

8. HIGHWAY MATTERS

A. UPDATE ON ROUTE 460

As you're aware, on January 12, VDOT announced that they'd identified an alternative that appears to be the Least Environmentally Damaging Practicable Alternative to improve the U.S. 460 corridor.

The recommended Preferred Alternative would improve 17 miles of U.S. 460 from Suffolk to west of Zuni. A new four-lane divided highway would be built from the U.S. 460/58 interchange in Suffolk to west of Windsor. From west of Windsor to west of Zuni, the existing U.S. 460 would be upgraded to a four-lane divided highway and include a new bridge across the Blackwater River to eliminate long standing flooding problems. Maps are attached herewith for your reference.

The ACOE and FHWA must officially issue a "Record of Decision" before VDOT proceeds with implementation of this alternative.

B. INTERSECTION IMPROVEMENTS - STATESVILLE/CYPRESS BRIDGE ROAD

VDOT has tasked their survey crew to stake the right-of-way which will dictate how much they can modify the radius. They're also checking to see if any utility conflicts exist. I hope to receive an updated report prior to Monday's meeting.

C. NCVA RAILROAD - GRANT APPLICATION

The North Carolina & Virginia Railroad (NCVA) is located in Eastern North Carolina and interchanges with the CSXT in Boykins, providing services to a variety of customers on 135 miles of track. Major commodities that move on the NCVA are steel plate, steel scrap, soybeans, chemicals and fertilizer. The NCVA provides 5- to 7-day service based on customer needs.

They alerted me last week that they intend to apply for grant funding to rehabilitate a portion of their track and would like your support. I've invited their Roadmaster, Allen Wengert, to you meeting to provide you with an overview of their proposed scope of work. Please refer to the attachments at the back of this agenda item.

D. MONTHLY CONCERNS

Please come prepared to share any highway concerns that exist within your respective districts.



MEDIA ADVISORY

RELEASE: IMMEDIATE

CO-78870

CONTACT: Tamara Rollison 804-786-2715, 804-335-5758

Jan. 12, 2015

Tamara.Rollison@vdot.virginia.gov

804-335-5758

Mark W. Haviland, USACE 757-201-7673, 757- 679-2408

Mark.W.Haviland@usace.army.mil

VDOT, FHWA AND U.S. ARMY CORPS OF ENGINEERS MAKE PROGRESS ON ENVIRONMENTAL WORK TO IMPROVE U.S. 460 CORRIDOR IN SOUTHEASTERN VIRGINIA

Recommended Preferred Alternative identified

RICHMOND – The Virginia Department of Transportation (VDOT), the Federal Highway Administration (FHWA) and the U.S. Army Corps of Engineers have identified an alternative that appears to be the Least Environmentally Damaging Practicable Alternative to improve the U.S. 460 corridor in southeastern Virginia.

The recommended Preferred Alternative would improve 17 miles of U.S. 460 from Suffolk to west of Zuni. A new four-lane divided highway would be built from the U.S. 460/58 interchange in Suffolk to west of Windsor. From west of Windsor to west of Zuni, the existing U.S. 460 would be upgraded to a four-lane divided highway and include a new bridge across the Blackwater River to eliminate long standing flooding problems.



Map of Preferred Alternative – 17 miles of improvements from Suffolk to west of Zuni

"Secretary Layne has clearly stated his commitment to finding effective transportation solutions that minimize impacts to wetlands," said Colonel Paul Olsen, commander of the Corps' Norfolk District. "The Federal Highway Administration, VDOT and the Corps cooperatively developed a draft Supplemental EIS that ensures environmental resources are identified and fully evaluated against a full range of alternatives. I am confident that with the additional analysis and upcoming public comment periods required by law, VDOT will develop a project that balances the economic and transportation needs of the Region with our responsibility to protect our natural and aquatic resources."

Transportation Secretary Aubrey Layne added, "I would like to thank Colonel Olsen, the Corps, and the FHWA for working hand-in-hand with VDOT to come up with a recommended alternative that can move into the permitting process. We still have a lot of work to do, but it is important that we continue to work together to improve safety and hurricane evacuation with an alternative that impacts the fewest possible acres of wetlands."

"VDOT will continue to take a methodical and deliberative approach with the Corps and the FHWA," said VDOT Commissioner Charlie Kilpatrick. "Engaging with our federal partners is critical as we work through the complexities of environmental work and project development."

The project cost is estimated to be between \$375 million and \$425 million.

VDOT will present the recommended preferred alternative to the Commonwealth Transportation Board this Tuesday, Jan. 13, during their workshop in Richmond.

