comprehensive agreement
583 only in accordance with guidelines adopted by it as follows:

1. A responsible public entity may enter into an interim or a comprehensive agreement in
accordance with guidelines adopted by it that are consistent with procurement through
"competitive sealed bidding" as defined in § 2.2-4301 and subsection B of § 2.2-4310.

2. A responsible public entity may enter into an interim or a comprehensive agreement in
accordance with guidelines adopted by it that are consistent with the procurement of "other than
professional services" through competitive negotiation as defined in § 2.2-4301 and subsection
B of § 2.2-4310. Such responsible public entity shall not be required to select the proposal with

591 the lowest price offer, but may consider price as one factor in evaluating the proposals received. 592 Other factors that may be considered include (i) the proposed cost of the qualifying 593 transportation facility; (ii) the general reputation, qualifications, industry experience, and 594 financial capacity of the private entity; (iii) the proposed design, operation, and feasibility of the 595 qualifying transportation facility; (iv) the eligibility of the facility for priority selection, review, 596 and documentation timelines under the responsible public entity's guidelines; (v) local citizen 597 and public entity comments; (vi) benefits to the public; (vii) the private entity's compliance with **598** a minority business enterprise participation plan or good faith effort to comply with the goals of 599 such plan; (viii) the private entity's plans to employ local contractors and residents; (ix) the 600 safety record of the private entity; (x) the ability of the facility to address the needs identified in 601 the appropriate state, regional or local transportation plan by improving safety, reducing 602 congestion, increasing capacity, and/or enhancing economic efficiency, or any combination 603 thereof; and (xi) other criteria that the responsible public entity deems appropriate.

604 A responsible public entity shall proceed in accordance with the guidelines adopted by it 605 pursuant to subdivision 1 unless it determines that proceeding in accordance with the guidelines 606 adopted by it pursuant to this subdivision is likely to be advantageous to the responsible public 607 entity and the public, based on (i) the probable scope, complexity, or urgency of a project; (ii) 608 risk sharing including guaranteed cost or completion guarantees, added value, or debt or equity 609 investments proposed by the private entity; or (iii) an increase in funding, dedicated revenue 610 source or other economic benefit that would not otherwise be available. When the responsible 611 public entity determines to proceed according to the guidelines adopted by it pursuant to this 612 subdivision, it shall state the reasons for its determination in writing. If a state agency is the 613 responsible public entity, the approval of the Secretary of Transportation shall be required as 614 more specifically set forth in the guidelines before the comprehensive agreement is signed.

615 3. Interim or comprehensive agreements for maintenance or asset management services
616 for a transportation facility that is a highway, bridge, tunnel, or overpass, and any amendment or
617 change order thereto that increases the highway lane-miles receiving services under such an

agreement, shall be procured in accordance with guidelines that are consistent with procurement
through "competitive sealed bidding" as defined in § 2.2-4301 and subsection B of § 2.2-4310.
Furthermore, such contracts shall be of a size and scope to encourage maximum competition
and participation by agency prequalified contractors and otherwise qualified contractors.

4. The provisions of subdivision 3 shall not apply to maintenance or asset management
services agreed to as part of the initial provisions of any interim or comprehensive agreement
entered into for the original construction, reconstruction, or improvement of any highway
pursuant to Chapter 22 (§ 56-556 et seq.) of Title 56 and shall not apply to any concession that,
at a minimum, provides for (i) the construction, reconstruction, or improvement of any
transportation facility or (ii) the operation and maintenance of any transportation facility with
existing toll facilities.

629 5. Nothing in this section shall require that professional services be procured by any
630 method other than competitive negotiation in accordance with the Virginia Public Procurement
631 Act (§ 2.2-4300 et seq.).

632 § <u>56-573.1</u> <u>33.2-xxx</u>. (Effective July 1, 2014) Procurement.

633 The Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not apply to this chapter;
634 however, a responsible public entity may enter into an interim or a comprehensive agreement
635 only in accordance with guidelines adopted by it as follows:

636 1. A responsible public entity may enter into an interim or a comprehensive agreement in
637 accordance with guidelines adopted by it that are consistent with procurement through
638 "competitive sealed bidding" as set forth in § 2.2-4302.1 and subsection B of § 2.2-4310.

