



495 and 95 Express Lanes: Keeping Virginia Moving

Prepared for George Mason University | April 2019



TRANSURBAN

Smarter ways to get around cities



\$35B

market cap

TOP 15

listed company on ASX



\$19B

of key
infrastructure
delivered with
government
partners

\$16B

in financed
toll road
projects in
the last 12
months



**\$1.3M in community
investment**

INNOVATION

in projects – procurement –
financing – startup investment
– operations – safety



\$1.6B

in supply chain spend

20,000+

current indirect jobs

2nd

transportation company
globally
in the Dow Jones
Sustainability Index

8.5M

customers

1.5M

daily trips



328,000 hours average
workday travel time savings

CAPABILITIES

Designing and managing infrastructure for the long-term



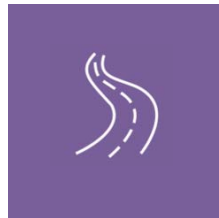
A TRACK RECORD OF PARTNERING WITH GOVERNMENTS TO DELIVER INFRASTRUCTURE
THAT MEETS THE LONG-TERM NEEDS OF GROWING CITIES'



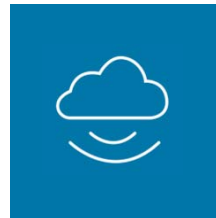
Network
planning/
forecasting



Community
engagement



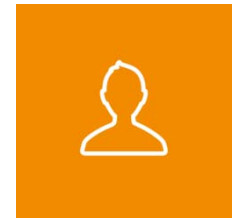
Development/
delivery



