

**INTERSTATE 564 INTERMODAL CONNECTOR
PROJECT R000-122-108**

**Financial Plan Annual Update
Fiscal Year 2017**

LETTER OF CERTIFICATION

The Federal Highway Administration (FHWA), Eastern Federal Lands Highway Division has developed a comprehensive Financial Plan for the I-564 Intermodal Connector Project in accordance with the requirements of Section 106, Title 23, and the Financial Plan Guidance issued by the Federal Highway Administration. 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 the Financial Plan provides an accurate accounting of costs incurred to date and includes a realistic estimate of future costs based on engineer's 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 available resources to fully fund the project.

The FHWA believes it provides an accurate basis upon which to schedule and fund the I-564 Intermodal Connector Project. The FHWA will review and update the Financial Plan on an annual basis.

To the best of FHWA's knowledge, the Financial Plan as herein submitted, fairly and accurately presents the financial position of the I-564 Intermodal Connector Project, including cash flows and expected conditions for the project's life cycle. The financial forecasts in the Financial Plan are based on the FHWA's judgment of the expected project conditions and the expected course of action. The FHWA believes that the assumptions which underlie the Financial Plan are reasonable and appropriate. Further, the FHWA has made available all significant information relevant to the Financial Plan. To the best of FHWA's knowledge, the documents and records supporting the assumptions are appropriate.



Division Director
Eastern Federal Lands Highway Division

6/22/2018
Date

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**INTERSTATE 564 INTERMODAL CONNECTOR
PROJECT R000-122-108**

**FINANCIAL PLAN
Annual Update Fiscal Year 2017**

FEDERAL HIGHWAY ADMINISTRATION
EASTERN FEDERAL LANDS
HIGHWAY DIVISION

VIRGINIA
DEPARTMENT OF TRANSPORTATION

And

UNITED STATES
DEPARTMENT OF THE NAVY



**FEDERAL HIGHWAY ADMINISTRATION
EASTERN FEDERAL LANDS HIGHWAY DIVISION
VIRGINIA DEPARTMENT OF TRANSPORTATION
UNITED STATES DEPARTMENT OF THE NAVY
FINANCIAL PLAN
INTERSTATE 564 INTERMODAL CONNECTOR
PROJECT R000-122-108**

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INTRODUCTION

This is an update from the Fiscal Year 2015 Annual Update (AU-FY15), date February 8, 2016. There have been no changes to this subsection from the AU-FY15 or the Initial Financial Plan (IFP). Please refer to the original document for additional information if required.

1. Project Description

There have been no changes to this subsection from the AU-FY15 or the IFP. Please refer to the original document for additional information if required.



Figure 1 – Updated project overview from the project’s website.