639 2. A responsible public entity may enter into an interim or a comprehensive agreement in 640 accordance with guidelines adopted by it that are consistent with the procurement of "other than 641 professional services" through competitive negotiation as set forth in § 2.2-4302.2 and 642 subsection B of § 2.2-4310. Such responsible public entity shall not be required to select the 643 proposal with the lowest price offer, but may consider price as one factor in evaluating the 644 proposals received. Other factors that may be considered include (i) the proposed cost of the 645 qualifying transportation facility; (ii) the general reputation, qualifications, industry experience, 646 and financial capacity of the private entity; (iii) the proposed design, operation, and feasibility 647 of the qualifying transportation facility; (iv) the eligibility of the facility for priority selection, 648 review, and documentation timelines under the responsible public entity's guidelines; (v) local 649 citizen and public entity comments; (vi) benefits to the public; (vii) the private entity's 650 compliance with a minority business enterprise participation plan or good faith effort to comply 651 with the goals of such plan; (viii) the private entity's plans to employ local contractors and 652 residents; (ix) the safety record of the private entity; (x) the ability of the facility to address the 653 needs identified in the appropriate state, regional or local transportation plan by improving 654 safety, reducing congestion, increasing capacity, and/or enhancing economic efficiency, or any 655 combination thereof; and (xi) other criteria that the responsible public entity deems appropriate.

656 A responsible public entity shall proceed in accordance with the guidelines adopted by it 657 pursuant to subdivision 1 unless it determines that proceeding in accordance with the guidelines 658 adopted by it pursuant to this subdivision is likely to be advantageous to the responsible public 659 entity and the public, based on-(i) (a) the probable scope, complexity, or urgency of a project; 660 (ii) (b) risk sharing including guaranteed cost or completion guarantees, added value, or debt or 661 equity investments proposed by the private entity; or (iii) (c) an increase in funding, dedicated 662 revenue source or other economic benefit that would not otherwise be available. When the 663 responsible public entity determines to proceed according to the guidelines adopted by it 664 pursuant to this subdivision, it shall state the reasons for its determination in writing. If a state 665 agency is the responsible public entity, the approval of the Secretary-of Transportation shall be 666 required as more specifically set forth in the guidelines before the comprehensive agreement is **667** signed.

3. Interim or comprehensive agreements for maintenance or asset management services
for a transportation facility that is a highway, bridge, tunnel, or overpass, and any amendment or
change order thereto that increases the highway lane-miles receiving services under such an
agreement, shall be procured in accordance with guidelines that are consistent with procurement

through "competitive sealed bidding" as set forth in § 2.2-4302.1 and subsection B of § 2.24310. Furthermore, such contracts shall be of a size and scope to encourage maximum
competition and participation by agency prequalified contractors and otherwise qualified
contractors.

4. The provisions of subdivision 3 shall not apply to maintenance or asset management
services agreed to as part of the initial provisions of any interim or comprehensive agreement
entered into for the original construction, reconstruction, or improvement of any highway
pursuant to Chapter 22 (§ 56-556 et seq.) of Title 56 this chapter and shall not apply to any
concession that, at a minimum, provides for (i) the construction, reconstruction, or improvement
of any transportation facility or (ii) the operation and maintenance of any transportation facility
with existing toll facilities.

5. Nothing in this section shall require that professional services be procured by any
method other than competitive negotiation in accordance with the Virginia Public Procurement
Act (§ 2.2-4300 et seq.).

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Drafting note: Technical changes.

687 § 56-573.1:1. Posting of conceptual proposals; public comment; public access to688 procurement records.

A. Conceptual proposals submitted in accordance with subsection A or B of § <u>56-560</u>
<u>33.2-xxx</u> to a responsible public entity shall be posted by the responsible public entity within 10
working days after acceptance of such proposals as follows:

692 1. For responsible public entities that are state agencies, authorities, departments,
693 institutions, and other units of state government, posting shall be on the Department of General
694 Services' central electronic procurement website. For proposals submitted pursuant to subsection
695 A of § 56-560, the notice posted shall (i) provide for a period of 120 days for the submission of
696 competing proposals; (ii) include specific information regarding the proposed nature, timing,
697 and scope of the qualifying transportation facility; and (iii) outline the opportunities that will be
698 provided for public comment during the review process; and

699 2. For responsible public entities that are local public bodies, posting shall be on the 700 responsible public entity's website or on the Department of General Services' central electronic 701 procurement website. In addition, such public bodies may publish in a newspaper of general 702 circulation in the area in which the contract is to be performed a summary of the proposals and 703 the location where copies of the proposals are available for public inspection. Such local public 704 bodies are encouraged to utilize the Department of General Services' central electronic 705 procurement website to provide the public with centralized visibility and access to the 706 Commonwealth's procurement opportunities.

