



# COMMONWEALTH of VIRGINIA

## DEPARTMENT OF TRANSPORTATION

1601 Orange Road  
Culpeper, Virginia 22701

**Gregory A. Whirley**  
Commissioner

### **Route 29 Charlottesville Bypass** Albemarle County, Virginia

Financial Plan Update – End of Fiscal Year 2013

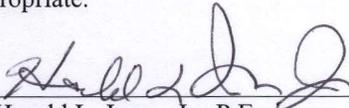
### **LETTER OF CERTIFICATION**

Dear Commissioner:

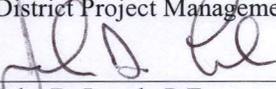
The Virginia Department of Transportation has updated this annual Financial Plan for the Route 29 Charlottesville Bypass Project (State Project No. 029-002-844; UPC#102419) as required under § 33.1-23.5:3 of the *Code of Virginia*. The plan provides detailed cost estimates to complete the project and the estimates of financial resources to be utilized to fully finance the project.

The cost data in this annual Financial Plan provides an accurate accounting of costs and includes a realistic estimate of future costs based on engineers' estimates and expected construction cost escalation factors. While the estimates of financial resources rely upon assumptions regarding future economic conditions and demographic variables, they represent realistic estimates of necessary monies to fully fund the project. We believe this annual Financial Plan provides an accurate basis upon which to schedule and fund the Route 29 Charlottesville Bypass Project. The Department will review and update the financial plan on an annual basis.

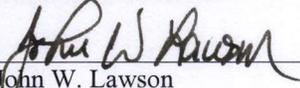
To the best of our knowledge and belief, the annual Financial Plan, as submitted herewith, fairly and accurately presents the financial position of the Route 29 Charlottesville Bypass Project, its projected cash flows and expected schedule for the project's construction period. The financial forecasts presented are based on our judgment of the expected project conditions and our expected course of action. We believe that the assumptions underlying the annual Financial Plan are reasonable and appropriate. Further, we have made available all significant information that we believe is relevant to the annual Financial Plan and, to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

  
\_\_\_\_\_  
Harold L. Jones, Jr., P.E.  
District Project Management Engineer

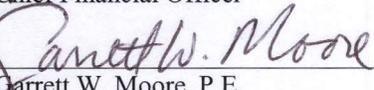
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Date

  
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John D. Lynch, P.E.  
District Administrator

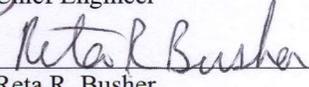
9/30/2013  
Date

  
\_\_\_\_\_  
John W. Lawson  
Chief Financial Officer

10/10/2013  
Date

  
\_\_\_\_\_  
Garrett W. Moore, P.E.  
Chief Engineer

10/7/2013  
Date

  
\_\_\_\_\_  
Reta R. Busher  
Chief of Planning and Programming

10/7/2013  
Date

# **Route 29 Charlottesville Bypass Financial Plan**

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**For Fiscal Year Ended  
June 30, 2013**



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## Introduction

### **Purpose**

The Route 29 Charlottesville Bypass Annual Financial Plan is prepared pursuant to requirements of the United States Code and the *Code of Virginia*, as described below.

Title 23, § 106 of the United States Code requires that an annual financial plan be prepared for any federal aid highway project with an estimated total cost of \$100 million or more. The financial plan must:

- be based on detailed estimates of the cost to complete the project;
- provide for the annual submission of updates based on reasonable assumptions of future increases in the cost to complete the project; and
- assess the appropriateness of a public-private partnership to deliver the project.

The annual financial plan must be made available for review at the request of the U.S. Secretary of Transportation.

