



**I-64 Hampton Roads Express Lanes  
(HREL) Segment 4C**  
Financial Plan Annual Update

**October 31, 2022**

State Project Number 0064-114-374  
UPC 117841/119638/120880

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## EXECUTIVE SUMMARY

This Design-Build project is I-64 Hampton Roads Express Lanes, Segment 4C. The project limits are from 0.139 miles east of LaSalle Ave to 0.379 miles East of Settlers Landing Rd. The 2.4-mile-long project lies in the City of Hampton.

The Early Acquisition of Parcels 036 and 037, located at 538 River Street, next to the WB Hampton River Bridge, is complete. This property was rendered as uninhabitable for over one year during construction and necessitated a total take acquisition.

On August 17, 2021, VDOT submitted a Permit Exception Request to the U.S. Coast Guard. On December 14, 2021 the U.S. Coast Guard responded that a Coast Guard Bridge Permit is required for the Hampton River Bridges that span over the non-Federal channel of the Hampton River. The project completion date was changed from December 2025 to December 2026 in response to concerns from the selected Bidders that in addition to the already accelerated schedule, there was not enough time in the schedule to obtain the Coast Guard Permit and complete the construction of the Hampton River Bridges that are on the critical path of the schedule.

Current project activities are:

- Project awarded to Shirley-Branch Joint Venture (SBJV) Design-Build team.
- Design-Build NTP will be issued on August 1, 2022.

The Contractor's bid was estimated to be \$312,122,347 and the SBJV bid price was \$313,872,235. There is no apparent risk at this time of exceeding the project budget.

This project is fully funded with HRTAC and state bridge maintenance funds. UPC 120880 was added to utilize state bridge maintenance funds to pay for bridge maintenance work that will be performed by the Design-Builder (D/B) under this contract.

## 1. PROJECT DESCRIPTION

This project is located in the City of Hampton and is part of the Hampton Roads Express Lanes (HREL) Network. The scope includes widening eastbound (EB) and westbound (WB) I-64 from 0.139 miles east of LaSalle Ave (MM265.5) to 0.379 miles East of Settlers Landing Rd (MM267.8). The proposed improvements include rehabilitation of the existing lanes and an additional 12-ft wide travel lane in each direction. The three existing eastbound (EB) and westbound (WB) general-purpose (GP) lanes will be converted into two high occupancy toll (HOT) managed lanes, and two GP lanes. This will extend the full roadway section of the Hampton Roads Bridge Tunnel (HRBT) Expansion project to the west for 2.4 miles.

This section of interstate includes six mainline bridges, one pedestrian underpass and one triple 48" RCP (reinforced concrete pipe) section carrying Brights Creek beneath I-64. The two EB Hampton River bridges will be replaced. The WB Hampton River bridge will be widened and rehabilitated. The EB and WB portions of the bridge over King Street will be widened and

rehabilitated. The EB and WB portions of the bridge over Settlers Landing will be rehabilitated, and the WB bridge will be widened. The bridge over Rip Rap Road will be rehabilitated with no widening.

The widening is expected to occur mostly in the median of the existing interstate. This limits the amount of right of way required to construct the project and avoids impacts to existing interchanges. Interstate ramps will be realigned as needed. It is anticipated that right of way and/or easements will be acquired along the EB and WB directions with approximately 59 parcels impacted. The actual number of impacted parcels is pending on final design of drainage ditches, roadway embankments, retaining walls, noise barrier wall, and potential utility relocations.

### I-64 HREL Segment 4C – Location Map



In accordance with the requirements of the National Environmental Policy Act (NEPA) and other Federal and state laws and regulations, environmental studies assessing the project’s potential impacts will be documented in a Categorical Exclusion (CE) for this project. NEPA Document Approval was received on December 22, 2021.

A project website has been established at the following location:

[https://www.64expresslanes.org/chesapeake\\_and\\_hrbt\\_-\\_under\\_construction/hampton.asp](https://www.64expresslanes.org/chesapeake_and_hrbt_-_under_construction/hampton.asp)

This website provides a project summary, cost, schedule overview, location map and a link to the Public Hearing information, project boards and NEPA document.

## 2. SCHEDULE

The Request for Proposals (RFP) was released to three short-listed teams on November 10, 2021. The Notice to Proceed date (NTP) for the design-build contract is August 1, 2022. Based on a preliminary schedule, the remaining design efforts are estimated to take place between August 2022 and April 2023. Remaining right of way acquisitions and utility relocations are anticipated to occur between August 2022 and December 2024. Construction activities are anticipated to begin in August 2022. The final completion date is December 30, 2026.