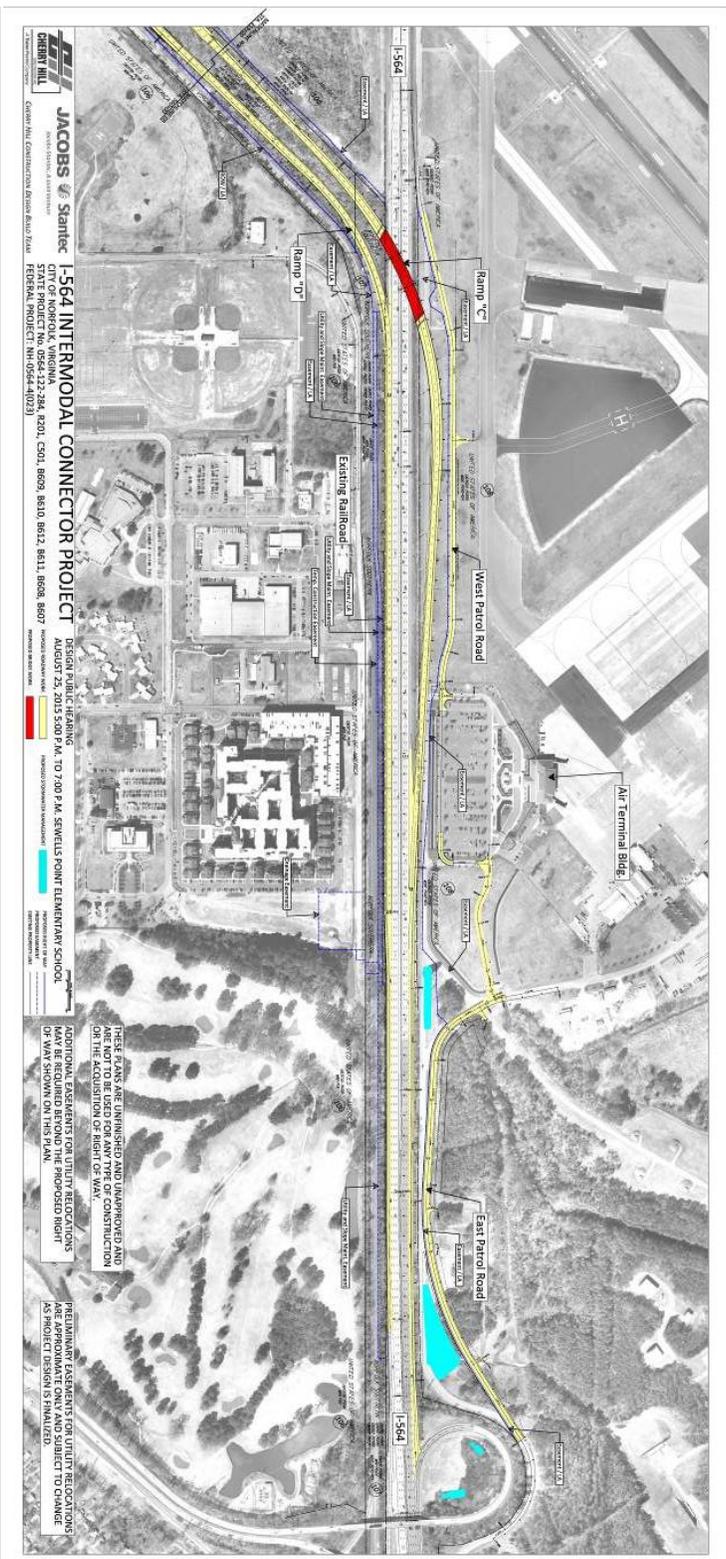


Figure 2 – August 25, 2015 Right of Way Public Hearing Displays

2. Schedule

In order to look at the feasibility of providing a design for the I-564 interchange that would be more compatible with the future projects in this region (Patriot's Crossing and the Air Terminal Interchange (ATI)), a contract modification (CM) was executed in June 2014 for the design fees associated with the development of an I-564 Interchange Alternate Technical Concept (ATC) to be developed to a technical proposal level (15% Design). This alternate concept was originally submitted for the Government's consideration by the design build team in their Technical Proposal during the procurement process; however, after further review, the considerable cost of this ATC was beyond available funding levels and was not pursued further. Exhibit 1 shows the original project timeline after the decision to not pursue the ATC.

On October 21, 2014, formal direction was given to Cherry Hill Construction (CHC) to submit a revision to their baseline schedule for the Best and Final Offer (BAFO) concept. This revision was submitted to Eastern Federal Lands Highway Division (EFLHD) on November 26, 2014 and was rejected. EFLHD decided to issue a unilateral CM to increase the contract duration considering a day for day impact from ATC to BAFO (157 days). This decision was made to establish a starting point to move the discussion forward with CHC and to facilitate receiving an impacted schedule that could be accepted.

CHC submitted and EFLHD conditionally approved an updated schedule on July 31, 2015 showing a completion date of October 21, 2017. However, continued changes in certain design criteria through the end of 2015 and early 2016 delayed the start of mainline construction. To address the numerous change order requests and contract disputes, a global settlement was reached to resolve all design and resulting construction related issues, establish an incentivized milestone completion date and final completion date. A small contingency amount was included to allow for the resolution of minor outstanding issues related to design criteria. Construction began in Fall 2015 and is now projected to be complete in Fall 2018. Following the execution of CM 010 (Global Settlement), CHC submitted and EFLHD approved a revised baseline schedule in October 2016, with a completion date for Port Access (incentivized milestone) by December 21, 2017 and full project completion by October 15, 2018. In addition to the Intermodal Connector, several projects are being completed by other partner agencies in and around the current project limits. As shown in Exhibit 2, the current project timeline forecasts I-564 construction will be simultaneously underway during the following projects:

- The Virginia Port Authority (VPA) constructed a new North Gate that will interface directly to the Southwestern terminus. The North Gate opened in July 2017.
- The Navy is constructing a new Gate 6 that will interface directly to the Northwestern terminus. Gate 6 is anticipated to be complete in Spring 2018.
- The Navy will need access within the current work zone to construct a Commercial Vehicle Inspection Building (CVIS) in winter 2017-2018.