In addition, § 33.1-23.5:3 of the *Code of Virginia* provides:

For transportation construction projects valued in excess of \$100 million, the Commissioner shall require that a financial plan be prepared and presented to the Commonwealth Transportation Board for its review. This plan shall include, but not be limited to, the following: (i) a complete cost estimate for all major project elements, (ii) an implementation plan with the project schedule and cost-to-complete information presented for each year, (iii) identified revenues by funding source available each year to meet project costs, (iv) a detailed cash-flow analysis for each year of the proposed project, and (v) efforts to be made to ensure maximum involvement of private enterprise and private capital.

### **Summary**

Existing Route 29 located in the City of Charlottesville and Albemarle County is surrounded by numerous housing developments, retail businesses including shopping centers, schools, and the University of Virginia. Currently 47,000 vehicles per day travel along the Route 29 segment where the northern terminus will connect. At the northern terminus location, the average daily traffic is expected to increase over 68 percent by 2036 to more than 79,200 vehicles per day on US 29 North to Culpeper. At the southern terminus, 48,000 vehicles per day currently travel along the Route 250 Bypass. Approximately 72,000 vehicles per day (a 50 percent increase) are expected to use Route 29/US 250 south to Ivy Road by 2036.

The Route 29 Bypass is anticipated to carry over 27,000 vehicles per day by 2036, relieving a heavily congested section of Route 29 that currently has fourteen traffic lights along the bypassed segment.

As a result of the Route 29 Bypass, projected traffic (2036) on US 250 east of the southern terminus to Barracks Road is expected to be reduced to 51,000 vehicles per day, a 29% decrease from the 72,000 vehicles per day anticipated on this segment by 2036 without the bypass.

The current budget for the Route 29 Bypass project is \$244.6 million, with approximately \$50.4 million expended as of the end of FY 2013. Based on the program cost estimate as shown in the Final FY 2014-2019 SYIP, the project can be completed within current and planned allocations.

### **Project Description**

Under the terms of the design-build contract awarded by the Commonwealth Transportation Board (CTB) on June 20, 2012 and executed July 25, 2012, the design-builder will construct a new four-lane divided, limited access highway west of existing Route 29. The road will run 6.2 miles from its northern terminus at Route 29 north of the South Fork of the Rivanna River to the southern terminus on the Route 29/250 Bypass at Leonard Sandridge Road and the North Grounds of the University of Virginia.

The Route 29 Charlottesville Bypass will improve efficiency and safety along the existing Route 29 corridor. The project will also address a gap in ongoing improvements to Route 29 through central Virginia and provide an alternate route for regional traffic that will avoid the existing developed corridor along Route 29 north of the City of Charlottesville. The road will bypass 14 existing traffic signals along the Route 29 corridor, reducing the travel time for motorists traveling north of Charlottesville to destinations along Route 29 south of Charlottesville. It will also provide an alternate route for motorists traveling to the University of Virginia or the UVA Medical Center. Access to the new highway will be provided through termini at both ends, with no intermediate public access points to crossroads or adjacent properties, except a private access point for the Rivanna Water and Sewer Authority's facilities.

The project will include maintaining the following existing public crossing roads along the corridor: Barracks Road; Lambs Road; Roslyn Ridge Road; Earlysville Road and Woodburn Road. Necessary modifications to the existing Route 29/250 Bypass at the southern terminus and existing Route 29 at the northern terminus are included. Further, all modifications to crossings on Route 29/250 Bypass (i.e., Old Ivy Road, Ivy Road, CSXT Railroad) will be included, as necessary to implement the project.

### **Project History**

The following is a brief chronology on the development of the Route 29 Charlottesville Bypass project:

#### 1979-1990

A western Route 29 bypass around Charlottesville was originally proposed in 1979. Engineering and environmental work on the project began in late 1984 and the location was approved and adopted by the CTB in 1990.

1991-2001

Acquisition of right-of-way for the project began in 1991 and continued until 2001. No additional right-of-way has been purchased since then. As of July 2013, VDOT owns 36 properties and 15 of those have leases in effect.