Technology



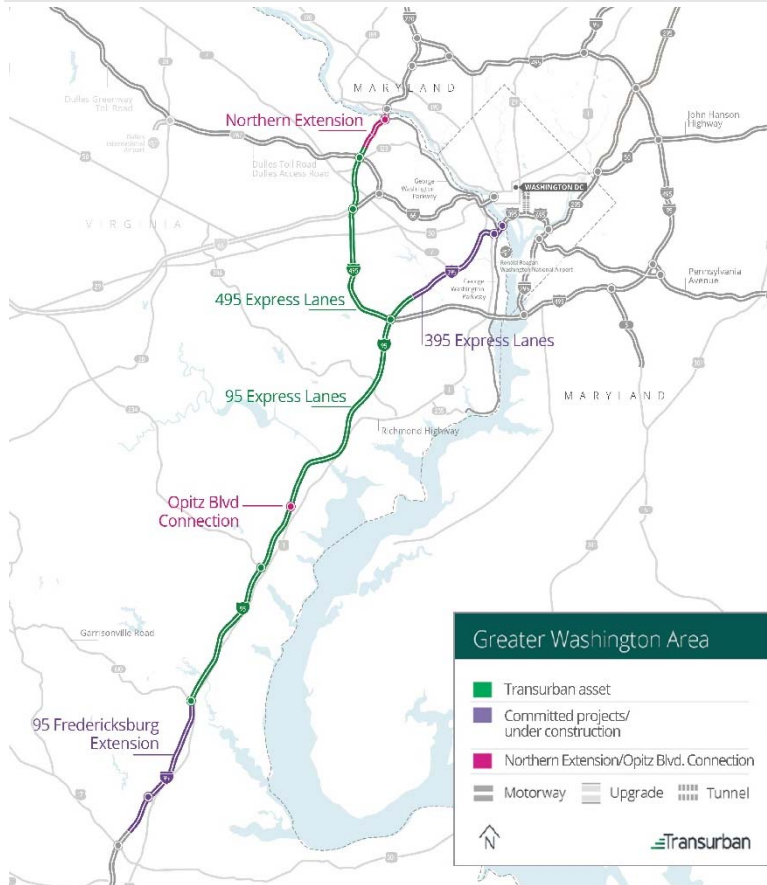
Operations
and Safety



Customer
management

495 and 95 EXPRESS LANES NETWORK

A growing network that is supporting the region's economy



2012
495 Express
Lanes open

2014
95 Express
Lanes open

2017
95 S. Terminus
Extension opens

2019
395 Express
Lanes opening

2022
95 Fred Ex
opening

Beyond 2022
495 Northern
Extension

ECONOMIC AND TRAVEL BENEFITS

\$6.3 billion

generated in economic activity

28,000+

jobs created

3 million+

travel hours saved per year

80-minute average

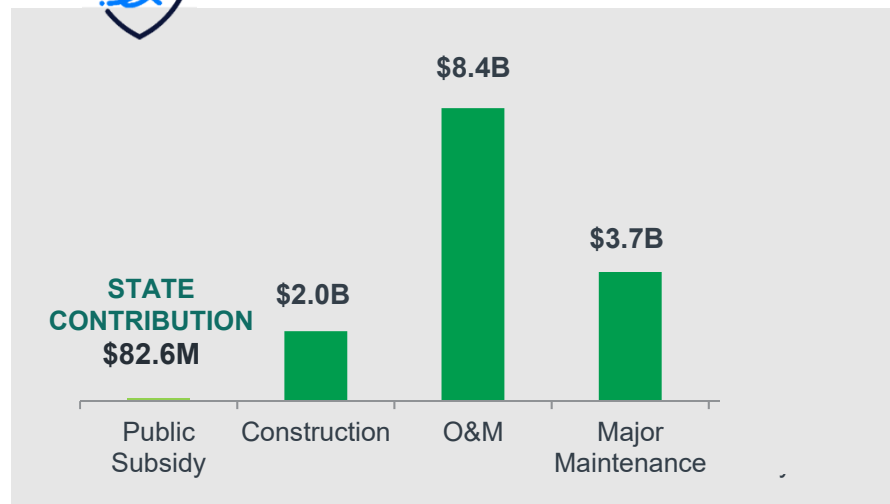
travel time savings across the network

P3 RISK TRANSFER

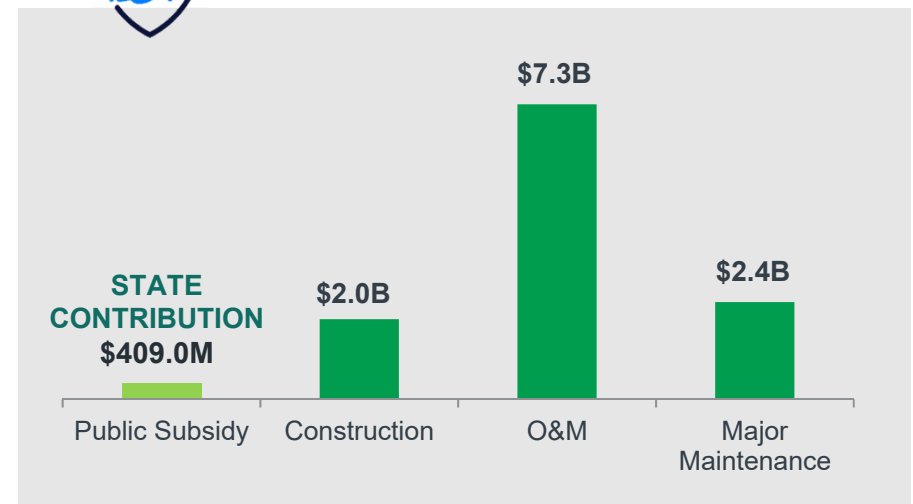
Value for state and taxpayers



Total Project Benefits



Total Project Benefits



Key risks transferred to private sector

No public sector risk of construction cost overruns

Private partner faces penalties if completion is late

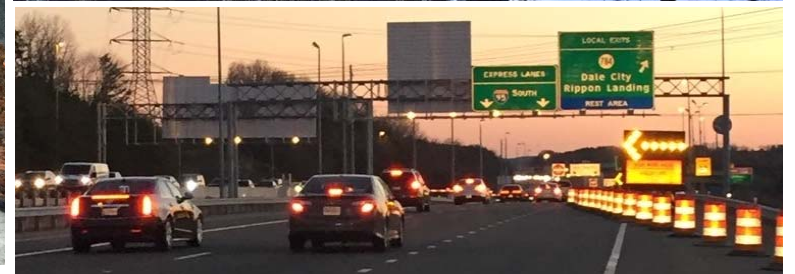
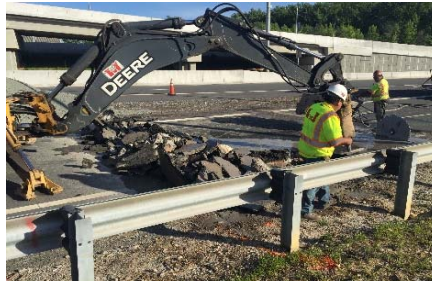
Full appointment of revenue risk to private partner – with potential for state to share in upside