Exhibit 1: Original Project Timeline

**I-564 Intermodal Connector - PROJECT R000-122-108
Design\Construction Timeline (IFP)**

| Project\Description | FY 13 | | | | FY14 | | | | FY 15 | | | | FY 16 | | | | FY 17 | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th |
| Environmental Assessment | █ | | | | | | | | | | | | | | | | | | | |
| Interchange Justification Report | █ | | | | | | | | | | | | | | | | | | | |
| Design-Build Procurement | | | █ | | | | | | | | | | | | | | | | | |
| 564 Mainline Design Phases | | | | | █ | | | | | | | | | | | | | | | |
| 564 Mainline Construction Phases | | | | | | | | | | | | | █ | | | | | | | |
| Navy Design Phases | | | | | █ | | | | | | | | | | | | | | | |
| Navy Construction Phases | | | | | | | | | | | | | | | | | █ | | | |
| Utility Relocations | | | | | | | | | | | | | █ | | | | | | | |



**Project Completion in
October 2016
Open to Traffic**

Assumptions:

1. Design and construction will be broken into phases/stages depending on technical proposal submitted for awarded design-build contract.
2. Project Completion date is set as October 6, 2016 per the RFP.

Exhibit 2: Annual Update #1 Project Timeline

**I-564 Intermodal Connector - PROJECT R000-122-108
Design\Construction Timeline (FY15 AU)**

| Project\Description | FY 13 | | | | FY14 | | | | FY 15 | | | | FY 16 | | | | FY 17 | | | | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|--|--|
| | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | | | |
| Environmental Assessment | █ | | | | | | | | | | | | | | | | | | | | | | |
| Interchange Justification Report | █ | | | | | | | | | | | | | | | | | | | | | | |
| Design-Build Procurement | | | █ | | | | | | | | | | | | | | | | | | | | |
| 564 Mainline Design Phases | | | | | █ | | | | | | | | | | | | | | | | | | |
| 564 Mainline Construction Phases | | | | | | | | | | | | | █ | | | | | | | | | | |
| Navy Design Phases | | | | | █ | | | | | | | | | | | | | | | | | | |
| Navy Construction Phases | | | | | | █ | | | | | | | | | | | | | | | | | |
| Utility Relocations | | | | | | | | | | | | | █ | | | | | | | | | | |



Assumptions:

1. Design and construction will be broken into phases/stages depending on technical proposal submitted for awarded design-build contract.
2. Project Completion date is projected as March 11, 2017.

**Project Completion in
March 2017
Open to Traffic**

Exhibit 3: Current Project Timeline

**I-564 Intermodal Connector - PROJECT R000-122-108
Design\Construction Timeline (FY17 AU)**

| Project\Description | FY14 | | | | FY15 | | | | FY16 | | | | FY17 | | | | FY18 | | | | FY19 | | | | |
|----------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | |
| Environmental Assessment | Completed in FY 13 | | | | | | | | | | | | | | | | | | | | | | | | |
| Interchange Justification Report | Completed in FY 13 | | | | | | | | | | | | | | | | | | | | | | | | |
| Design-Build Procurement | █ | | | | | | | | | | | | | | | | | | | | | | | | |
| 564 Mainline Design Phases | | █ | | | | | | | | | | | | | | | | | | | | | | | |
| 564 Mainline Construction Phases | | | | | | | | | █ | | | | | | | | | | | | | | | | |
| Navy Design Phases | █ | | | | | | | | | | | | | | | | | | | | | | | | |
| Navy Construction Phases | | | █ | | | | | | | | | | | | | | | | | | | | | | |
| Utility Relocations | | | | | | | | | █ | | | | | | | | | | | | | | | | |



Assumptions:

1. Design and construction will be broken into phases/stages depending on technical proposal submitted for awarded design-build contract.
2. Project Completion date is projected as October 15, 2018 with incentive for port access starting between December 2017 and July 2018.

**Project Completion
in October 2018
Open to Traffic**

3. Project Cost

In Table 2a-d below, the current project cost estimate for the I-564 Intermodal Connector Project is broken down by activity and fiscal year. All actual obligations and expenditures will be included with each update.

Table 2a-Original Estimated Project Cost by Activity and Federal Fiscal Year (IFP)

| ACTIVITY | ≤ 2013* | 2014* | 2015 | 2016 | 2017 | TOTAL |
|----------------------------------------------|--------------|---------------|--------------|-------------|-----------|----------------------|
| Preliminary Eng & NEPA (VDOT)* | \$9,224,981 | \$123,298 | \$200,000 | \$200,000 | \$100,000 | \$9,848,279 |
| ROW* | \$3,047,582 | \$214,684 | \$12,000,000 | \$2,420,000 | \$0 | \$17,682,266 |
| Navy Site Work/ Mitigation & Oversight | \$16,025,742 | \$6,848,574 | \$17,629,521 | \$0 | \$0 | \$40,503,837 |
| Construction | \$0 | \$92,700,000 | | \$0 | \$0 | \$92,700,000 |
| Contract Modification/ Contingencies | \$0 | \$0 | \$3,656,234 | | | \$3,656,234 |
| Railroad Agreements | \$0 | \$558,634 | \$0 | \$0 | \$0 | \$558,634 |
| Design & Construction Eng/Oversight (EFL) | \$34,479 | \$497,378 | \$1,500,000 | \$1,500,000 | \$368,143 | \$3,900,000 |
| TOTAL PROJECT COST | \$28,332,784 | \$100,942,568 | \$34,985,755 | \$4,120,000 | \$468,143 | \$168,849,250 |

Note: Costs that may be incurred by VDOT and the Navy are included in estimates above.