Summary of the recommended Preferred Alternative:

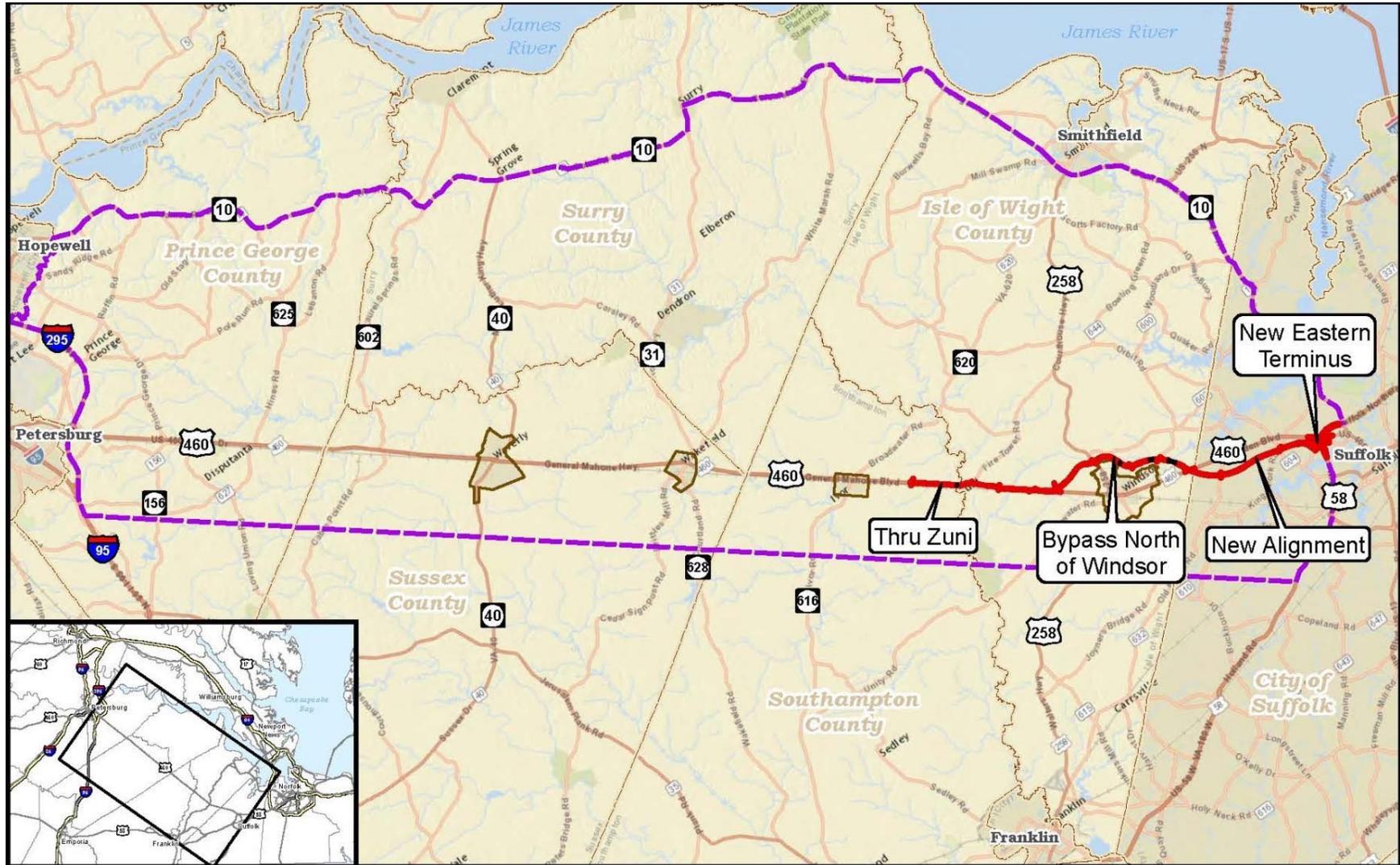
- Wetland impacts – 52 acres
- Displacements – 22, including 15 residential properties, 3 commercial properties, 3 farms and one non-profit property
- Safety – 41 percent lower than the no build alternative
- Evacuation capacity – 13,400 vehicles per hour with seven lanes of contraflow versus the no build alternative
- Mobility – improves safety and mobility by separating local and regional traffic

Background:

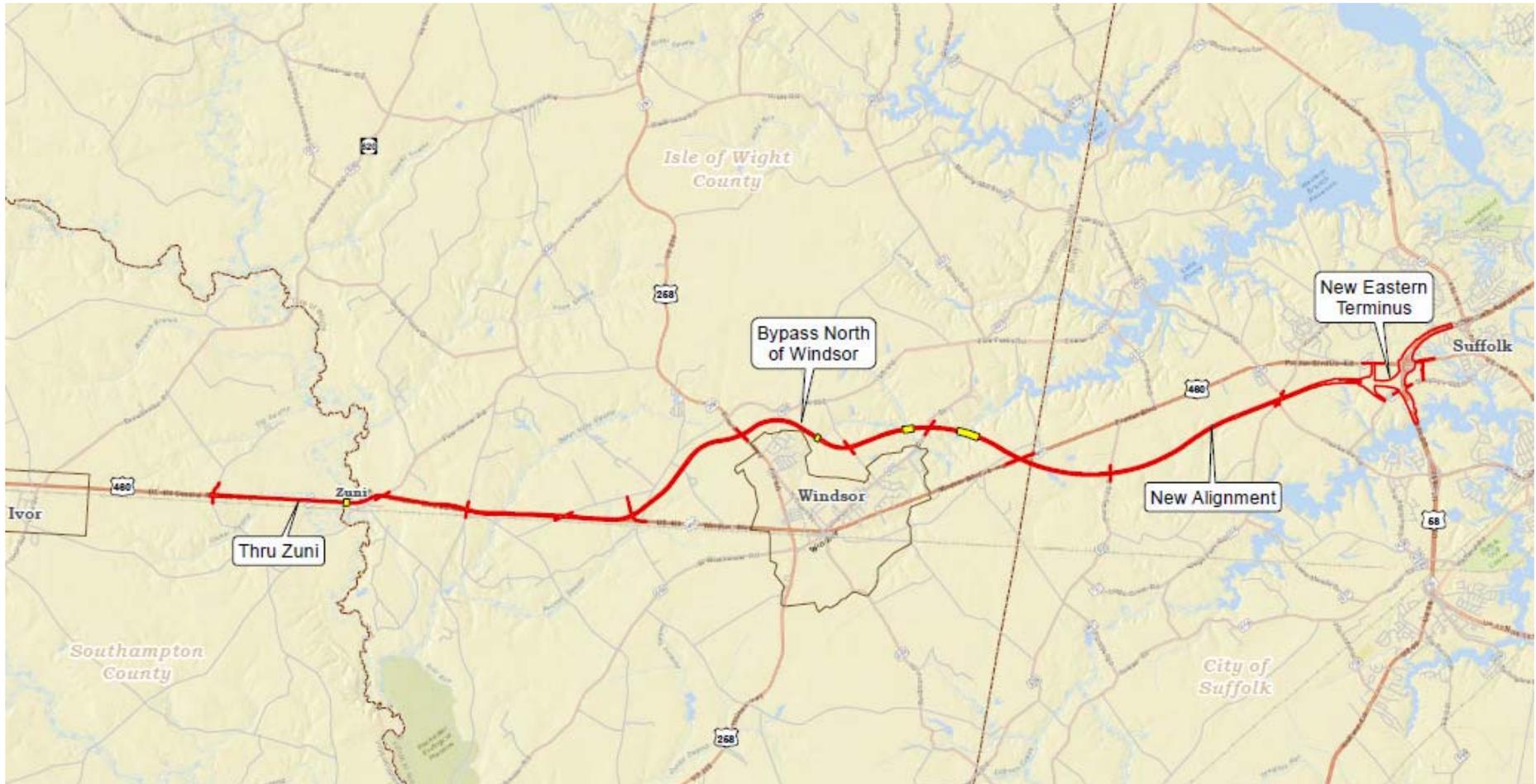
VDOT, the FHWA and the Corps developed a Draft Supplemental Environmental Impact Statement (SEIS) that evaluated alternatives to improve the U.S. 460 corridor. The public had an opportunity to review and comment on the SEIS last fall. Three public hearings were held and more than 520 comments were received. The recommended Preferred Alternative came from information included and evaluated in the Draft SEIS.

