1	TITLE 33.2 REVISION DRAFT, CHAPTER XXX
2	CHAPTER-22 XXX.
3	PUBLIC-PRIVATE TRANSPORTATION ACT OF 1995.
4	Drafting note: Chapter 22 (§ 56-556 et seq.) of Title 56 is relocated to Title 33.2
5	because it has a more logical nexus with Transportation. Throughout the chapter, the use
6	of the term "and/or," a grammatical shortcut that often leads to confusion or ambiguity,
7	has been amended to reflect its meaning: "and" in the sense of all, inclusive; "or" in the
8	sense of either or both/all.
9	<del>§ 56-556. Title.</del>
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 title-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	§ <del>-56-557</del> 33.2-917. 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 33.2-935.
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

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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.

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

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

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

"Maintenance" means that term as defined in § 33.1-23.02 33.2-XXX.

"Material default" means any default by the private entity in the performance of its duties under subsection E of §-56-565 of this chapter\_33.2-924 that jeopardizes adequate service to the public from a qualifying transportation facility and remains unremedied after the responsible public entity has provided notice to the private entity and a reasonable cure period has elapsed.

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

"Operate" or "operation" means to finance, maintain, improve, equip, modify, repair, oroperate.

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

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

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

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

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

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

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

"State" means the Commonwealth of Virginia.

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

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

Drafting note: "Affected jurisdiction" is changed to "affected locality or entity" 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." The definition for "asset management" is stricken because it is defined for the title in proposed § 33.2-100. The definition of "state" is stricken according to the preferred use of the term "the Commonwealth." The phrases "but not limited to" and "without limitation" in the definitions of "concession" and "revenues" are removed based on § 1-218, which states: "'Includes' means includes, but not limited to." Other changes are technical or made to comport with current practice.

§ 56-558 33.2-918. Policy.

A. The General Assembly finds that:

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

103	2. Such public need may not be wholly satisfied by existing ways in which transportation
104	facilities are developed and/or or operated; and
105	3. Authorizing private entities to develop and/or or operate one or more transportation
106	facilities may result in the development-and/or or operation of such transportation facilities to
107	the public in a more timely, more efficient, or less costly fashion, thereby serving the public
108	safety and welfare.
109	B. An action, other than the approval of the responsible public entity under § 56-560 of
110	this chapter 33.2-XXX, shall serve the public purpose of this chapter if such action, including
111	undertaking a concession, facilitates the timely development-and/or or operation of a qualifying
112	transportation facility.
113	C. It is the intent of this chapter, among other things, to encourage investment in the
114	Commonwealth by private entities that facilitates the development and/or or operation of
115	transportation facilities. Accordingly, public and private entities may have the greatest possible
116	flexibility in contracting with each other for the provision of the public services-which that are
117	the subject of this chapter.
118	D. This chapter shall be liberally construed in conformity with the purposes hereof.
119	Drafting note: This section is currently set out. In furtherance of the general policy
120	of the Virginia Code Commission to include in the Code only provisions having general
121	and permanent application and not those regarding policy and purpose, recommend that
122	this section not be set out. The working group was not unanimous in this recommendation.
123	Technical changes are made.
124	§-56-559 33.2-919. Prerequisite for operation.
125	A. Any private entity seeking authorization under this chapter to develop-and/or or
126	operate a transportation facility shall first obtain approval of the responsible public entity under
127	§-56-560 33.2-920. Such private entity may initiate the approval process by requesting approval

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pursuant to subsection A of §-56-560 33.2-920, or the responsible public entity may request proposals pursuant to subsection B of §-56-560 33.2-920.

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.

## **Drafting note: Technical changes.**

§ 56-560 33.2-920. Approval by the responsible public entity.

A. The private entity may request approval by the responsible public entity. Any such request 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 or operate as a qualifying transportation facility:

- 1. A topographic map (1:2,000 or other appropriate scale) indicating the location of the transportation facility or facilities;
- 2. A description of the transportation facility or facilities, including the conceptual design of such facility or facilities and all proposed interconnections with other transportation facilities;
- 3. The proposed date for development—and/or or operation of the transportation facility or 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 secure any property interests required for the transportation facility or facilities;
- 5. Information relating to the current transportation plans, if any, of each affected iurisdiction locality or entity;

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purpose if:

152	6. A list of all permits and approvals required for developing and/or or operating
153	improvements to the transportation facility or facilities from local, state, or federal agencies and
154	a projected schedule for obtaining such permits and approvals;
155	7. A list of public utility facilities, if any, that will be crossed by the transportation
156	facility or facilities and a statement of the plans of the private entity to accommodate such
157	crossings;
158	8. A statement setting forth the private entity's general plans for developing and/or or
159	operating the transportation facility or facilities, including identification of any revenue, public
160	or private, or proposed debt or equity investment or concession proposed by the private entity;
161	9. The names and addresses of the persons who may be contacted for further information
162	concerning the request;
163	10. Information on how the private entity's proposal will address the needs identified in
164	the appropriate state, regional, or local transportation plan by improving safety, reducing
165	congestion, increasing capacity, and/or or enhancing economic efficiency; and
166	11. Such additional material and information as the responsible public entity may
167	reasonably request pursuant to its guidelines or other written instructions.
168	B. The responsible public entity may request proposals from private entities for the
169	development-and/or or operation of transportation facilities. The responsible public entity shall
170	not charge a fee to cover the costs of processing, reviewing, and evaluating proposals received
171	in response to such requests.
172	C. The responsible public entity may grant approval of the development and/or or
173	operation of the transportation facility or facilities as a qualifying transportation facility if the
174	responsible public entity determines that it serves the public purpose of this chapter. The
175	responsible public entity may determine that the development—and/or or operation of the

transportation facility or facilities as a qualifying transportation facility serves such public

- 1. There is a public need for the transportation facility or facilities the private entity proposes to develop-and/or or operate as a qualifying transportation facility;
- 2. The transportation facility or facilities and the proposed interconnections with existing transportation facilities, and the private entity's plans for development—and/or\_or operation of the qualifying transportation facility or facilities, are, in the opinion of the responsible public entity, reasonable and will address the needs identified in the appropriate state, regional, or local transportation plan by improving safety, reducing congestion, increasing capacity,—and/or\_or enhancing economic efficiency;
- 3. The estimated cost of developing—and/or\_or operating the transportation facility or facilities is reasonable in relation to similar facilities; and
- 4. The private entity's plans will result in the timely development—and/or\_or operation of the transportation facility or facilities or their more efficient operation.

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

D. The responsible public entity may charge a reasonable fee to cover the costs of processing, reviewing, and evaluating the request submitted by a private entity pursuant to subsection A, including—without limitation, reasonable—attorney's\_attorney fees and fees for financial and other necessary advisors or consultants. The responsible public entity shall also develop guidelines that establish the process for the acceptance and review of a proposal from a private entity pursuant to subsections A and B. Such guidelines shall establish a specific schedule for review of the proposal by the responsible public entity, a process for alteration of that schedule by the responsible public entity if it deems that changes are necessary because of the scope or complexity of proposals it receives, the process for receipt and review of competing proposals, and the type and amount of information that is necessary for adequate review of proposals in each stage of review. For qualifying transportation facilities that have approved or

pending state and federal environmental clearances, <u>have</u> secured significant right of way, have previously allocated significant state or federal funding, or exhibit other circumstances that could reasonably reduce the amount of time to develop—<u>and/or\_or</u> operate the qualifying transportation facility in accordance with the purpose of this chapter, the guidelines shall provide for a prioritized documentation, review, and selection process.

E. The approval of the responsible public entity shall be subject to the private entity's entering into an interim agreement or a comprehensive agreement with the responsible public entity. For any project with an estimated construction cost of over \$50 million, the responsible public entity also shall require the private entity to pay the costs for an independent audit of any and all traffic and cost estimates associated with the private entity's proposal, as well as a review of all public costs and potential liabilities to which taxpayers could be exposed (including improvements to other transportation facilities that may be needed as a result of the proposal, 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\_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.

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H. The responsible public entity may also apply for, execute, <u>and/or\_or</u> endorse applications submitted by private entities to obtain federal credit assistance for qualifying projects developed-<u>and/or\_or</u> 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.

§ 56-561 33.2-921. 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.

**Drafting note: No change.** 

§ 56-562. Repealed.

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

§ 56-563 33.2-922. Affected jurisdictions localities or entities.

A. Any private entity requesting approval from, or submitting a proposal to, a responsible public entity under §-56-560 33.2-920 shall notify each affected jurisdiction locality or entity by furnishing a copy of its request or proposal to each affected jurisdiction locality or entity.

B. Each affected <u>jurisdiction locality or entity</u> 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 <u>in writing</u> any comments it may have <del>in writing</del> on the proposed qualifying transportation facility to the responsible public entity and <u>indicating</u> 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 or enhancing economic efficiency.

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.