1996

In 1996 the Charlottesville-Albemarle Metropolitan Planning Organization (MPO) inserted language into its Transportation Improvement Program (TIP) that prevented additional funds from being allocated to construction of the Western Bypass. That language was removed by the MPO Policy Board in July 2011.

1998-2003

In 1998, a lawsuit was filed challenging the project, alleging that the environmental impact review of the project violated the National Environmental Policy Act (NEPA). In 2001, the federal court ruled in favor of VDOT on the suit, but required the agency to complete a Supplemental Environmental Impact Statement addressing the road's impacts on the South Fork Rivanna Reservoir and the mitigation to minimize those impacts. The Final Supplemental Environmental Impact Statement was approved in May 2003 and a Record of Decision was issued on September 23, 2003.

2006

The North Grounds Connector, which is to connect to the proposed Route 29 Charlottesville Bypass project, was built in 2006 and renamed as Leonard Sandridge Road.

2011

In June, 2011, the Albemarle County Board of Supervisors voted to direct its MPO representatives to remove language from the TIP opposing the Route 29 Charlottesville Bypass. In July, 2011, the CTB approved a reallocation of \$197.4 million for the construction of the project. Also in July, the MPO voted to amend the TIP to include the Route 29 Charlottesville Bypass. In September, VDOT issued a formal Request for Design-Build Proposals for the project.

2012

The CTB awarded the contract to Skanska Branch Joint Venture on June 20, 2012. The contract was executed on July 25, 2012 and Notice to Proceed #1 (NTP#1) was issued on July 27, 2012. Preliminary Engineering activities authorized under NTP#1 were limited to Traffic studies (IJR/IMR/Traffic Analysis for Northern and Southern termini) and Geometric Alignment in support of IJR/IMR/Traffic Analyses.

A Citizen Information Meeting on the Draft Environmental Assessment (EA) was held in Charlottesville on September 27, 2012.

2013

Preparation of a revised EA is currently underway. Additional PE activities to support NEPA were authorized by the FHWA in April 2013 to include stream and wetland delineation, limited

survey and geotechnical investigations and public involvement (Citizen Information Meeting). A Citizen Information Meeting to allow the public to review alternative concepts developed with the Interchange Modification Report was held on May 23, 2013.

### **Current Activities**

VDOT is currently working with the FHWA on a revised EA to ensure that impacts to air, noise, cultural resources, hazardous materials and endangered species are considered and mitigated. The NEPA work is anticipated to be completed by the fall of 2013.

The Design-Builder is currently working on preliminary engineering activities authorized under NTP #1 which are limited to traffic studies (IJR/IMR/traffic analysis for northern and southern termini) and geometric alignment in support of IJR/IMR/traffic analyses, stream and wetland delineation, and limited survey and geotechnical investigations.

### **Project Website**

Additional information on the Route 29 Charlottesville Bypass project can be found on the project website at the following link:

[http://www.virginiadot.org/projects/culpeper/rt\\_29\\_bypass.asp](http://www.virginiadot.org/projects/culpeper/rt_29_bypass.asp)

The website provides additional information regarding project description, purpose, maps, implementation schedule, contact options, etc.

The financial plan defines the methodology, resources, and time schedule of the work completed and remaining work to finish the project, and includes the following topics:

- Section 1: Project Cost Estimate
- Section 2: Project Implementation Plan
- Section 3: Project Financing
- Section 4: Project Cash Flow
- Section 5: Risk Identification and Mitigation Factors
- Section 6: Involvement of Private Enterprise and Capital
- Section 7: Updates and Resources

**Section 1: Project Cost Estimate**

VDOT's Project Cost Estimating System (PCES) is the official source for all cost estimate information. Table 1 below shows the current total project cost estimate for the Route 29 Charlottesville Bypass project, which remains unchanged from the estimate shown in the Initial Financial Plan.