*Costs prior to and including FY 13&14 are actual expenditures funded by VDOT per the Six Year Impr. Program (2014 SYIP)

Table 2b-Updated Estimated Project Cost by Activity and Federal Fiscal Year (AU-FY15)

| ACTIVITY | ≤ 2014* | 2015* | 2016 | 2017 | 2018 | TOTAL |
|----------------------------------------------|---------------|--------------|---------------|--------------|-------------|----------------------|
| Preliminary Eng & NEPA (VDOT)* | \$9,348,279 | \$371,346 | \$1,698,457 | \$1,698,457 | \$0 | \$13,116,539 |
| ROW* | \$3,262,266 | \$2,226 | \$11,930,418 | | \$0 | \$15,194,910 |
| Navy Site Work/ Mitigation & Oversight | \$22,874,316 | \$17,629,521 | (\$2,000,000) | \$0 | \$0 | \$38,503,837 |
| Construction | \$92,700,000 | | | \$0 | \$0 | \$92,700,000 |
| Contract Modification/ Contingencies | \$227,673 | \$1,359,348 | \$8,572,579 | \$11,190,000 | \$0 | \$21,349,600 |
| Railroad Agreements | \$558,634 | \$0 | \$0 | (\$200,000) | \$0 | \$358,634 |
| Design & Construction Eng/Oversight (EFL) | \$531,857 | \$825,924 | \$1,500,000 | \$1,500,000 | \$1,142,219 | \$5,500,000 |
| TOTAL PROJECT COST | \$129,503,025 | \$20,188,365 | \$21,701,454 | \$14,188,457 | \$1,142,219 | \$186,723,520 |

*Costs prior to and including FY 14&15 are actual expenditures funded by VDOT per the Six Year Impr. Program (2014 SYIP)

Table 2c-Updated Estimated Project Cost by Activity and Federal Fiscal Year (END FY16)

| ACTIVITY | ≤ 2015* | 2016* | 2017 | 2018 | 2019 | TOTAL |
|----------------------------------------------|---------------|--------------|-------------|---------------|-----------|----------------------|
| Preliminary Eng & NEPA (VDOT)* | \$9,719,625 | \$692,645 | \$365,703 | \$150,000 | \$95,003 | \$11,022,976 |
| ROW* | \$3,264,492 | \$22,389,824 | \$75,000 | \$150,000 | \$85,574 | \$25,964,890 |
| Navy Site Work/ Mitigation & Oversight | \$40,503,837 | \$0 | \$0 | (\$1,499,385) | \$0 | \$39,004,452 |
| Construction | \$92,788,000 | \$0 | \$0 | \$0 | \$0 | \$92,788,000 |
| Contract Modification/ Contingencies | \$1,587,021 | \$21,824,979 | \$1,060,000 | \$0 | \$0 | \$24,472,000 |
| Railroad Agreements | \$558,634 | \$269,870 | \$0 | (\$200,000) | \$0 | \$628,504 |
| Design & Construction Eng/Oversight (EFL) | \$1,357,780 | \$1,503,733 | \$2,000,000 | \$1,500,000 | \$343,275 | \$6,704,788 |
| TOTAL PROJECT COST | \$149,779,389 | \$46,681,051 | \$3,500,703 | \$100,615 | \$523,852 | \$200,585,610 |

*Costs prior to and including FY 15&16 are actual expenditures funded by VDOT per the Six Year Impr. Program (2014 SYIP)