§-56-564 33.2-923. 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 that it has, subject to the conditions imposed by general law governing such conveyances, to the private entity, subject to the provisions of this chapter, for such consideration as such public entity may determine. The aforementioned consideration may include, without limitation, the agreement of the private entity to develop—and/or\_or operate the qualifying transportation facility. The property interests that the public entity may convey to the private entity in connection with a dedication under this section may include licenses, franchises, easements, concessions, or any other right or interest the public entity deems appropriate. Such property interest including, but not limited to, a leasehold interest in-and/or or rights to use real property

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constituting a qualifying transportation facility shall be considered property indirectly owned by a government if 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.

§-56-565 33.2-924. Powers and duties of the private entity.

- 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 or operate the qualifying transportation facility and impose user fees and/or 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 without the prior approval of the General Assembly if the affected Interstate System component is Interstate Route 81.
- B. The private entity may own, lease, or acquire any other right to use—or, develop and/or, or operate the qualifying transportation facility.
- C. Subject to applicable permit requirements, the private entity shall have the authority to cross any canal or navigable watercourse so long as the crossing does not unreasonably interfere with then current navigation and use of the waterway.
  - D. In operating the qualifying transportation facility, the private entity may:
- 1. Make classifications according to reasonable categories for assessment of user fees; and
- 2. With the consent of the responsible public entity, make and enforce reasonable rules to the same extent that the responsible public entity may make and enforce rules with respect to a similar transportation facility.
  - E. The private entity shall:
- 1. Develop and/or or operate the qualifying transportation facility in a manner that meets the standards of the responsible public entity for transportation facilities operated and

maintained by such responsible public entity, all in accordance with the provisions of the interim agreement or the comprehensive agreement;

- 2. Keep the qualifying transportation facility open for use by the members of the public in accordance with the terms and conditions of the interim or comprehensive agreement after its initial opening upon payment of the applicable user fees, and/or\_or service payments; provided that the qualifying transportation facility may be temporarily closed because of emergencies or, with the consent of the responsible public entity, to protect the safety of the public or for reasonable construction or maintenance procedures;
- 3. Maintain, or provide by contract for the maintenance of, the qualifying transportation facility;
- 4. Cooperate with the responsible public entity in establishing any interconnection with the qualifying transportation facility requested by the responsible public entity; and
- 5. Comply with the provisions of the interim or comprehensive agreement and any service contract.

#### **Drafting note: Technical changes.**

§ <u>56-566</u> <u>33.2-925</u>. Comprehensive agreement.

- A. Prior to developing and/or 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:
- 1. Delivery of performance and payment bonds in connection with the development and/or or operation of the qualifying transportation facility, in the forms and amounts satisfactory to the responsible public entity;
- 2. Review of plans for the development—and/or\_or operation of the qualifying transportation facility by the responsible public entity and approval by the responsible public entity if the plans conform to standards acceptable to the responsible public entity;

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3. Inspection of construction of or improvements to the qualifying transportation facility
by the responsible public entity to ensure that they such construction or improvements conform
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;
- 5. Monitoring of the maintenance practices of the private entity by the responsible public entity and the taking of such actions as the responsible public entity finds appropriate to ensure that the qualifying transportation facility is properly maintained;
- 6. Reimbursement to be paid to the responsible public entity for services provided by the responsible public entity;
- 7. Filing of appropriate financial statements in a form acceptable to the responsible public entity on a periodic basis;
- 8. Compensation to the private entity—which\_that may include a reasonable development fee, a reasonable maximum rate of return on investment,—and/or\_or reimbursement of development expenses in the event of termination for convenience by the responsible public entity as agreed upon between the responsible public entity and the private entity;
- 9. The date of termination of the private entity's authority and duties under this chapter and dedication to the appropriate public entity; and
- 10. Guaranteed cost and completion guarantees related to the development—and/or\_or or operation of the qualified transportation facility and payment of damages for failure to meet the completion guarantee.
- B. The comprehensive agreement shall provide for such user fees as may be established from time to time by agreement of the parties. Any user fees shall be set at a level that takes into

account any lease payments, service payments, and compensation to the private entity or as specified in the comprehensive agreement. A copy of any service contract shall be filed with the responsible public entity. A schedule of the current user fees shall be made available by the private entity to any member of the public on request. In negotiating user fees under this section, the parties shall establish fees that are the same for persons using the facility under like conditions except as required by agreement between the parties to preserve capacity and prevent congestion on the qualifying transportation facility. The execution of the comprehensive agreement or any amendment thereto shall constitute conclusive evidence that the user fees provided for therein comply with this chapter. User fees established in the comprehensive agreement as a source of revenues may be in addition to  $_{5}$  or in lieu of  $_{5}$  service payments.