Below is a listing of milestone dates for this design-build contract:

RFP released - November 10, 2021

Notice to Proceed - August 1, 2022

Kick-Off Meeting - August 17, 2022

Scope Validation Period (120 Days) – August 1, 2022 to November 28, 2022

Interim Milestone Completion – July 2, 2026

Final Project Acceptance & Final Payment – December 30, 2026

Below is an approximate anticipated schedule for the design-build team:

### PROJECT SCHEDULE OVERVIEW

Task	Start	Finish	2022	2023	2024	2025	2026					
Notice to Proceed	08/22	08/22										
UPC 120880	PE - Design	n/a										
	RW/Utilities	n/a										
	Construction	08/22										
UPC 117841/ 119638	PE- Design	08/22										
	RW/Utilities	08/22										
	Construction	08/22										
Construction Complete	12/26	12/26										

## 3. PROJECT COST

### Narrative of Project Cost

The current total project estimate is \$429,754,878. The project will be completed as a Design-Build project. The estimates, as well as current expenditures for Preliminary Engineering (PE), Right of Way (RW) and Construction (CN) costs are summarized in the table below. The project will be funded by the Hampton Roads Transportation Accountability Commission (HRTAC) using Hampton Roads Transportation Funds (HRTF). State bridge maintenance funds will be used to pay for bridge maintenance work. Authorization to complete advanced PE work (Phase 1 PE) to complete tasks necessary to include this project in the 2045 Long Range Transportation Plan

(LRTP), the Transportation Improvement Program (TIP)/Statewide Transportation Program (STIP) and to advance this design-build project was approved by HRTAC per the Standard Project Agreement between VDOT and HRTAC executed on April 1, 2021.

**Project Cost By Phase**

UPC	Phase	Initial Financial Plan	Current Estimate	Expenditures as of 7/31/22	Balance to Complete
120880	PE		\$0	\$0	\$0
	RW		\$0	\$0	\$0
	CN (Bridge Maint.)		\$2,706,000	\$0	\$2,706,000
	<b>SUBTOTAL</b>		<b>\$2,706,000</b>	<b>\$0</b>	<b>\$2,706,000</b>
117841	PE (Phase 1 PE)	\$15,421,200	\$15,421,200	\$5,326,556	\$10,094,644
	RW		\$0	\$0	\$0
	CN		\$0	\$0	\$0
	<b>SUBTOTAL</b>	<b>\$15,421,200</b>	<b>\$15,421,200</b>	<b>\$5,326,556</b>	<b>\$10,094,644</b>
119638	PE	\$4,578,800	\$4,578,800	\$620	\$4,578,180
	RW	\$9,925,000	\$8,000,000	\$610,490	\$7,389,510
	CN	\$400,129,878	\$399,048,878	\$0	\$399,048,878
	<b>SUBTOTAL</b>	<b>\$414,333,678</b>	<b>\$411,627,678</b>	<b>\$611,110</b>	<b>\$411,016,568</b>
	PE	\$20,000,000	\$20,000,000	\$5,327,176	\$14,672,824
	RW	\$9,925,000	\$8,000,000	\$610,490	\$7,389,510
	CN	\$400,129,878	\$401,754,878	\$0	\$401,754,878
	<b>TOTAL</b>	<b>\$429,754,878</b>	<b>\$429,754,878</b>	<b>\$5,937,666</b>	<b>\$423,817,212</b>

**Cost Estimating Methodology**

PE Advanced Activities (Phase 1 PE) UPC 117841: The work associated with this component is to complete tasks necessary to include this project in the 2045 Long Range Transportation Program (LRTP), the Transportation Improvement Program (TIP)/Statewide Transportation Improvement Program (STIP) and to advance this design-build project to a Public Hearing. The Phase 1 PE tasks include field investigation costs for survey, aerial mapping, subsurface utility designation, bridge investigation, traffic studies, scoping plan development, risk analysis & matrix, pavement design, noise wall investigations and schedule and estimate refinements.

CN Bridge Maintenance Activity UPC 120880: The work associated with this component is bridge maintenance work that will be performed by the Design-Builder and billed separately to VDOT's Bridge Maintenance Fund.

Full Build Remaining Activities (Remaining PE, Full RW, and CN) UPC 119638: This work includes the remaining activities to develop design plans and construction documents. The right of way

phase estimate includes the estimated cost of right of way and easements acquisition, miscellaneous fees associated with real estate closings as part of the project and oversight of the right of way acquisition, payment, and condemnation process. The right of way phase also includes utility design and public utility relocation fees. The project construction cost estimate was developed through VDOT’s Preconstruction (PRECON) estimate program and includes all roadway, bridge, drainage, traffic, maintenance of traffic, lighting, traffic control devices, traffic management systems, landscape and other items.