For more background information, go to <http://www.route460project.org/>

Least Environmentally Damaging Practicable Alternative

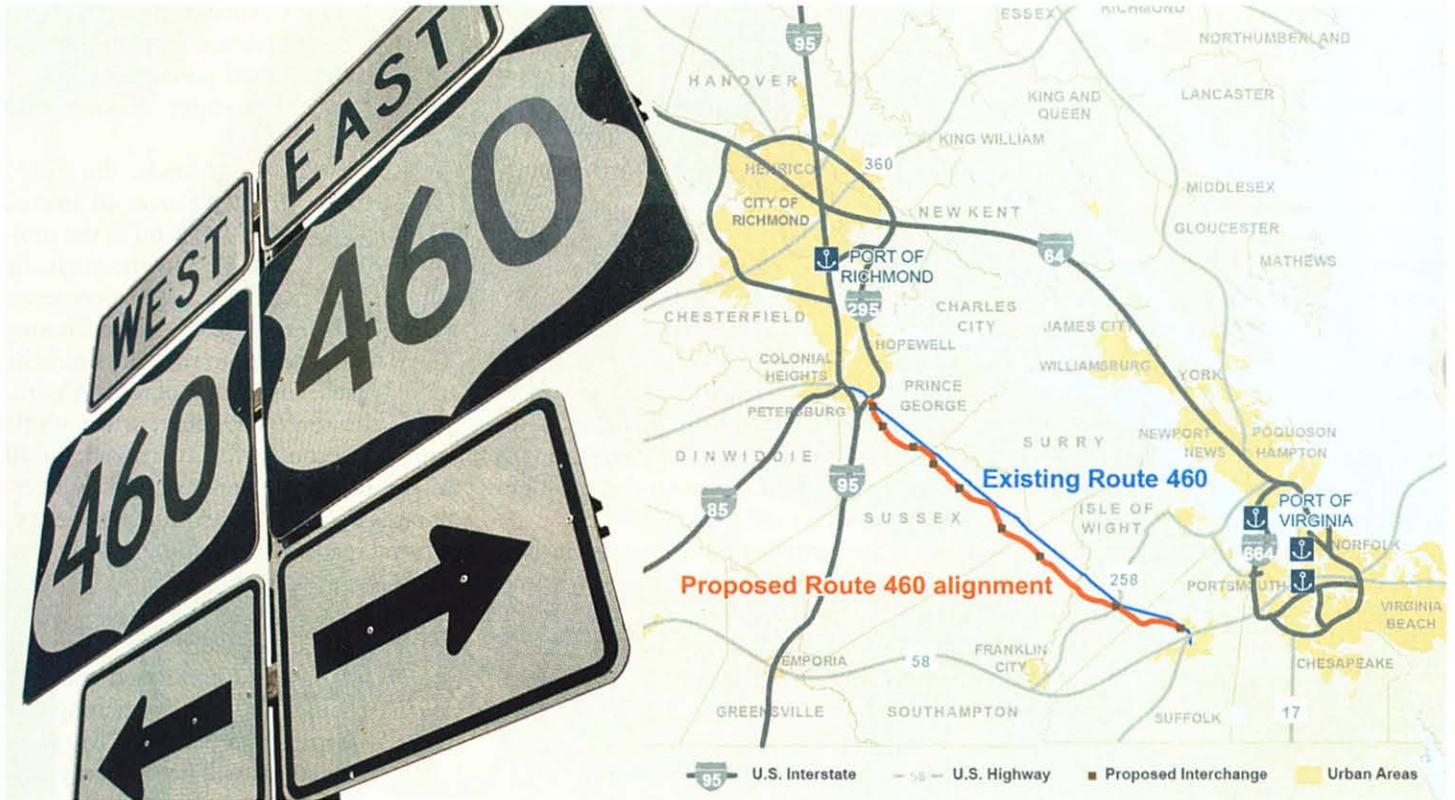


Least Environmentally Damaging Practicable Alternative



Lessons learned?

With \$300 million out the door on the U.S. 460 project, legislation will push for reforms in state's public/private transportation law



by Paula C. Squires

January may bring the next turn in the road for Virginia's much maligned U.S. 460 highway improvement project. That's when the U.S. Army Corps of Engineers is expected to weigh in with a recommendation on which of five possible alternatives — including a no-build option — would be best in terms of the least environmental impact on a massive 55-mile highway project stretching from Suffolk to Petersburg.

The month also will see a push for legislative reforms in the state's Public Private Transportation Act (PPTA). The 460 project, which began as a P3 (an acronym for public-private projects) already has cost the state \$300 million, and there's no paving to show for it.

The new four-lane divided toll road would run parallel to the existing Route 460. The project was a top transportation priority of former Gov. Bob McDonnell. He and his transportation secretary, Sean Connaughton, aggressively pushed the

project on the grounds that it would boost economic development, relieve truck congestion coming from the Port of Virginia and improve the region's capability for hurricane evacuation.

Yet, the state didn't obtain required federal environmental permits before work began on a route that, under its current alignment, would destroy hundreds of acres of wetlands.