**Table 1: Project Cost Estimates by Phase**

Phase	Estimate
PE	\$20,837,745
RW	\$105,481,038
CN	\$118,275,045
<b>Total</b>	<b>\$244,593,828</b>

For billing and tracking purposes, these anticipated costs have been allocated among the project numbers (UPCs) and phases as shown in Table 2 below.

**Table 2: Projected Cost Estimates**

UPC	Route County/City Type Length	Description	Phase	Estimate	Allocation	Expenditures as of 6/30/13
3965	0029 Albemarle Primary – One Hearing Design 0.0000	RTE 29 – PE for Env Doc & Design of Western Alternative	PE	\$4,134,610	\$4,134,610	\$4,134,610
			RW	\$0	\$0	\$0
			CN	\$0	\$0	\$0
			<b>Total</b>	<b>\$4,134,610</b>	<b>\$4,134,610</b>	<b>\$4,134,610</b>
11771	0029 Albemarle RW Monitoring Only 0.0000	RTE 29 (Charlottesville Bypass) – Alternative 10	PE	\$0	\$0	\$0
			RW	\$5,288,013	\$5,288,013	\$5,288,013
			CN	\$0	\$0	\$0
			<b>Total</b>	<b>\$5,288,013</b>	<b>\$5,288,013</b>	<b>\$5,288,013</b>
16160	0029 Albemarle Primary - One Hearing Design 6.2 Miles	RTE 29 – Bypass	PE	\$11,903,135	\$11,903,135	\$9,340,766
			RW	\$100,193,025	\$100,193,025	\$28,336,591
			CN	\$0	\$0	\$0
			<b>Total</b>	<b>\$112,096,160</b>	<b>\$112,096,160</b>	<b>\$37,677,357</b>
102419	0029 Albemarle Single Hearing 6.2 Miles	Route 29 Bypass	PE	\$4,800,000	\$4,800,000	\$3,342,380
			RW	\$0	\$0	\$0
			CN	\$118,275,045	\$118,275,045	\$0
			<b>Total</b>	<b>\$123,075,045</b>	<b>\$123,075,045</b>	<b>\$3,342,380</b>
			<b>Total</b>	<b>\$244,593,828</b>	<b>\$244,593,828</b>	<b>\$50,442,360</b>

### Cost Estimating Methodology

Work elements associated with the Route 29 Charlottesville Bypass project can be summarized in two components: (1) work to be carried out under the design-build contract by the design-builder and (2) work outside of the design-build contract for which VDOT is responsible or has already accomplished throughout the development of the project.

Design-Build Contract: The awarded design-build contract for the Route 29 Charlottesville Bypass project has a fixed price of \$135,988,092 and includes the following major work elements to be provided by the design-builder: final design; right-of-way acquisition services; utility coordination; utility relocations; construction; and construction QA/QC. The estimated cost for the design-build contract was developed using the existing 1997 Conceptual Plans and making adjustments to a construction quantity estimate developed for those plans, to account for anticipated changes to the Project. The changes account for modifications to the plans to meet current Project design criteria as detailed in the Design-Build RFP Technical Requirements. The fixed amount of the design-build contract is a lump sum, with payments based upon the project physical percent of completion.

Work Outside of Design-Build Contract: VDOT will remain responsible for updating NEPA documentation; preliminary engineering support services; oversight of final design; oversight of right-of-way acquisition services; payment for new right-of-way acquired for the project; landscaping after project construction; design-build risk contingency; and oversight of construction:

- Preliminary Engineering: VDOT has executed agreements with various professional services firms to provide engineering and technical support during project development. Specifically, VDOT needs support for preparation of NEPA documentation, survey base map preparation, cultural resources investigations, and reviewing preliminary and final design submissions.
- Right of Way Purchases: In accordance with the design-build Request for Proposals, Part 2, Section 1.6, VDOT remains responsible for the actual cost of the purchase of right-of-way, all easements and miscellaneous fees associated with real estate closings as part of the Project and oversight of the right-of-way acquisition/payment/condemnation process.
- Department Project Oversight Costs: Department costs to manage the project and provide oversight of the project are estimated to be \$9,929,610. These costs include overall project management, design reviews, contract administration and construction oversight.