\$15 million annual transit investment over life of concession on I-395

EVERYDAY PARTNERSHIPS

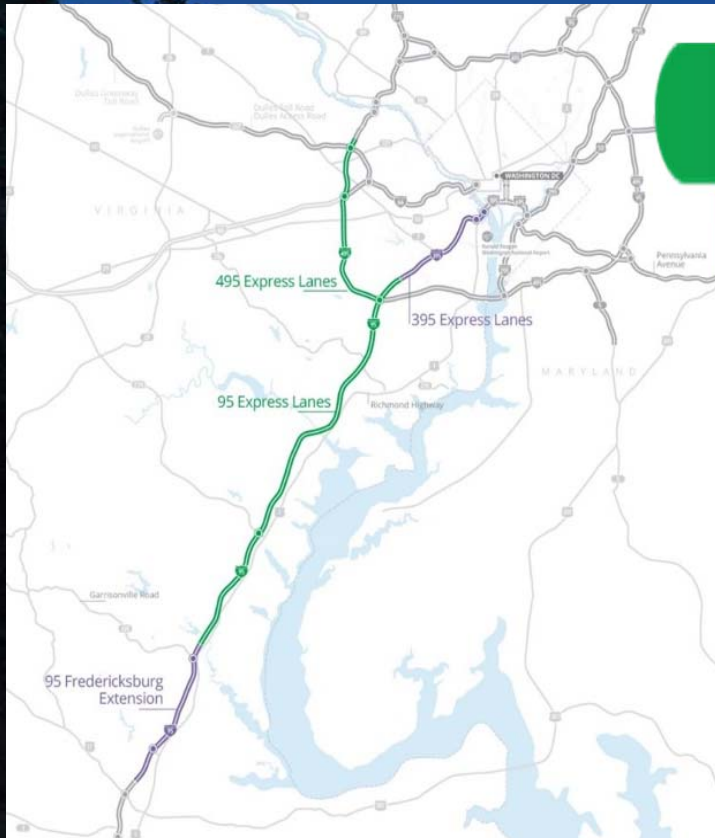
Minute-to-minute coordination, spanning a decades-long commitment

 Transurban



BUILDING AN INTEGRATED NETWORK

that responds to shifting economic and transportation needs



“How Virginia sealed the deal on Amazon's HQ2, 'the biggest economic development project in U.S. history’” – **Richmond Times Dispatch**

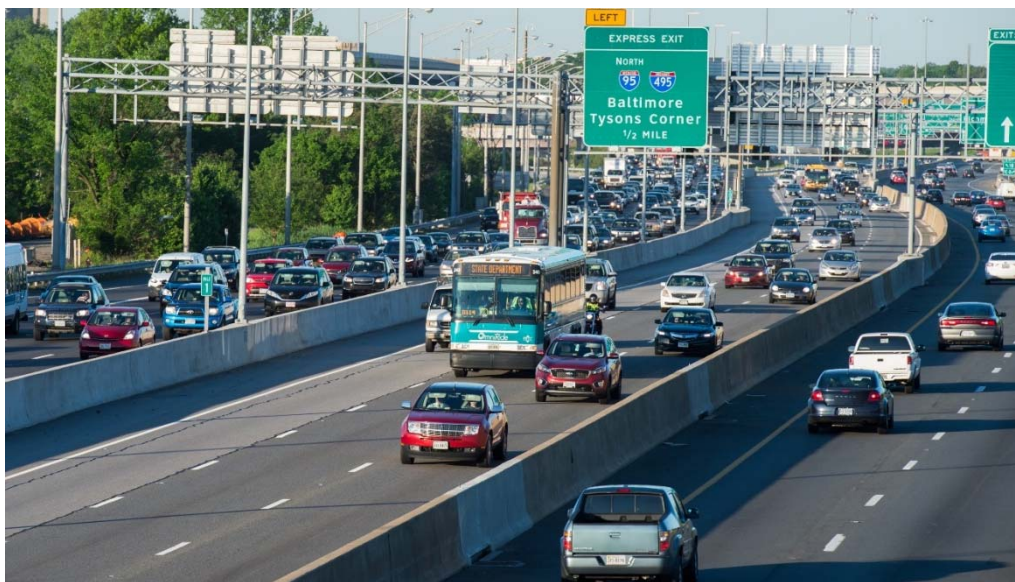
“I-95 express lanes extension deal will also fund northbound Rappahannock River Crossing” – **Free Lance Star**