Table 2d-Current Estimated Project Cost by Activity and Federal Fiscal Year (AU-FY17)

| ACTIVITY | ≤ 2015* | 2016* | 2017* | 2018 | 2019 | TOTAL |
|----------------------------------------------|---------------|--------------|-------------|-------------|-------------|----------------------|
| Preliminary Eng & NEPA (VDOT)* | \$9,719,625 | \$692,645 | \$365,703 | \$150,000 | \$95,003 | \$11,022,976 |
| ROW* | \$3,264,492 | \$22,389,824 | \$59,544 | \$150,000 | \$101,030 | \$25,964,890 |
| Navy Site Work/ Mitigation & Oversight | \$40,503,837 | \$0 | \$0 | \$0 | (\$539,519) | \$39,964,318 |
| Construction | \$92,788,000 | \$0 | \$0 | \$0 | \$0 | \$92,788,000 |
| Contract Modification/ Contingencies | \$1,587,021 | \$21,824,979 | (\$998,386) | \$1,000,000 | \$0 | \$23,413,614 |
| Railroad Agreements | \$558,634 | \$269,870 | \$0 | \$0 | (\$100,000) | \$728,504 |
| Design & Construction Eng/Oversight (EFL) | \$1,357,780 | \$1,503,733 | \$2,173,196 | \$1,300,000 | \$370,079 | \$6,704,788 |
| TOTAL PROJECT COST | \$149,779,389 | \$46,681,051 | \$1,600,057 | \$2,600,000 | (\$73,407) | \$200,587,090 |

*Costs prior to and including FY 17 are actual expenditures funded by VDOT per the Six Year Impr. Program (2014 SYIP)

4: Project Funds

VDOT reasonably expects to have available \$199,990,000 in the Commonwealth Transportation Board's "2013-2018 Six-Year Improvement Program" (SYIP) for design, right-of-way acquisition, utility relocation and construction of the Project. VDOT increased the available funds by \$6,500,000 to cover the VPA parcels in FY15. In FY16, VDOT increased the available EFLHD's reimbursable authority by \$13,210,433 to cover the execution of CM 010 and extended EFLHD contract administration and oversight. VDOT also increased funding outside the interagency agreement by \$12,633,627 to cover ROW acquisition from Norfolk Southern. As of the end of Fiscal Year 2017 the project has expended \$143,566,998. The total funding transfer summary to EFL is \$164,494,390. Some Program costs in the table may include a combination of funding sources. See Table 3 for the breakdown of the funding types being used throughout the Project. The VDOT-EFLHD funding transfer summary for the Project is as follows:

Table 3- Current Funding Transfer Summary, change from previous highlighted below

| Funding Source | Amount |
|-----------------------------------------------------------|----------------------|
| <u>FEDERAL FUNDS: DIRECT TRANSFER</u> | |
| FY2005 TRANSPORTATION IMP PRJ | \$3,056,594 |
| FY2006 TRANSPORTATION IMP PRJ | \$6,373,620 |
| FY2007 TRANSPORTATION IMP PRJ | \$8,516,621 |
| FY2008 TRANSPORTATION IMP PRJ | \$8,547,000 |
| FY2009 TRANSPORTATION IMP PRJ | \$1,066,371 |
| FY2005 HIGH PRIORITY PROJ SEC 1702 | \$410,400 |
| FY2006 HIGH PRIORITY PROJ SEC 1702 | \$413,424 |
| FY2007 HIGH PRIORITY PROJ SEC 1702 | \$441,948 |
| FY2008 HIGH PRIORITY PROJ SEC 1702 | \$443,520 |
| FY2009 HIGH PRIORITY PROJ SEC 1702 | \$440,060 |
| FY2003 NHS - TEA21 | \$635,768 |
| FY2003 HIGH PRIORITY PROJECTS - TEA21 | \$2,780,458 |
| FY1997 INNOVATIVE PROJECTS | \$166,214 |
| FY2009 NHS - NATIONAL HIGHWAY SYS | \$1,465,016 |
| FY2012 NHS - NATIONAL HIGHWAY SYS S-LU EXT | \$2,400,376 |
| Subtotal | \$37,157,390 |
| <u>STATE FUNDS: REIMBURSABLE AGREEMENT</u> | |
| Interstate: NHS State Match (CNB044) | \$1,169,680 |
| Bond Proceeds - Capital Projects Revenue (CNB267) | \$105,300,962 |
| SAFETEA-LU Earmarks: TIP Bond Match-Interstate (CNB286) | \$3,904,577 |
| SAFETEA-LU Earmarks: HPP-R Match-Interstate (CNS243) | \$537,338 |
| SAFETEA-LU Earmarks: TIP Match-Interstate (CNS243) | \$3,139,010 |
| CM 010 and extended EFLHD Oversight | \$13,210,433 |
| Subtotal | \$127,262,000 |
| <u>STATE FUNDS: INITIAL REIMBURSABLE AGREEMENT</u> | |
| Priority Transportation Funds (CNS246) | \$75,000 |
| TOTAL FUNDING | \$164,494,390 |

5. Financing Issues

N/A

6. Cash Flow

As of the end of Fiscal Year 2017, the total expenditures incurred on the I-564 Intermodal Connector Project is \$143,566,998. Table 4 below provides a breakdown and summary of the actual project expenditures. This does not include obligations made against the available funds. All expenditures prior to FY 2013 for the project are being included in 2013, and the FY 2014 thru FY 2017 costs are through the end of each Federal Fiscal Year. A breakdown of expenditures, sorted by funding type, is provided in Table 5 under the Project Funding Analysis.