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

D. The comprehensive agreement shall incorporate the duties of the private entity under this chapter and may contain such other terms and conditions that the responsible public entity determines serve the public purpose of this chapter. Without limitation, the comprehensive agreement may contain provisions under which the responsible public entity agrees to provide notice of default and cure rights for the benefit of the private entity and the persons specified therein as providing financing for the qualifying transportation facility. The comprehensive agreement may contain such other lawful terms and conditions to which the private entity and the responsible public entity mutually agree, including, without limitation, provisions regarding unavoidable delays or provisions providing for a loan of public funds for the development and/or 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 Commonwealth's 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.
- G. Notwithstanding any contrary provision of this chapter, a responsible public entity may enter into a comprehensive agreement with multiple private entities if the responsible public entity determines in writing that it is in the public interest to do so.
- H. The comprehensive agreement may provide for the development—and/or or operation of phases or segments of the qualifying transportation facility.

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

§ <u>56-566.1</u> <u>33.2-926</u>. Interim agreement.

A. Prior to or in connection with the negotiation of the comprehensive agreement, the responsible public entity may enter into an interim agreement with the private entity proposing the development—and/or\_or operation of the facility or facilities. Such interim agreement may (i) permit the private entity to commence activities for which it may be compensated relating to the proposed qualifying transportation facility, including project planning and development, advance right-of-way acquisition, design and engineering, environmental analysis and mitigation, survey, conducting transportation and revenue studies, and ascertaining the availability of financing for the proposed facility or facilities; (ii) establish the process and timing of the negotiation of the comprehensive agreement; and (iii) contain any other provisions related to any aspect of the development—and/or\_or\_or\_operation of a qualifying transportation facility 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.

### **Drafting note: Technical changes.**

§-56-566.2 33.2-927. Multiple public entities.

A. If a private entity submits a proposal pursuant to subsection A of § 56-560 33.2-920 to develop and/or 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 or operation of a qualifying transportation facility or a multimodal transportation facility pursuant to subsection B of § 56-560 33.2-920, the determination of which public entity shall serve as the coordinating responsible public entity shall be made prior to any request for proposals.

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

#### **Drafting note: Technical changes.**

§-56-567\_33.2-928. Federal, state, and local assistance.

A. The responsible public entity may take any action to obtain federal, state, or local assistance for a qualifying transportation facility that serves the public purpose of this chapter and may enter into any contracts required to receive such federal assistance. If the responsible 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 <u>local</u>, <u>state or</u> federal, <u>state</u>, <u>or local</u> government or any agency or instrumentality thereof.

- B. The responsible public entity may agree to make grants or loans for the development and/or 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.

Drafting note: The term "jurisdiction" is changed to "locality or entity" 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." Other changes made were to comport with current practice of ordering entities from the largest to the smallest.

§ <u>56-567.1</u> <u>33.2-929</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 bank; and secure any financing with a pledge of, security interest in, or lien on; any or all of its property, including all of its property interests in the qualifying transportation facility.

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

§ <u>56-568</u> 33.2-930. Material default; remedies.

- A. Upon the occurrence and during the continuation of material default, the responsible public entity may exercise any or all of the following remedies:
- 1. The responsible public entity may elect to take over the 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.
- 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.
- 3. The responsible public entity may make or cause to be made any appropriate claims under the performance-and/or or payment bonds required by § 56-566 33.2-925.
- B. In the event the responsible public entity elects to take over a qualifying transportation facility pursuant to subsection A, the responsible public entity may develop and/or\_or operate the transportation facility, impose user fees for the use thereof, and comply with any service contracts as if it were the private entity. Any revenues that are subject to a lien shall be collected for the benefit of, and paid to, secured parties, as their interests may appear, to the extent necessary to satisfy the private entity's obligations to secured parties, including the maintenance of reserves, and such liens shall be correspondingly reduced and, when paid off, released. Before any payments to, or for the benefit of, secured parties, the responsible public entity may use revenues to pay current operation and maintenance costs of the transportation facility or facilities, including compensation to the responsible public entity for its services in operating and maintaining the qualifying transportation facility. Remaining revenues, if any, after all payments for operation and maintenance of the transportation facility or facilities, and to, or for the benefit of, secured parties, have been made, shall be paid to the private entity,

subject to the negotiated maximum rate of return. The right to receive such payment, if any, shall be considered just compensation for the transportation facility or facilities. The full faith and credit of the responsible public entity shall not be pledged to secure any financing of the private entity by the election to take over the qualifying transportation facility. Assumption of operation of the qualifying transportation facility shall not obligate the responsible public entity to pay any obligation of the private entity from sources other than revenues.