“Express-lanes cash to fund \$2.7 billion (over time) to N.Va. Projects” – **Inside NoVa**

395 EXPRESS LANES

Delivering fall 2019

Transurban



8mile
extension of
95 to D.C.
line

\$15m
annual
transit
investment

\$500m
regional
economic
impact



FREDERICKSBURG EXTENSION

Breaking ground spring 2019



Relieve worst traffic hotspot in the nation*



Improve reliability for commuters and freight



Enhance road safety & promote economic growth

Deliver **66% increase in capacity** during rush hour periods

Provide faster and easier access to Quantico and its **28,000 workers**

Deliver improvements and **time savings to 95 general purpose lanes** adjacent to the Express Lanes

Provide **cash payments to VDOT** in 2019 and 2022 to buy out future revenue sharing.

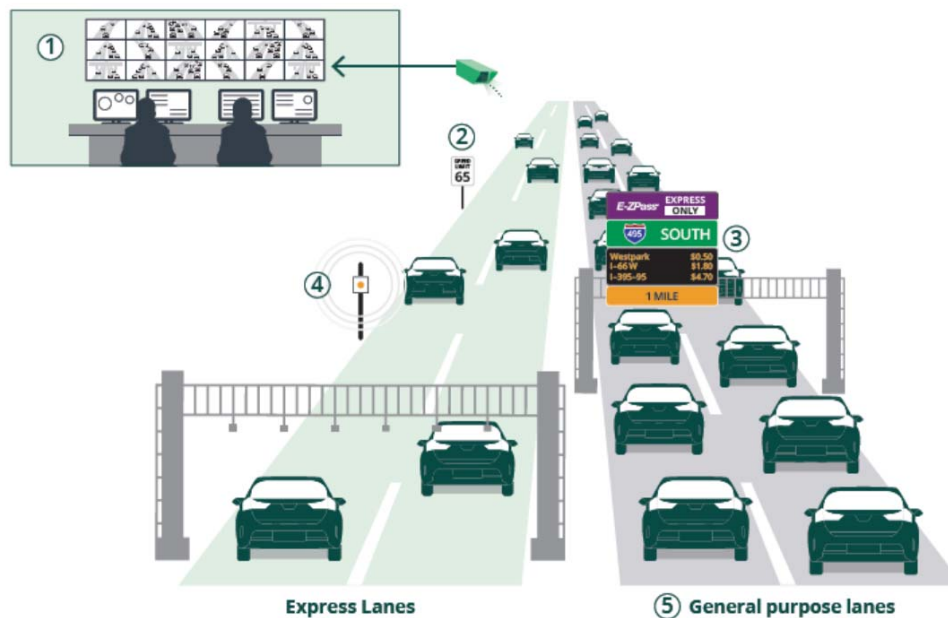
An important component of the **Atlantic Gateway Project**

Payments to be used for **additional improvements** throughout corridor

EXPRESS LANES 101

How dynamic tolling works

How the Express Lanes keep traffic moving



1

Express Lanes Operations Center

The Express Lanes are monitored 24 hours a day

2

Managing traffic

Dynamic tolls manage demand to keep the Lanes moving

3

Toll prices

Toll prices are displayed on variable message signs in advance of Express Lanes entry points