Table 4-Current Project Expenditures

| ACTIVITY | ≤ 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | TOTAL |
|-------------------------------------------|--------------|-------------|--------------|--------------|--------------|------|----------------------|
| Preliminary Eng & NEPA (VDOT) | \$9,224,981 | \$123,298 | \$371,346 | \$692,645 | \$365,703 | \$0 | \$10,777,972 |
| ROW (VDOT) | \$3,047,582 | \$214,684 | \$2,226 | \$22,389,824 | \$59,544 | \$0 | \$25,713,860 |
| Navy Site Work/ Mitigation & Oversight | \$0 | \$1,384,302 | \$6,383,171 | \$6,744,910 | \$15,835,433 | \$0 | \$30,347,816 |
| Construction | \$0 | \$6,725,143 | \$3,555,634 | \$16,220,710 | \$45,060,777 | \$0 | \$71,562,264 |
| Railroad Agreements | \$0 | \$0 | \$0 | \$60,395 | \$69,983 | \$0 | \$130,378 |
| Design & Construction Eng/Oversight (EFL) | \$34,479 | \$497,378 | \$825,924 | \$1,503,733 | \$2,173,196 | \$0 | \$5,034,710 |
| TOTAL PROGRAM EXP | \$12,307,042 | \$8,944,804 | \$11,138,301 | \$47,612,216 | \$63,564,635 | \$0 | \$143,566,998 |

On June 25, 2015, the Navy committed to executing its projects within budget and is estimating all projects on the agreement to come below budget by \$2,000,000. Preliminary findings indicated that if contract costs and contingencies continue as projected, the Navy will decrease the funds on the agreement by \$2,000,000 in the Fall of 2016. The Navy has verbally amended that projection to \$539,519 due to additional costs on their projects resulting from decisions made on the Intermodal Connector Project, as well as increased oversight budget due to the extension of the I-564 project completion date. This projection may change, and the funding agreement will not be modified until 2018 once the amounts are finalized. Additional ROW funds were also committed for the purchase of the remaining parcels needed to construct the project.

During FY17, the Navy requested VDOT assistance to fund the site work associated with the construction of a new CVIS, which lies within the footprint of the Intermodal Connector Project. In order to help offset the additional costs, reduction in scope was necessary for the Intermodal Connector Project. The reduction in scope is reflected in Table 5 under Design Build Contracts for 2017. Note that VDOT is administering this project under a separate contract, and it is outside the reimbursable authority of EFLHD.

The EFLHD expects to have enough revenues available for the I-564 Intermodal Connector Project to meet project expenditures as they occur due the additional funding provided, the negotiation to execute Contract Modification 010, and the scope reduction items during FY17. Depending on unforeseen issues with EFLHD

and Navy contracts and related contract modifications, additional funding or further reduction in project scope may be required. Tables 5a and 5b compares the availability of anticipated project funding with the schedule of project obligations and expenditures for each funding type. These expenditures and obligations are against all the project funding, including funding that has been transferred to EFLHD and the VDOT funds not transferred. This will help to demonstrate the availability of funding over the life of the project. Costs shown in on Table 5b, 2018-2019 are planned expenditures and obligations, and will be updated with actual costs as the Financial Plan is updated each year. These include both the return of funds from the Navy IAA, potential change orders identified in FY17 not yet resolved, underruns in expenditures through agreements with railroads, and future PE/CE and RW expenditures for both VDOT and EFLHD.

Table 5a-Original Project Funding Analysis –Expenditures and Obligations

| REVENUES | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|
| -VDOT PE&ROW | \$17,854,238 | \$0 | \$0 | \$0 | \$0 |
| -Federal Funds (EFL) | \$37,157,390 | \$0 | \$0 | \$0 | \$0 |
| -Reimbursable Authority (EFL) | \$114,126,567 | \$0 | \$0 | \$0 | \$0 |
| CARRYOVER | | | | | |
| | \$0 | \$19,805,411 | \$40,105,805 | \$8,776,284 | \$4,656,284 |
| TOTAL AVAILABLE | \$169,138,195 | \$19,805,411 | \$40,105,805 | \$8,776,284 | \$4,656,284 |
| EXPENDITURE/OBLIGATION | | | | | |
| | | | <i>PLANNED</i> | <i>PLANNED</i> | <i>PLANNED</i> |
| -VDOT PE&ROW | \$12,272,563 | \$337,981 | \$12,200,000 | \$2,620,000 | \$100,000 |
| -Design-Build Contracts/Agmts | \$121,000,000 | (\$27,984,327) | | \$0 | \$0 |
| -Navy Site Work/Mitigation | \$16,025,742 | \$6,848,574 | \$17,629,521 | | \$0 |
| -PE/CE/Proj Mgmt | \$34,479 | \$497,378 | \$1,500,000 | \$1,500,000 | \$368,143 |
| CARRY FORWARD | \$19,805,411 | \$40,105,805 | \$8,776,284 | \$4,656,284 | \$4,188,141 |