**Drafting note: Technical changes.** 

§ <u>56-569</u> <u>33.2-931</u>. Condemnation.

A. At the request of the private entity, the responsible public entity may exercise any power of condemnation that it has under law for the purpose of acquiring any lands or estates or interests therein to the extent that the responsible public entity finds that such action serves the public purpose of this chapter. Any amounts to be paid in any such condemnation proceeding 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\_33.2-930, 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 provided financing for the qualifying transportation facility and the private entity, to the extent

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of its capital investment, may participate in the condemnation proceedings with the standing of a property owner.

### **Drafting note: Technical changes.**

§ <u>56-570</u> <u>33.2-932</u>. Utility crossings.

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

**Drafting note: Technical changes.** 

§-56-571\_33.2-933. 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.

Drafting note: The term "jurisdiction" is changed to "locality" or "locality or entity" 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."

§ <u>56-572</u> <u>33.2-934</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 <u>jurisdiction locality</u> or <u>entity</u>, to such affected <u>local jurisdiction locality</u> for public use.

Drafting note: The term "jurisdiction" is changed to "locality or entity" 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."

§ <u>56-573</u> <u>33.2-935</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.

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."

§ 56-573.1 33.2-936. Procurement.

The Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not apply to this chapter; however, a responsible public entity may enter into an interim or a comprehensive agreement 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.

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

A responsible public entity shall proceed in accordance with the guidelines adopted by it pursuant to subdivision 1 unless it determines that proceeding in accordance with the guidelines adopted by it pursuant to this subdivision is likely to be advantageous to the responsible public entity and the public, based on—(i) (a) the probable scope, complexity, or urgency of a project; (ii) (b) risk sharing including guaranteed cost or completion guarantees, added value, or debt or equity investments proposed by the private entity; or—(iii) (c) an increase in funding, dedicated revenue source, or other economic benefit that would not otherwise be available. When the responsible public entity determines to proceed according to the guidelines adopted by it pursuant to this subdivision, it shall state the reasons for its determination in writing. If a state

agency is the responsible public entity, the approval of the Secretary of Transportation shall be required as more specifically set forth in the guidelines before the comprehensive agreement is 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 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 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.).

## Drafting note: Change made to comport with the definitions for this title.

§ <u>56-573.1:1</u> <u>33.2-937</u>. Posting of conceptual proposals; public comment; public access to procurement records.

A. Conceptual proposals submitted in accordance with subsection A or B of § 56-560 33.2-920 to a responsible public entity shall be posted by the responsible public entity within 10 working days after acceptance of such proposals as follows:

- 1. For responsible public entities that are state agencies, authorities, departments, institutions, and other units of state government, posting shall be on the Department of General Services' central electronic procurement website; and
- 2. For responsible public entities that are local public bodies, posting shall be on the responsible public entity's website or on the Department of General Services' central electronic procurement website. In addition, such public bodies may publish in a newspaper of general circulation in the area in which the contract is to be performed a summary of the proposals and the location where copies of the proposals are available for public inspection. Such local public bodies are encouraged to utilize the Department of General Services' central electronic procurement website to provide the public with centralized visibility and access to the Commonwealth's procurement opportunities.

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

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agreement, including the use of any public funds, to its oversight 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.
- E. Cost estimates relating to a proposed procurement transaction prepared by or for a responsible public entity shall not be open to public inspection.
- F. Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records.
- G. The provisions of this section shall apply to accepted proposals regardless of whether the process of bargaining will result in an interim or a comprehensive agreement.

### **Drafting note: Technical change.**

§ 56-573.2 33.2-938. Jurisdiction.

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

#### **Drafting note: No change.**

§<del>-56-573.3</del> 33.2-939. 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 Secretary is responsible to the Governor for an executive branch agency with jurisdiction over the matters at issue, following the submission of a proposal under this chapter until the execution of a comprehensive agreement thereunder. The provisions of this section shall apply only for any proposal or an interim or comprehensive agreement where the stated or expected 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.

**Drafting note: No change.** 

§ 56-574 33.2-940. 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.

**Drafting note: Technical changes.** 

§ 56-575. 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.

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

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

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