#### 4. PROJECT FUNDS

The project will be funded through Hampton Roads Transportation Funds (HRTF) and state bridge maintenance funds. The current total project cost estimate is \$429,754,878. On April 1, 2021, the Hampton Roads Transportation Accountability Commission (HRTAC) executed a Standard Project Agreement for Funding and Administration with VDOT that authorized \$15,421,200 of funding for Phase 1 PE project costs (UPC 117841).

UPC 120880 was added to separate the bridge maintenance funds from the UPC 119638 HRTAC funds. The remaining PE, RW, and CN funding is funded entirely from HRTAC. The VDOT-HRTAC resolution and a Standard Project Agreement to fund the remaining PE and Right of Way phases of the project for \$14,203,800 was executed in December 2021 and the amendment to reduce the Right of Way estimate to \$8,000,000 and to add the Construction phase to the Agreement in the amount of \$399,048,878 was executed in June 2022.

The Standard Project Agreement was amended a second time in September 2022 to modify the Project Cash Flow. The below table summarizes the funding allocated to the HREL 4C project improvements by fund source and year.

Funding Source		Previous	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
UPC	Funding						
120880	Bridge Maintenance					\$2,706,000	\$2,706,000
117841	HRTAC (NPRH22)	\$15,421,200	\$0	\$0	\$0	\$0	\$15,421,200
119638	HRTAC (NPRH22)	\$ 89,733,595	\$ 94,350,684	\$ 92,017,361	\$ 90,350,688	\$ 45,175,350	\$ 411,627,678
<b>GRAND TOTAL</b>		\$105,154,795	\$199,505,479	\$291,522,840	\$381,873,528	\$429,754,878	\$429,754,878

#### Federal Fund Sources and Special Funding Techniques

The Hampton Roads Transportation Planning Organization (HRTPO) has included all phases of this project in its Long Range Transportation Plan. The PE Phase 1 phase of this project is included in HRTPO’s TIP as well as the Commonwealth’s FFY22-25 STIP to include \$15,421,200 of HRTF funding authorized by HRTAC.

HRTPO included the remaining PE, RW and CN in the HRTPO’s TIP and the Commonwealths STIP in November 2021 which was funded entirely with HRTF funds.

## Project Authorization Summary

Project Authorization Summary as of July 31, 2022

Federal Project	UPC	Phase	Cost	Federal Funds	AC	HRTAC Funds	
STP-0643(533)	117841	PE	\$15,421,200	\$0	\$0	\$15,421,200	
		<b>Sub-Total</b>	<b>\$15,421,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,421,200</b>	
	119638	PE	\$4,578,800	\$0	\$0	\$4,578,800	
		RW	\$8,000,000	\$0	\$0	\$8,000,000	
		CN	\$399,048,878	\$0	\$0	\$399,048,878	
		<b>Sub-Total</b>	<b>\$411,627,678</b>	<b>\$0</b>	<b>\$0</b>	<b>\$411,627,678</b>	
	120880	CN	\$2,706,000	\$0	\$2,706,000	\$0	
		<b>Sub-Total</b>	<b>\$2,706,000</b>	<b>\$0</b>	<b>\$2,706,000</b>	<b>\$0</b>	
	<b>Total</b>			<b>\$429,754,878</b>	<b>\$0</b>	<b>\$2,706,000</b>	<b>\$429,754,878</b>

## 5. FINANCING ISSUES

Expenditures are currently being accrued under the Advanced Activity UPC (UPC 117841) and Parent UPC 119638. Work to execute a Standard Project Agreement between VDOT and HRTAC to fund the remaining PE and Right of way phases of the project was executed in December 2021, the amendment to add the Construction phase to the Agreement was executed in June 2022 and the second amendment was executed in September 2022 to modify the cash flow. No financing issues are anticipated at this time.

## 6. CASH FLOW

The HREL Segment 4C project annual cash expenditures are based on the project schedule developed by VDOT and the design team. The below table summarizes the cash flow analysis for the project, and it will be updated annually as expenditures are incurred. It shows the comparison of previously expended and projected expenditures by fiscal year and by phase against the total annual allocations.