*Negative cash flow shown in FY14 represents a de-obligation of funds on the design-build contract. This is due to a lower contract award amount than what was obligated in FY 13 according to the Independent Government Estimate.

Table 5b-Current Project Funding Analysis –Expenditures and Obligations

| REVENUES | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------|---------------------|---------------------|---------------------|--------------------|--------------------|------------------|------------------|
| -VDOT PE&ROW | \$17,854,238 | \$0 | \$6,500,000 | \$12,633,627 | \$0 | \$0 | \$0 |
| -Federal Funds (EFL) | \$37,157,390 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| -Reimbursable Authority (EFL) | \$114,126,567 | \$0 | \$0 | \$13,210,433 | \$0 | \$0 | \$0 |
| CARRYOVER | \$0 | \$19,805,411 | \$39,547,170 | \$25,858,806 | \$5,021,816 | \$3,421,759 | \$821,759 |
| TOTAL AVAILABLE | \$169,138,195 | \$19,805,411 | \$46,047,170 | \$51,702,866 | \$5,021,816 | \$3,421,759 | \$821,759 |
| EXPENDITURE/ OBLIGATION | | | | | | <i>PLANNED</i> | <i>PLANNED</i> |
| -VDOT PE&ROW | \$12,272,563 | \$337,981 | \$373,572 | \$23,082,468 | \$425,247 | \$300,000 | \$196,033 |
| -Design-Build Contracts/Agmts | \$121,000,000 | (\$27,984,327) | \$1,359,348 | \$21,824,979 | (\$998,386) | \$1,000,000 | \$0 |
| -Navy Site Work/Mitigation | \$16,025,742 | \$6,848,574 | \$17,629,521 | \$0 | \$0 | \$0 | (\$539,519) |
| -Railroad Agreements | \$0 | \$558,634 | \$0 | \$269,870 | \$0 | \$0 | (\$100,000) |
| -PE/CE/Proj Mgmt | \$34,479 | \$497,378 | \$825,924 | \$1,503,733 | \$2,173,196 | \$1,300,000 | \$370,079 |
| CARRY FORWARD | \$19,805,411 | \$39,547,170 | \$25,858,806 | \$5,021,816 | \$3,421,759 | \$821,759 | \$895,166 |

*Negative cash flow shown in FY14 represents a de-obligation of funds on the design-build contract. This is due to a lower contract award amount than what was obligated in FY 13 according to the Independent Government Estimate. Negative cash flow in FY17 represents contract modifications that removed work from the contract.. Negative cash flow shown in FY19 represents the Navy’s projections to underrun Navy projects, and the return of RR funds due to less flagger hours than anticipated.

7. Public Private Partnership (P3) Assessment

N/A

8. Risk and Response Strategies

The requirement of the EFLHD to expend, pay, or reimburse any funds for this Project is subject to the availability of appropriated funds, and nothing in this Financial Plan shall be interpreted to require obligations or payments by the FHWA in violation of the Anti-Deficiency Act, 31 U.S.C. 1341.

VDOT’s obligation to expend, pay, or reimburse any funds under this Financial Plan is subject to the availability of appropriations by the Virginia General Assembly, and allocations by the Commonwealth Transportation Board; and are governed by the Memorandum of Agreement between the Virginia Department of Transportation, Department of the Navy, and Eastern Federal Lands Highway Division, Federal Highway Administration for the Design and Construction of the I-564 Intermodal Connector and Other Related Improvements, May 2, 2013.

Uncommitted Funding Mitigation Strategy

Currently, as budgeted and shown in Table 6 below, there are sufficient funds to complete the I-564 Intermodal Connector Project based on estimated future project costs. However, this amount of funding has not been fully committed, and as outlined in Section 4, is only \$199,990,000 per the SYIP. This would leave a projected funding shortfall of \$597,000. EFL will continue to work to maintain positive cash flow through the remainder of the project, but the commitment of remaining funds may become necessary. Overall cost numbers may change depending on the actual expenditures for the Navy contracts, additional contract modifications, incentives and contingencies. These items, as well as the rest of the Program, will continue to be tracked and analyzed throughout the life of the Project.