In addition, other expenditures associated with project development, right-of-way acquisition, and property management have been incurred over the life of the Route 29 Charlottesville Bypass project and are reflected in the total project estimate.

**Summary of Estimates and Expenditures**

Table 3 depicts the estimated project expenditures compared to actual expenditures as of the end of fiscal year 2013 along with the project budget. It shows that the project is funded for costs incurred to date, as well as for currently estimated remaining costs.

**Table 3: Comparison of Project Estimate and Expenditures**

<b>Phase</b>	<b>Estimate</b>	<b>Expenditures as of 6/30/13</b>	<b>Balance to Complete</b>
PE	\$20,837,745	\$16,817,756	\$4,019,989
RW	\$105,481,038	\$33,624,604	\$71,856,434
CN	\$118,275,045	\$0	\$118,275,045
<b>Total</b>	<b>\$244,593,828</b>	<b>\$50,442,360</b>	<b>\$194,151,468</b>

**Section 2: Project Implementation Plan**

Table 4 below illustrates the project implementation plan for the Route 29 Charlottesville Bypass project by detailing the actual or anticipated start and completion dates for remaining project activities. The Initial Financial Plan indicated an anticipated NTP #2 date of October 31, 2012; however, NTP #2 is now anticipated to be issued in the fall to winter of 2013 timeframe.

**Table 4: Project Implementation Plan**

Project	Activity	Notice to Proceed Issued	Scheduled Completion
Route 29 Bypass NTP #1	<ul style="list-style-type: none"> <li>- Preliminary design activities only</li> <li>- ROW purchase prohibited</li> <li>- Utility relocation prohibited</li> <li>- Traffic studies (IJR/IMR/traffic analysis for north and south termini)</li> <li>- Geometric alignment in support of traffic studies</li> <li>- Stream and wetland delineation</li> <li>- Limited survey and geotechnical investigations</li> </ul>	Issued: 7/27/2012	N/A
Route 29 Bypass NTP #2	Upon completion of NEPA: <ul style="list-style-type: none"> <li>- Commence final design activities</li> <li>- ROW purchase</li> <li>- Utility relocation</li> <li>- Construction</li> </ul>	Anticipated: Fall/Winter 2013	7/15/2016

### **Section 3: Project Financing**

The current total project cost estimate is \$244,593,828. The Final FY 2014-2019 Six-Year Improvement Program (SYIP) adopted by the CTB on June 19, 2013 includes total previous and future allocations that fully fund the project. The distribution of funding across the FY 2014-2019 SYIP includes \$119,593,024 in previous allocations and \$125,000,804 in planned allocations from FY 2014 through FY 2018, inclusive.

#### **Six-Year Improvement Program Funding**

The Route 29 Charlottesville Bypass project is funded from a combination of state and federal sources.

##### Federal Sources

Minimum Guarantee/Equity Bonus – The Final FY 2014-2019 SYIP includes \$27,680,000 in Minimum Guarantee/Equity Bonus funds allocated to the Commonwealth. Minimum Guarantee/Equity Bonus funding is flexible funding that may be used for projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.

National Highway System – The Final FY 2014-2019 SYIP includes \$14,355,339 in National Highway System funds allocated through FY 2013. National Highway System (NHS) funds are for the improvements to rural and urban roads that are part of the NHS including the Interstate System.

National Highway Performance Program – The Final FY 2014-2019 SYIP includes \$96,212,305 in National Highway Performance Program (NHPP) funds, including \$2,050,021 through FY 2013, \$25,522,553 in FY 2014, and \$68,639,731 in FYs 2015 through 2018. The NHPP provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS.