To prevent a future 460 debacle, Del. S. Chris Jones, R-Suffolk and chairman of the House Appropriations Committee, will submit legislation calling for PPTA reforms. "There's been confusion and concern about what has occurred, how much of the state's money has been wasted and then ultimately what the final route will look like," says Jones, who has consulted and collaborated with the state's secretary of transportation, Aubrey Layne, and the McAuliffe administration on his bill. "The bill, as contemplated, will have legislative input, transparency

for the public and the accountability of public officials involved in the process."

By that, Jones means that Virginia's transportation secretary would be required to sign off on any PPTA deal. "Before any deal can be finalized, the secretary would sign off so the terms of the agreement are what was initially contemplated and in the public's best interest," he explains.

Some legislators, including Jones, were angered when the McDonnell administration signed a contract with a consortium to build the new U.S. 460 back in December 2012 — a month before the assembly reconvened. "It was signed, done and delivered, and now we're sitting here holding the bag," says Jones.

Layne says he welcomes more legislative input so long as it doesn't call for a legislative vote. "Political risk is reduced if the legislators are involved, but you can't have 140 people voting on it."

As for an official sign-off, Layne endorses the idea. “There will definitely be someone who is on the hook. I agree with that. There’s no way we should be in this position where no one is held accountable. If I was in the private industry, and something like this happened, I would have been out of a job.”

Layne notes that the 460 project, which started out as a PPTA, later morphed into a traditional design-build project with no notice to the public or a new procurement. “It’s blurry as to who was told to do what in 460,” he says.

That’s why Jones thinks a change in the state’s vaunted PPTA law, long considered a model for the county, is warranted.

Codifying the changes into law means tougher requirements will stay in place regardless of who’s in office, says Jones.

Layne says he’s comfortable with the proposed reforms. “After 460, we reached out to the legislators. Overwhelmingly, we heard that they don’t want to kill the process. We can’t deliver our transportation projects without the P3 process.”

The Commonwealth Transportation Board (CTB), which authorizes money for state transportation projects, also approved reforms in November giving the board more power to assess the risks of proposed public-private partnerships. The board, appointed by the governor, will be briefed in full on the business terms of a road-building contract before it votes. “Not like in 460 where there was just a general overview,” says Layne.

To involve legislators early in the vetting process, the reforms put the chairman of the House and Senate Transportation Committees on PPTA steering committees that would review P3 projects independently. The Southern Environmental Law Center (SELC) advocates taking this approach one step farther, by requiring these chairmen and the chairmen of the assembly’s money committees to approve a project prior to the signing of a comprehensive agreement.

Despite such reforms, the 460 project remains a tangled mess. Layne expects the Army Corps of Engineers and the Federal Highway Administration to release its recommendation on what would be the “least environmentally damaging practical alternative” by late January. Then the CTB will make a decision on the future of the road. “Once we know what is permitted,

Transportation Secretary Aubrey Layne says he is comfortable with proposed reforms.



then we’ll know how to negotiate with the existing contractor and what we have to do with the bonds,” Layne says.

A nonstock, nonprofit corporation created by the state, of which Layne served as chairman, sold about \$243 million in tax-exempt bonds to help finance the U.S. 460 Corridor Improvement Project. Bonds were sold on the assumption that the highway would be a toll road.

If the permitted route does not include tolls, this could invalidate the state’s warranty with bondholders. “We may have to reimburse the tolls, the bond process that we’ve used. Plus there may be negotiations with the current contractor if we don’t use them going forward ... That’s why it could cost as much as \$500 million ... We could be out of pocket additional millions if we decided there’s nothing to be done here, and we just need to settle up. That’s a low probability, but I want to disclose it,” says Layne.

Of the five alternative routes being considered by the Corps for a new U.S. 460, three involve tolls. More than 500 people turned out in the fall for three public hearings on the project as the Corps gathered data for a draft supplemental environmental impact statement.

Released in September, the draft showed that the original approved route backed by McDonnell’s administration would damage 613 acres of wetlands — nearly five times an original estimate of 129 acres, and it put the price tag at \$1.8 billion, instead of an earlier estimate of \$1.4 billion.

The least expensive alternative calls for improving the existing 460 at a cost of \$974 million, which would affect 91 acres of wetlands.

The SELC favors a hybrid approach of making some traffic safety improvements to the existing 460, and then going

with a no-build option. The significance of the new draft environmental impact statement is that it “does show the staggering magnitude of the potential wetlands loss, as well as streams impacts, and they have jumped considerably since the initial studies ... That’s why we have believed for years — and the evidence just gets stronger — that the environmental impacts far outweigh the limited potential benefits,” says Trip Pollard, a senior attorney with the SELC.