4

On-road technology

Roadside equipment monitors traffic and toll prices are updated as often as every 10 minutes to adjust to changes in real-time traffic conditions

5

Regular lanes

Traffic on the regular lanes can also affect the toll price

- Toll-free for: 3+ people, buses, motorcycles
- Toll prices re-evaluated every 10 minutes
- Drivers see the toll price on signage before entering the Express Lanes

RELIABLE TRIPS FOR A DIVERSE SET OF CUSTOMERS

Over three million hours saved annually

97K

daily tolled trips
across the network



800+

daily bus trips across
the network



100K

daily HOV users
across the network



CUSTOMERS ARE MANAGING BUSY LIVES

Working families with young children



Customers use the Express Lanes for:



Commuting to work



Visiting family and friends



Getting to the airport



Vacation travel

Majority of customers
spend more on a single tank of gas than tolls throughout the month.

\$5.40 to \$8.45
Average tolls



Frequent customers see value

495 Express Lanes

95 Express Lanes

86%

See personal benefit

86%

80%

Positive impression

76%

83%

Satisfied

83%

Frequent customers top 2 reported vehicles

HONDA

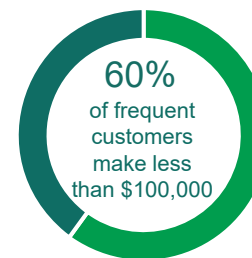
+



53% have children under the age of 18

amazon.com
 **instacart**

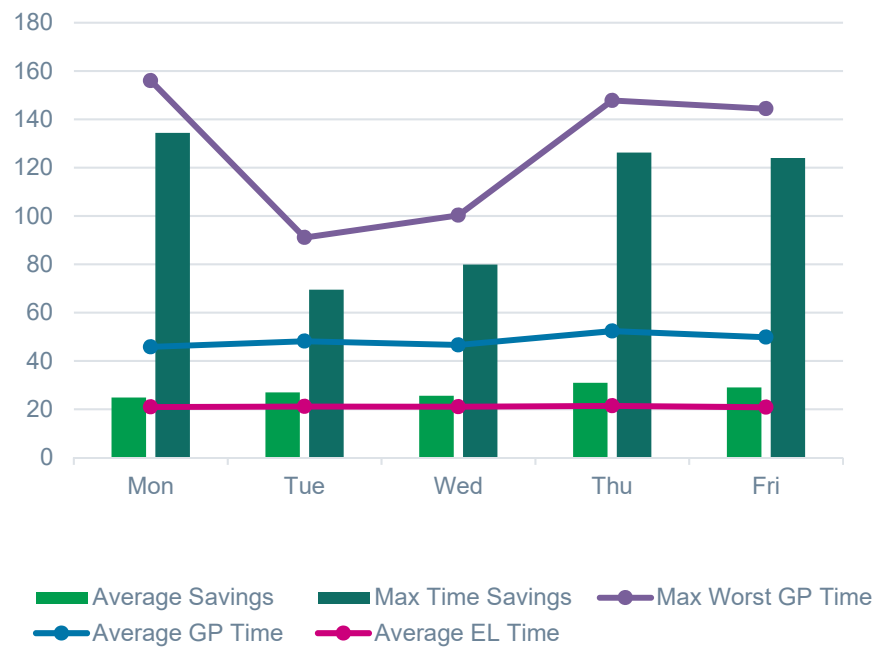
73% use convenience services like Amazon at least once a month



95 CORRIDOR TIME SAVINGS AND RELIABILITY

Predictable travel times in congested region

I-95 PM peak southbound



*On-road data from Q1 FY 2019

REAL STORIES FROM THE EXPRESS LANES

"My commute would take over an hour. Now it takes 25 minutes. I use that time with my family. Family is my priority."