Soft Match: National Highway Performance Program – The Final FY 2014-2019 SYIP includes \$24,053,075 in National Highway Performance Program Soft Match, including \$512,505 through FY 2013, \$6,380,638 in FY 2014, and \$17,159,932 in FYs 2015 through 2018. This represents the application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. Section 120(j) of Title 23 permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects.

Federal Primary Formula – The Final FY 2014-2019 SYIP includes \$13,439,719 in Federal Primary Formula funds through FY 2013. These funds represented are Surface Transportation Program (STP) and Equity Bonus (EB) funding that was distributed for use on the Primary System in Culpeper District through the state construction formula for funding distribution.

Soft Match: Equity Bonus - The Final FY 2014-2019 SYIP includes \$5,000,000 Equity Bonus Soft Match funds through FY 2013. This represents the application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. Section 120(j) of Title 23

permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects.

Surface Transportation Program - The Final FY 2014-2019 SYIP includes \$13,457,678 in Surface Transportation Program funds, including \$7,619,318 through FY 2013 and \$5,838,360 in FYs 2017 and 2018. Surface Transportation Program (STP) provides flexible funding that may be used for projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.

Soft Match: Surface Transportation Program - The Final FY 2014-2019 SYIP includes \$3,364,420 in Soft Match Surface Transportation Program funds, including \$1,904,830 through FY 2013 and \$1,459,590 in FYs 2017 and 2018. This represents the application of Toll Credits that are used as "soft match" to meet the nonfederal share matching requirements. Section 120(j) of Title 23 permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects.

#### State Sources

Capital Projects Revenue Bonds – The Final FY 2014-2019 SYIP includes \$32,625,236 in Capital Projects Revenue Bonds through FY 2013. These bonds are authorized and sold by the Commonwealth Transportation Board to support Statewide and Regional Projects.

State Match: National Highway System - The Final FY 2014-2019 SYIP includes \$1,007,635 in State Match for National Highway System funds through FY 2013.

State Match: Non-Formula - The Final FY 2014-2019 SYIP includes \$2,581,200 in State Match for non-formula federal funds through FY 2013. The state match was provided for federal funding that was not distributed through the state construction formula for funding distribution.

Primary Formula - The Final FY 2014-2019 SYIP includes \$2,893,705 in Primary Formula funds through FY 2013. These funds were distributed for use in the Culpeper District on the Primary System through the state construction formula for funding distribution.

State Match: Primary Formula - The Final FY 2014-2019 SYIP includes \$3,359,930 in State Matching Primary Formula funds through FY 2013. These funds provide the necessary state match for federal funding that was distributed for use in the Culpeper District on the Primary Systems through the state construction formula for funding distribution.

#### Other Sources

Right-of-Way Lease Proceeds – The Final FY 2014-2019 SYIP includes \$4,563,586 in Right-of-Way Lease Proceeds. The proceeds represent lease revenue collected for the use of the right-of-way acquired for the project.

Table 5 on the following page summarizes the funding allocated to the Route 29 Charlottesville Bypass in the Final FY 2014-2019 SYIP by fund source and year.