In addition to wetlands, the SELC notes that thousands of acres of forests, wildlife habitats and farmland in the project area would be affected by the originally approved route. The SELC also contends that the potential benefit of facilitating freight movement from the port would be limited by the institution of tolls. According to the draft statement, truck traffic currently accounts for 16 percent of all daily traffic on 460, and overall truck percentages are higher than national averages for rural roads with similar classifications.

Layne thinks the Corps will award a permit, but not for the original route. It originated at Interstate 295 in Prince George County and continued south of existing Route 460 until reaching the Route 58 bypass near Suffolk. “My guess is that [the permit] will be primarily centered around the current 460,” Layne says. If that’s the case, “What we would probably do is salvage the original purpose of the road with some safety improvements and hurricane evacuation and make some of the monies we’ve already spent beneficial.”

Yet improving the original 460 would displace the highest number of businesses. “If you were to improve the existing 460 the entire length, you would have some design challenges and interruption of businesses and some negative impact on the character of the community,” says Jones.

For now, it’s wait-and-see for 460. Legislators are looking to correct future boondoggles, but as Pollard notes, the options don’t look good for fixing this one. “We’re painted into a corner with not very good options by the previous administration, signing contracts, floating bonds and spending \$300 million without having the necessary permits. That was reckless, and taxpayers are going to get the brunt of those ill-advised decisions.” **VB**

Mike Johnson

From: Kee, Jerry (VDOT) <Jerry.Kee@VDOT.Virginia.gov>
Sent: Wednesday, January 21, 2015 3:37 PM
To: Mike Johnson
Subject: RE: Statesville/Cypress Bridge Road

Our survey guys are going to state the right of way so we can see how much we can change the radius. Also they are checking to see if any utility conflicts exist. I will get with them tomorrow to check on the status of the stakeout.

From: Mike Johnson [<mailto:mjohnson@southamptoncounty.org>]
Sent: Wednesday, January 21, 2015 2:29 PM
To: Kee, Jerry (VDOT)
Subject: RE: Statesville/Cypress Bridge Road

Hey, good afternoon, Jerry – any update on this project?

From: Kee, Jerry (VDOT) [<mailto:Jerry.Kee@VDOT.Virginia.gov>]
Sent: Tuesday, December 09, 2014 11:35 AM
To: Mike Johnson
Subject: RE: Statesville/Cypress Bridge Road

thanks

From: Mike Johnson [<mailto:mjohnson@southamptoncounty.org>]
Sent: Tuesday, December 09, 2014 11:29 AM
To: Kee, Jerry (VDOT)
Subject: Statesville/Cypress Bridge Road

Hey, Jerry – thought I could save you a few minutes. The corner is owned by Jaroslaw Dubrowsky, Life Estate (Widower of Rebecca Rountree Dubrowsky, who was Buddy Rountree's sister). Her daddy sold VDOT 0.72 acres off this farm for improvements to 672 in 1963 and the plat is recorded in Highway Plat Book 3, Page 63 – I'm attaching a copy of the deed, and Mr. Dubrowsky's contact information in case you need it.

Michael W. Johnson
County Administrator
Southampton County
26022 Administration Center Drive
Courtland, VA 23837
(757) 653-3015
www.southamptoncounty.org

NCVA Railroad





a Genesee & Wyoming Company

North Carolina and Virginia Railroad Proposed Southampton County Six-Year Track Improvement Project Fiscal Year 2016 - 2021

Project Background

The 52 mile long North Carolina and Virginia Railroad (NCVA) connects Tunis, NC to Boykins, VA where NCVA interchanges with CSX. It serves the North Carolina counties of Hertford, Bertie, and Northampton, and Southampton County in Virginia. Although the railroad has gone through an extended period of deferred maintenance, it continues to provide rail freight service to a very rural and underdeveloped part of far northeastern North Carolina and southern Virginia. Using a public – private partnership with the Commonwealth of Virginia through the DRPT Rail Preservation Fund, NCVA proposes to upgrade the section of the main line and yard located in Southampton County that serves as the interchange with CSX where 100% of the current rail traffic (~21,000 carloads annually) is handled. The principal rail customer on the NCVA is Nucor, which alone transported over 17,000 carloads in 2014. Nucor, an electric furnace mini-mill producing steel plate from ferrous scrap, is one of the region's largest employers. In addition to the mini-mill itself, the Nucor facility offers the potential to be a catalyst for a new supporting steel service cluster that will house a number of value-added industries that are part of the plate steel production supply chain. As with all of NCVA's customers, these third party operations will require modern, efficient, and high capacity rail freight service.