707 In addition to the posting requirements, at least one copy of the proposals shall be made 708 available for public inspection. Nothing in this section shall be construed to prohibit the posting 709 of the conceptual proposals by additional means deemed appropriate by the responsible public 710 entity so as to provide maximum notice to the public of the opportunity to inspect the proposals. 711 Trade secrets, financial records, or other records of the private entity excluded from disclosure 712 under the provisions of subdivision 11 of § 2.2-3705.6 shall not be required to be posted, except 713 as otherwise agreed to by the responsible public entity and the private entity.

B. In addition to the posting requirements of subsection A, for 30 days prior to entering
into an interim or comprehensive agreement, a responsible public entity shall provide an
opportunity for public comment on the proposals. The public comment period required by this
subsection may include a public hearing in the sole discretion of the responsible public entity.
After the end of the public comment period, no additional posting shall be required.

C. Once the negotiation phase for the development of an interim or a comprehensive agreement is complete and a decision to award has been made by a responsible public entity, the responsible public entity shall (i) post the major business points of the interim or comprehensive agreement, including the projected use of any public funds, on the Department of General Services' central electronic procurement website; (ii) outline how the public can submit comments on those major business points; and (iii) present the major business points of the 725 interim or comprehensive agreement, including the use of any public funds, to its oversight726 board at a regularly scheduled meeting of the board that is open to the public.

D. Once an interim agreement or a comprehensive agreement has been entered into, a responsible public entity shall make procurement records available for public inspection, in accordance with the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). For the purposes of this subsection, procurement records shall not be interpreted to include (i) trade secrets of the private entity as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) or (ii) financial records, including balance sheets or financial statements of the private entity that are not generally available to the public through regulatory disclosure or otherwise.

734 E. Cost estimates relating to a proposed procurement transaction prepared by or for a735 responsible public entity shall not be open to public inspection.

F. Any inspection of procurement transaction records under this section shall be subjectto reasonable restrictions to ensure the security and integrity of the records.

738 G. The provisions of this section shall apply to accepted proposals regardless of whether739 the process of bargaining will result in an interim or a comprehensive agreement.

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Drafting note: Technical changes.

741 § <u>56-573.2</u> <u>33.2-xxx</u>. Jurisdiction.

742 The Commission shall have exclusive jurisdiction to adjudicate all matters specifically743 committed to its jurisdiction by this chapter.

744 Drafting note: No change.

745 § <u>56-573.3</u> <u>33.2-xxx</u>. Contributions and gifts; prohibition during approval process.

A. No private entity that has submitted a bid or proposal to a public entity that is an executive branch agency directly responsible to the Governor and is seeking to develop or operate a transportation facility pursuant to this chapter, and no individual who is an officer or director of such private entity, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the 752 Secretary is responsible to the Governor for an executive branch agency with jurisdiction over 753 the matters at issue, following the submission of a proposal under this chapter until the 754 execution of a comprehensive agreement thereunder. The provisions of this section shall apply 755 only for any proposal or an interim or comprehensive agreement where the stated or expected 756 value of the contract is \$5 million or more.

B. Any person who knowingly violates this section shall be subject to a civil penalty of
\$500 or up to two times the amount of the contribution or gift, whichever is greater. The
attorney for the Commonwealth shall initiate civil proceedings to enforce the civil penalties.
Any civil penalties collected shall be payable to the State Treasurer for deposit to the general
fund.

762 763

Drafting note: No change.

§ <u>56 574 33.2-xxx</u>. Preservation of the Virginia Highway Corporation Act of 1988.

Nothing in this chapter shall be construed to repeal or change in any manner the Virginia
Highway Corporation Act of 1988, as amended (§ 56-535 et seq.), as amended. Nothing in the
Virginia Highway Corporation Act of 1988, as amended, shall apply to qualifying transportation
facilities undertaken pursuant to the authority of this chapter.

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Drafting note: Technical changes.

769 § <u>56-575</u> <u>33.2-xxx</u>. Severability.

If any provision of this chapter or the application thereof to any person or circumstances is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions or applications of this chapter that can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.

774 No

Not set out. (1994, c. 855.)

775 Drafting note: This section is a severability clause and is therefore not set out. It
776 was passed as § 56-572 in Chapter 855 of the Acts of Assembly of 1994.

777