Table 5: Summary of Funding by Source and Year

Source	Fund Name	Previous	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total
State	Capital Projects Revenue Bonds	\$32,625,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$32,625,236
Federal	Minimum Guarantee/Equity Bonus	\$27,680,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$27,680,000
Federal	Equity Bonus Soft Match	\$5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$5,000,000
Federal	National Highway System	\$14,355,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$14,355,339
State	National Highway System - State Match	\$1,007,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,007,635
Federal	NHPP	\$2,050,021	\$22,784,322	\$27,188,807	\$6,928,594	\$351,787	\$ -	\$59,303,531
Federal	NHPP Soft Match	\$512,505	\$5,696,080	\$6,797,201	\$1,732,147	\$87,948	\$ -	\$14,825,881
Federal	NHPP Exempt	\$ -	\$2,738,231	\$13,629,344	\$13,629,344	\$6,111,855	\$800,000	\$36,908,774
Federal	NHPP Exempt Soft Match	\$ -	\$684,558	\$3,407,336	\$3,407,336	\$1,527,964	\$200,000	\$9,227,194
State	Non-Formula State Match	\$2,581,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,581,200
Federal	Primary Formula (STP and EB)	\$13,439,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$13,439,719
State	Primary Formula - State	\$2,893,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,893,705
State	Primary Formula - Bond Match	\$3,359,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,359,930
Federal	Surface Transportation Program	\$7,619,318	\$ -	\$ -	\$ -	20,000	5,818,360	\$13,457,678
Federal	Surface Transportation Program Soft Match	\$1,904,830	\$ -	\$ -	\$ -	5,000	1,454,590	\$3,364,420
State	Right of Way Lease Proceeds	\$4,563,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$4,563,586
<b>Total</b>		<b>\$119,593,024</b>	<b>\$31,903,191</b>	<b>\$51,022,688</b>	<b>\$25,697,421</b>	<b>\$8,104,554</b>	<b>\$8,272,950</b>	<b>\$244,593,828</b>

#### **Section 4: Project Cash Flow**

##### **Projected Costs Compared to Allocations by Fiscal Year**

The Route 29 Charlottesville Bypass project is a high priority for both VDOT and the local area. Allocations are re-evaluated annually through the SYIP update. A comparison of projected expenditures to allocations by fiscal year is shown in Table 6.

**Table 6: Comparison of Projected Expenditures to Allocations (Thousands)**

	<b>Previous</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
PE	\$16,809	\$4,947	\$7,056	\$2,117	\$1,235	\$176
Right of Way	\$33,617	\$13,524	\$31,556	\$0	\$0	\$0
Construction	\$0	\$15,994	\$39,984	\$53,312	\$22,658	\$1,609
Total Annual Expenditures	\$50,426	\$34,465	\$78,596	\$55,429	\$23,893	\$1,785
<b>Cumulative Expenditures</b>	<b>\$50,426</b>	<b>\$84,891</b>	<b>\$163,487</b>	<b>\$218,916</b>	<b>\$242,809</b>	<b>\$244,594</b>
Total Annual Allocations		\$31,903	\$51,023	\$25,697	\$8,105	\$8,273
<b>Cumulative Allocations</b>	<b>\$119,593</b>	<b>\$151,496</b>	<b>\$202,519</b>	<b>\$228,216</b>	<b>\$236,321</b>	<b>\$244,594</b>
<b>Cumulative Allocation Surplus (Deficit)</b>	<b>\$69,167</b>	<b>\$66,605</b>	<b>\$39,032</b>	<b>\$9,300</b>	<b>\$(6,488)</b>	<b>\$0</b>

##### **Approach**

The Route 29 Charlottesville Bypass project annual cash expenditures are based on the project schedule from the design-builder and identified remaining work.

##### **Financial Status**

In accordance with § 33.1-12(9) of the *Code of Virginia*, the total funds allocated to the Project are equal to total expenditures within 12 months following anticipated completion of the project. VDOT's Financial Plan Guidelines state that the Programming Division "will be responsible for maintaining copies of all financial plans for documentation as part of the Six-Year Improvement Program..." and will coordinate annual update certification processes for this document. This document will be used in the development of each year's SYIP so that the required funding for the project is properly allocated.

Based on current cost estimates, there is no projected funding shortfall on the Route 29 Charlottesville Bypass project.

##### **Future Cost Factors**

The Route 29 Charlottesville Bypass project has incurred expenditures related to ongoing NEPA work, additional preliminary engineering activities performed by the design-build team, and

additional public involvement activities carried out by VDOT and the design-build team. To date, these costs have been contained within the project's current contingency budget included in the total project estimate. The delay in completing the NEPA process prior to issuance of NTP #2, which allows the design-builder to proceed with remaining preliminary engineering, right-of-way, and construction activities combined with the potential for additional design and construction related issues may increase costs to the project. However, any related potential cost increases cannot be estimated at this time. The Department will seek to keep the project within budget with value engineering efforts, final scope determination and construction cost savings opportunities.