Project Description

The Track Improvement Project will upgrade the main line and yard tracks of the NCVA, located in Southampton County, Virginia. (See aerial map of area as outlined on Attachment 1.) The project includes the upgrading of 6 turnouts and 36,960 LF of 100 lb. rail to 136 lb. rail on the main line from MP 54.3 to MP 57.0, replacement of 2,000 crossties, and the surfacing of 6 miles of main line and yard tracks. (See Attachment 2 which shows current condition of track.)

Estimated Cost Breakdown by Fiscal Year

<u>Fiscal Year</u>	<u>Estimated Cost</u>
2016	\$401,892
2017	\$543,097
2018	\$468,098
2019	\$477,460
2020	\$487,009
2021	\$586,079

Estimated Detailed Cost of Proposed Project List by Task:

<u>Task Description</u>	<u>State Fiscal Year</u>					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Turnout Upgrade						
# of Turnouts	6					
Estimated Cost	\$401,892					
Rail Upgrade						
LF of rail		7,392	7,392	7,392	7,392	7,392
Estimated Cost		\$417,255	\$425,600	\$434,112	\$442,794	\$451,650
Tie Replacement						
# of ties		400	400	400	400	400
Estimated Cost		\$41,665	\$42,498	43,348	\$44,215	\$45,100
Track Surfacing						
# of track miles			3			3
Tons of Ballast			1,700			1,700
Estimated Cost			\$84,177			\$89,329
Total Annual Estimate	\$401,892	\$543,097	\$468,098	\$477,460	\$487,009	\$586,079

Estimated Annual Number of Carloads Anticipated for Year of Grant Applied For:

	<u>State Fiscal Year</u>					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Carloads	21,000	22,000	22,000	22,000	22,000	22,000

Number of Annual Carloads Most Recent Year End: 19,783

Estimated Number of People Employed or Retained during this Grant Year(s) applied for NCVA will utilize contractors for the majority of the work required, therefore beginning in Fiscal Year 2016, and continuing for the next 6 years, the project is expected to generate 10-12 temporary construction jobs in the Southampton County area which qualifies as an Economically Distressed Area.

Counties, Cities and Towns Impacted by this Project:

Southampton County

Milestone Dates (Estimates):

Planning, Design, and Engineering Completion Date for FY'2016 Effort: March 2016

Construction Start Date for FY'2016 Effort: April 2016

Construction Completion Date for FY'2021 Effort: December 2021

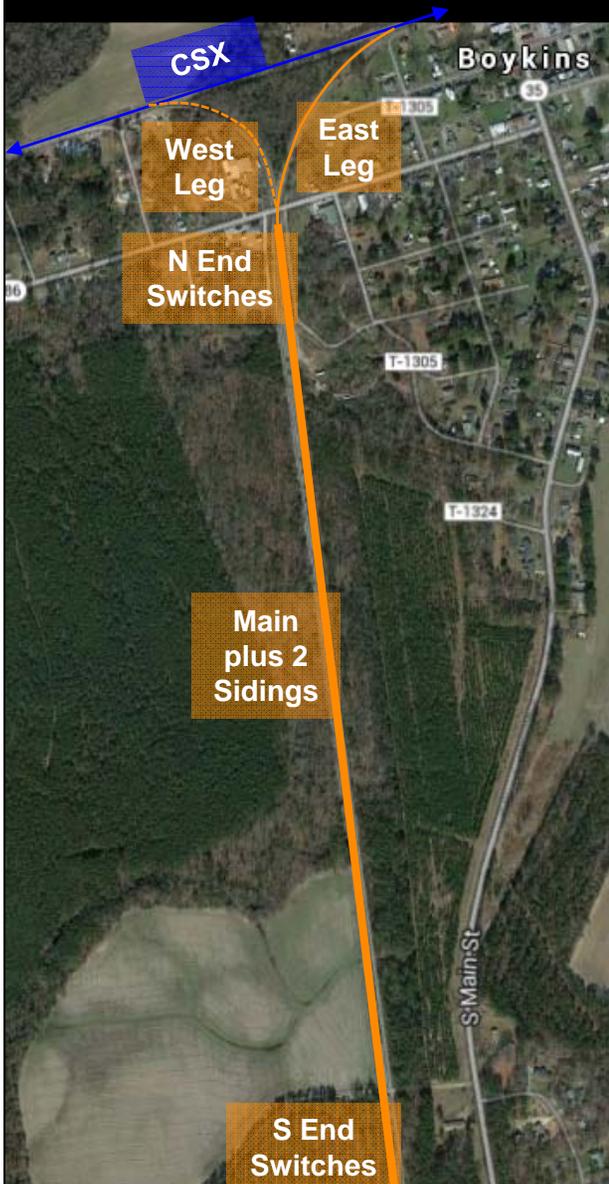
Project Benefits

The proposed project generates significant public benefits.