Table 6-Current Project Funding Authority by Agency

| Funding Authority | Amount |
|------------------------------------------|----------------------|
| Current VDOT Funding via Table 5b | \$36,987,865 |
| Current EFL Funding via Table 3 | \$164,494,390 |
| Total | \$201,482,255 |
| Total estimated to complete via Table 2d | <i>\$200,587,090</i> |
| Delta | \$895,166 |

VDOT is responsible for funding a series of projects on Navy property, as described in the Memorandum of Agreement between the Virginia Department of Transportation and the Department of the Navy, Mid-Atlantic Region for the I-564 Intermodal Connector, Route 337 Underpass (Front and Back Gate), and Fleet Recreation Park, on June 28, 2006, and subsequent Amendment to Appendix A, dated December 21, 2012. As of the end of FY17, most Navy Construction has been completed, with the completion of all VDOT-funded Navy projects expected in 2018. In the event that a funding shortfall develops, most opportunities to reduce scope have passed, given the current construction status on the I-564 Intermodal Connector. For all locations and phases of construction, work is well underway and many sections of the project are approaching substantial completion. Most of the mainline construction will be completed in mid-FY18 and the CVIS and public connector will be completed in late FY18. There are two future projects planned for this area: the ATI and Patriot's Crossing. These upcoming VDOT projects will have elements that will be constructed within the project limits of the I-564 Intermodal Connector Project. If absolutely necessary, elements from the I-564 Intermodal Connector Project could be deferred until these later projects are constructed, depending on the feasibility of meeting the applicable Navy security requirements in those areas with only partial construction.

CM 010 included a port access milestone incentive, which has a maximum payout of \$5,000,000 for completion the Intermodal Connector to allow direct access from I-564 to and from the Port of Virginia's Norfolk International Terminal north gate. The maximum payout is for achievement of this milestone by December 21, 2017, but the incentive may still be paid at reduced amounts through July 31, 2018. The full incentive has been obligated to the project and is accounted for in CM 010 obligations shown Table 5b.

Another option to mitigate the shortfall in funds would be for VDOT to explore the use of another funding source to cover the shortfall. At this time, there is no available construction funding included in VDOT's Six Year Transportation Improvement Program for construction of the ATI and Patriot's Crossing.

9. Annual Update Cycle

Financial plans must be updated annually (23 U.S.C. 106(h)(1) and (3)). The original was signed on November 24, 2014 and annual updates will be submitted on a fiscal year basis in November.

10. Summary of Cost Changes Since Last Year's Financial Plan

EFLHD has issued 11 Contract Modifications as of the end of Fiscal Year 2017.

| Cherry Hill Contract Modifications | | Executed | Amount | Days | Contract Completion |
|------------------------------------|-------------------------------------------------------------------|--------------------|------------------------|------|---------------------|
| CM001 | 0-15% ATC Design Development | June 16, 2014 | \$227,673.18 | 0 | 10/6/2016 |
| CM002 | Delay due to Stop Work Order | December 23, 2014 | \$0.00 | 157 | 3/11/2017 |
| CM003 | NSN Gate Counts and Electrical Utility Design | May 21, 2015 | \$201,934.47 | 0 | 3/11/2017 |
| CM004 | Gate 6 Electrical Permitting | July 30, 2015 | \$40,515.56 | 0 | 3/11/2017 |
| CM005 | Gate 6 Electrical Construction (Undefinitized) | August 25, 2015 | \$1,116,897.50 | 0 | 3/11/2017 |
| CM006 | Unusable Geotechnical Design Work | December 17, 2015 | \$160,568.36 | 0 | 3/11/2017 |
| CM007 | Historical Design Changes | December 23, 2015 | \$2,301,897.50 | 0 | 3/11/2017 |
| CM008 | Gate 6 Electric Relocation Construction (Definitization of CM005) | April 8, 2016 | \$190,113.11 | 0 | 3/11/2017 |
| CM009 | Norfolk Southern Railroad Crossing | April 19, 2016 | (\$269,870.00) | 0 | 3/11/2017 |
| CM010 | Global Settlement | September 14, 2016 | \$19,442,270.32 | 582 | 10/15/2018 |
| CM011 | Remove Soundwall along I-564 EB (Undefinitized) | April 13, 2017 | (\$998,386.00) | 0 | 10/15/2018 |
| Total | | | \$22,413,614.00 | | |

11. Cost and Funding Trends Since Initial Financial Plan

Refer to Section 10.

12. Summary of Schedule Changes Since Last Year's Financial Plan

Refer to Section 2.

13. Schedule Trends Since Initial Financial Plan

Refer to Section 2.