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Expenditures		Previous	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
UPC	Phase							
120880	PE	\$0						\$0
	RW	\$0						\$0
	CN	\$0	\$500,000	\$1,000,000	\$1,206,000			\$2,706,000
	<b>Total</b>	\$0	\$500,000	\$1,000,000	\$1,206,000			\$2,706,000
117841	PE	\$5,326,556	\$1,500,000	\$0	\$0	\$0	\$0	\$6,826,556
	RW	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	CN	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Total</b>	\$5,326,556	\$1,500,000	\$0	\$0	\$0	\$0	\$6,826,556
119638	PE	\$620	\$0	\$0	\$0	\$0	\$0	\$620
	RW	\$610,490	\$1,389,510	\$3,000,000	\$3,000,000	\$0	\$0	\$8,000,000
	CN	\$0	\$75,000,000	\$88,000,000	\$92,000,000	\$97,000,000	\$47,048,878	\$399,048,878
	<b>Total</b>	\$611,110	\$76,389,510	\$91,000,000	\$95,000,000	\$97,000,000	\$47,048,878	\$407,049,498
<b>Cumulative Expenditures</b>		\$5,937,666	\$84,327,176	\$176,327,176	\$272,533,176	\$369,533,176	\$416,582,054	\$416,582,054
<b>Total Annual Allocations</b>		\$105,154,795	\$0	\$94,350,684	\$92,017,361	\$90,350,688	\$47,881,350	\$0
<b>Cumulative Allocations</b>		\$105,154,795	\$105,154,795	\$199,505,479	\$291,522,840	\$381,873,528	\$429,754,878	\$429,754,878
<b>Cash Flow Per Year</b>		\$99,217,129	\$20,827,619	\$23,178,303	\$18,989,664	\$12,340,352	\$13,172,824	\$13,172,824

Note: FY2023 through FY2027 figures in the chart are showing estimated expenditures.

## 7. P3 ASSESSMENT

The project was evaluated for various delivery methods including alternative delivery methods. A Finding of Public Interest was signed by the Commissioner on April 27, 2021 determining that a design-build delivery for the proposed project will best serve the public interest. The project was identified as one of the Hampton Roads Regional Priority Project by HRTAC and HRTPO in March 2021. The HRTPO and the HRTAC have been committed to seek a plan to fund the project through HRTF.

## 8. RISK AND RESPONSE STRATEGIES

The 120-day Scope Validation period begins on August 1, 2022 with no items of financial concern at this time. It is anticipated that the project's contingency budget included in the project estimate will address all project risks related to the project budget.

Environmental permitting issues and potential construction delays present risk to the project schedule. Jurisdictional stream and wetlands areas are non-accessible until environmental permits are obtained. Some field investigations necessary for bridge design cannot be performed until permits are issued. Any delays to bridge access and design could impact the ability to obtain a Coast Guard permit for the Hampton River Bridges. Additionally, a new Special Provision for tree removal time of year restriction for roosting bat habitat was issued in June 2022 and included in this contract. It is possible that bat species will be upgraded from 'threatened' to 'endangered' in December 2022. In addition to new guidance requirements,

USFWS and the State could expand the species' range to include the City of Hampton and the project area. If the range is expanded to include the project, the D/B would only have until December 22, 2022 to clear trees outside of jurisdictional stream and wetlands areas without coordination with USFWS.

## **9. ANNUAL UPDATE CYCLE**

The submission date of the Initial Financial Plan was October 31, 2021. The submission date of this first annual update is October 31, 2022 and is based on a "data as of" date of July 31, 2022. Future annual updates will be submitted by October 31 of that year, with a "data as of" date of July 31 of that year.

## **10. SUMMARY OF COST CHANGES SINCE LAST YEAR'S FINANCIAL PLAN**

Since last year's financial plan, the project estimate was updated to reflect the approved Public Hearing and RFP plans. Plan updates resulted in a RW estimate decrease from \$9,625,000 to \$8,000,000 and a CN estimate increase from \$400,129,878 to \$401,754,878. The overall project estimate remains the same.

As mentioned in Section 4. PROJECT FUNDS, UPC 120880 was added to separate the bridge maintenance funds from the UPC 119638 HRTAC funds. The remaining PE, RW and CN funding is funded entirely from HRTAC under UPC 117841 and 119638.

PE funds authorized under UPC 117841 and UPC 119638 will no longer be charged to after December 30, 2022. Remaining design activities will be charged to the CN phase of UPC 119638.

## **11. COST AND FUNDING TRENDS SINCE INITIAL FINANCIAL PLAN**

The project cost will continue to be monitored and evaluated to take advantage of any cost reductions or savings that may come available.

## **12. SUMMARY OF SCHEDULE CHANGES SINCE LAST YEAR'S FINANCIAL PLAN**

The project completion date was changed from December 2025 to December 2026 in response to concerns from the selected Bidders that there was not enough time in the schedule to obtain the Coast Guard Permit and complete the construction of the Hampton River Bridges that are on the critical path of the schedule.

## **13. SCHEDULE TRENDS SINCE INITIAL FINANCIAL PLAN**

There are no discernable Schedule Trends since the Initial Financial Plan.