1. Directly supports 100% of NCVA's customer base, insuring 10 of NCVA customers maintain a strong presence in the area by offering competitive rail freight services.
2. The rehabilitated track infrastructure will improve the safety and reliability of NCVA freight services, supporting area customers in their respective markets. Approximately 21,000 total rail shipments per year will benefit from this project.
3. By directly supporting approximately 21,000 rail shipments annually, this project keeps approximately 84,000 truck shipments off of local roads on Virginia and North Carolina highways annually, improving road safety and decreasing damage to local and regional roadways and roadway bridges.
4. This project will provide long-term improvements to the freight transportation infrastructure of Southampton and surrounding Counties, supporting future industrial development in the area requiring efficient rail freight services.
5. This project will correct all deficiencies attributable to the deferred maintenance, thereby improving the track in this area to FRA Class 2 standards and support the handling of 286,000 lb. car shipments safely.

Attachment #1- North Carolina and Virginia Railroad

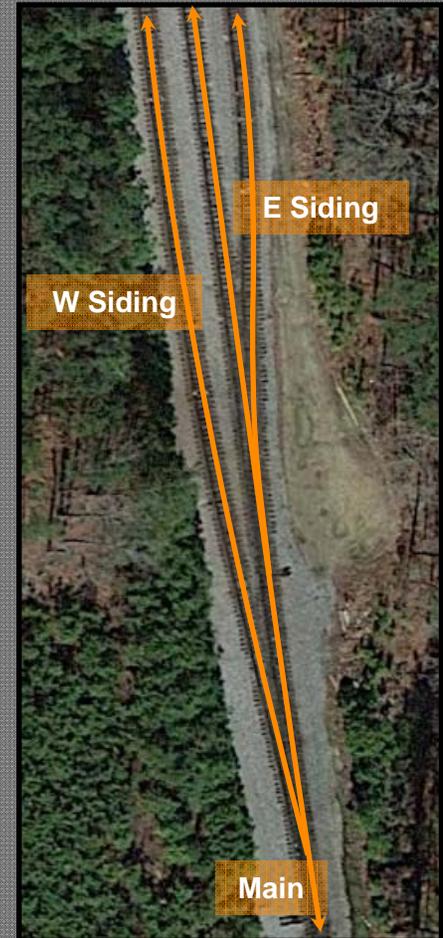
Boykins Wye, Main and Sidings



North End Detail



South End Detail





a Genesee & Wyoming Company

Attachment #2 - North Carolina and Virginia Railroad Southampton County Six-Year Track Improvement Project



Upgrade/Replace 36,960 LF of rail from 100 lb. to 136 lb.,
2,000 ties, 6 turnouts, and surface a total of 6 miles of track
From MP 54.3 to MP 57.0, including Yard Tracks





Support of Rail Preservation Application

North Carolina & Virginia Railroad

WHEREAS, The North Carolina & Virginia Railroad (NCVA) desires to file an application with the Virginia Department of Rail and Public Transportation for funding assistance for the Southampton County Six-Year Track Improvement Project, which will upgrade the main line and yard tracks of the NCVA, located in Southampton County, Virginia; and

WHEREAS, The NCVA estimates that this project will cost \$ 2,963,635; and

WHEREAS, the General Assembly, through enactment of the Rail Preservation Program, provides for funding for certain improvements and procurement of railways in the Commonwealth of Virginia; and

WHEREAS, The NCVA is an important element of the Southampton County, Virginia transportation system; and

WHEREAS, The NCVA is instrumental in the economic development of the area, and provides relief to the highway system by transporting freight, and provides an alternate means of transportation of commodities; and

WHEREAS, the Board of Supervisors of Southampton County, Virginia supports the project and the retention of the rail service; and

WHEREAS, the Commonwealth Transportation Board has established procedures for all allocation and distribution of the funds provided.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of Southampton County, Virginia does hereby request the Virginia Department of Rail and Public Transportation to give priority consideration to the Southampton County Six-Year Track Improvement Project proposed by the NCVA for inclusion in the projects funded in the Rail Preservation Program.

By: _____

Name: _____

Title: _____