- Luis B.
Woodbridge, VA



56 Minutes of average round trip savings

14% Regular lane reduction in travel time

READY FOR WHAT THE FUTURE HOLDS

New technology is redefining urban mobility, roads are at the center of this revolution

Transurban



POLICY OUTLOOK FOR P3s

Embracing a modern mix of funding solutions



Federal landscape

Building blocks in 2018 Trump infrastructure proposal were a positive first step forward for P3 industry and Transurban – unknown what Congress can advance

- New infrastructure grant program focused on leveraging federal funding with state, local and private investments
- Expands the Transportation Infrastructure Finance and Innovation Act (TIFIA) and Private Activity Bond (PABs) programs
- Considers a federal asset recycling program
- Provides states more flexibility to toll existing interstates
- Streamlines and shortens the environmental permitting process



Virginia

New administration in transition

- Governor Northam administration brings stability on existing deals, with key officials staying on
- Focus on innovation, big data, competition post-66
- Transurban is working with members of the Virginia House of Delegates to educate them on the success of the Express Lanes and the benefits of P3's



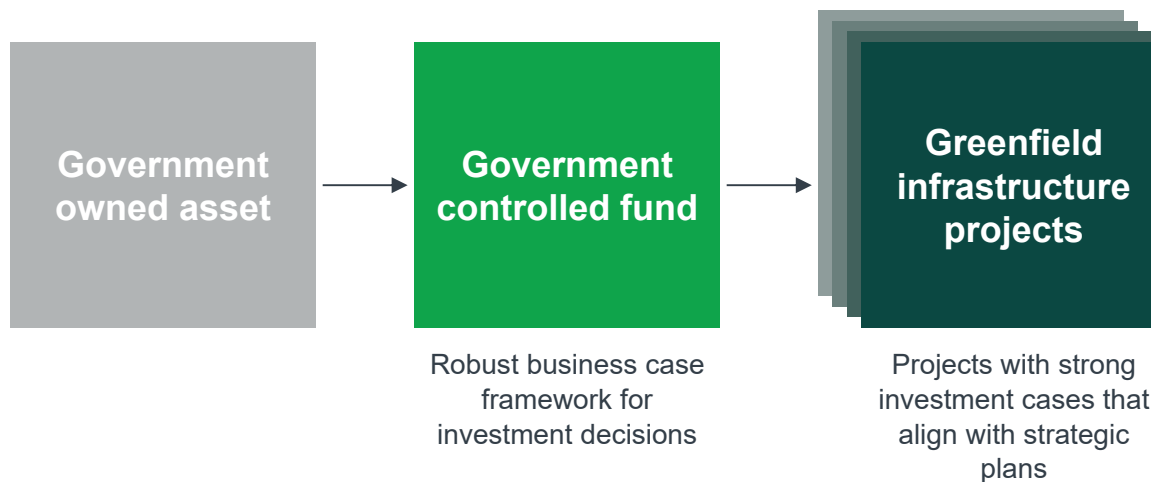
Maryland

Governor champions bold Express Lanes project

- Plans for new Express Lanes to solve critical and politically sensitive congestion issues
- Transurban supports the initiative shown in introducing this project, which could be the largest P3 highway project proposed in the U.S.

FEDERAL INCENTIVES TO ATTRACT PRIVATE INVESTMENT

Asset Recycling



"Asset recycling – something that we're hoping will be included in an infrastructure bill... it gives municipalities an incentive..."

**Congressman Lou Barletta,
ARTBA P3 Conference 2017**

Leasing or selling public assets to raise funds for new infrastructure

Many state governments are sitting on unproductive capital within their own assets. In a system known as asset recycling, state governments lease their existing infrastructure to raise funds for greenfield infrastructure projects, freeing existing capital for infrastructure investments.

Thank you. Questions?



TRANSURBAN'S ROLE AS PARTNER

Value for state and taxpayers



- Partner with governments to deliver innovative transportation solutions
- Private partner taking the place of a traditional government service
- Currently partnering with the Virginia Department of Transportation to operate the Express Lanes; recently acquired A25 Bridge in Montreal.
- Pioneered the public-private partnership (P3) managed-lanes concept in the U.S.
- Strive to be good neighbors and long-term partners to the Greater Washington community



"The 95 Express Lanes project is a model of how P3 projects should be done."

**Virginia Governor
Terry McAuliffe**

- No public sector risk of construction cost overruns
- Private partner incurs significant penalties for late completion
- Full apportionment of revenue risk to private partner with revenue sharing opportunities