**Section 5: Risk Identification and Mitigation Factors**

Right of way acquisition is one area where the Department has exposure for a cost increase. The Department remains responsible for the actual cost of the purchase of remaining right-of-way, all easements, and miscellaneous fees associated with closing. While the current right-of-way cost estimate includes costs for potential condemnations, escalation and other associated costs, there is the possibility that actual acquisition costs may fluctuate prior to final settlement. Potential additional costs can be mitigated through the identification of opportunities to reduce right of way impacts through design modifications and value engineering opportunities that may develop during final design and right of way negotiations. In addition, several properties currently owned by VDOT may not be required for the project's construction and may be sold at the appropriate time, with the proceeds returning to the project.

Environmental risks are also present as the NEPA process is not yet concluded. If the FHWA does not issue a "Finding of No Significant Impact" and instead requires a FEIS, additional project delays could occur, resulting in additional costs. The Department continues to work closely with the FHWA and other agencies in order to complete the NEPA process as soon as possible. Additional preliminary engineering activities beyond the original limited scope of allowed work have been authorized to take place during NTP#1 by the FHWA.

The potential for design changes identified as part of the public involvement process could also increase project costs. A Design Public Hearing is planned after the NEPA process is complete. If design changes are considered in response to comments received from the Design Public Hearing, an evaluation of the benefits of any design changes to the project will be made in conjunction with potential opportunities for construction cost savings. It is anticipated that the project's current contingency budget included in the total project estimate will mitigate some of these risks.

**Section 6: Involvement of Private Enterprise and Private Capital**

The Route 29 Charlottesville Bypass project was procured through a design-build process and is funded with a combination of state and federal funds. No private capital is involved with this project.

**Section 7: Updates and Resources**

**Future Updates**

Any required adjustments to the cost estimate will be computed in a manner consistent with the methodology established in the Initial Financial Plan and Annual Financial Plan updates.

The Financial Plan will be updated annually upon completion of the state fiscal year and will be based on the information contained in the annual update of the SYIP. The Financial Plan will also be updated as needed based on significant changes to anticipated project costs.

Internally, VDOT will continue to monitor the project and issue weekly progress reports to update the status of work underway and provide advanced warning of potential issues.

**VDOT Resources**

Table 7 below lists VDOT resources associated with the Route 29 Charlottesville Bypass project.

**Table 7: VDOT Resources**

<b>Central Office</b>	<b>Culpeper District</b>
<p><b>Garrett W. Moore, P.E.</b> Chief Engineer (804) 786-4798</p>	<p><b>John D. Lynch, P.E.</b> District Administrator (540) 829-7511</p>
<p><b>John W. Lawson</b> Chief Financial Officer (804) 786-2707</p>	<p><b>Ken Connors, P.E., CCM, PMP</b> District Construction Engineer (540) 829-7510</p>
<p><b>Reta Busher</b> Chief of Planning and Programming (804) 786-5128</p>	<p><b>Wendy E. Thomas</b> Assistant District Administrator, Programming and Investment Management (540) 727-3233</p>
<p><b>Mohammad Mirshahi, P.E.</b> Deputy Chief Engineer (804) 786-1475</p>	<p><b>Harold L. Jones, Jr., P.E.</b> District Project Management Engineer (540) 829-7370</p>
<p><b>Barton A. Thrasher, P.E.</b> State Location and Design Engineer (804) 786-5869</p>	<p><b>Michael A. Jacobs, P.E.</b> District Location and Design Engineer (540) 829-7502</p>
<p><b>Jeffrey A. Roby, P.E.</b> Alternate Project Delivery Program Manager (804) 786-1103</p>	