

BLUE TOP



THE VIRGINIA TRANSPORTATION CONSTRUCTION ALLIANCE

April 2010

Legislative Session Ends With Agreement On Budget

The Virginia General Assembly extended its session by one day to reach a final agreement on the state budget. Grappling with a revenue shortfall that approached \$4 billion, the biennial budget was the primary focus of the session.

Despite the fact that more than a dozen transportation funding bills were introduced, only one passed. If signed by Governor McDonnell, the bill will dedicate a percentage of royalties from offshore drilling to transportation. The likelihood of that measure providing any long-term sustainable funding for transportation in the near future is questionable at best.

The Governor indicated several times that he will call a special session to deal with transportation but only if he can "first build support for [his] proposals." He said Secretary of Transportation Sean Connaughton has been working with a group of advisers to come up with ways to tackle the Governor's transportation goals.

On other legislation VTCA enjoyed numerous successes. A comprehensive list of VTCA's legislative tracking is available on the web site. Bills dealing with these critical topics were passed or defeated consistent with the VTCA position:

Passed: Aggregate Permit Fees
Postponing Implementation of Storm Water Regulations
Cooperative Procurement Limitations
Procurement of Professional Services

Defeated: Worker Misclassification of Independent Contractors
Local Government Permitting of Wetlands
E-Verify
Overweight Truck Fees
PPTA Limitations

Governor McDonnell Appoints Deputy Secretary of Transportation

Virginia Governor Bob McDonnell has announced that David Tyeryar will serve as Deputy Secretary and Chief Financial Officer of Transportation. Tyeryar served as Budget Director for Prince William County for over eight years and as the County's Accounting Division Chief for ten years.

\$500 Million In Bonds To Fund Already Authorized Projects

VDOT has announced that the Commonwealth has debt capacity to issue up to \$500 million in transportation bonds. VDOT hopes to sell a bond package totaling \$493 million this May and is cautiously optimistic of being able to issue a second \$300 million package in May 2011. It is important to note that the bond proceeds will pay for projects in the current Six-Year Plan. No new projects are funded.

Debt service on the bonds will be paid with a combination of insurance premium tax revenues and interest earned on Transportation Trust Fund and Highway Maintenance and Operation Fund dollars.

In 2007 HB 3202 authorized the issuance of \$3 billion in bonds in \$300 million increments over ten years. The obligation to pay off Federal Highway Reimbursement Anticipation Notes (FRANS) issued in the Gilmore administration, combined with declining transportation revenues, have prevented the sale of these bonds until now. (FRANS notes will not be totally retired until FY 2013.)

Proceeds will be distributed under the HB 3202 allocation formula which calls for 20% for public transit, 4.3% for the Rail Enhancement Fund and the balance for federal matching funds, revenue sharing and individual projects. However, the severe shortage of state transportation construction dollars means that proceeds from this initial sale will be limited to transit, rail and federal match, plus a one-time \$15 million infusion to complete revenue sharing project commitments.

Dedicated to advancing the interests of the transportation construction industries.

BLUE TOP

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Construction Alliance

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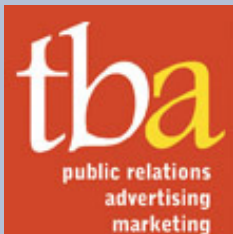
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Still Time To Register For The VTCA Spring Conference!

The only statewide conference and trade show for Virginia's transportation construction and aggregates industries is just around the corner – April 14-16 at the Hampton Roads Convention Center.

Over 500 professionals are already registered, and the trade show currently features over 70 exhibitors. The educational program features a wide array of industry leaders speaking on topics of interest to everyone in the industry. Keynote addresses feature the new state Secretary of Transportation Sean Connaughton and VDOT Acting Commissioner Greg Whirley.

Go to www.vtca.org for all the details. This is one event you do not want to miss!

Silent Auction To Benefit VTCA PAC

The VTCA Political Action Committee (PAC) is sponsoring a Silent Auction at the Annual Meeting, July 14-18th at The Wyndham Virginia Beach Oceanfront. Last year's auction was fun and financially successful thanks to your support.

The building of a strong PAC is crucial for a successful legislative program. The VTCA PAC supports candidates for statewide office and the General Assembly who support the transportation construction and mineral mining industries in Virginia. Your support will go a long way toward helping our Alliance reach its goals.

We are extremely fortunate to have a great Silent Auction Committee. Please contact one of these folks if you have any questions:

Hardy Josephson, **Luck Stone***

Steve Chapin, **AECOM***

Rich McDonough, **The Lane Construction Corp.**

Kurt Thompson, **Dewberry**

Rick James, **Adams Construction**

Larry Thomas, **TransCon**

* PAC Silent Auction Committee
Co-Chairmen

We are asking you to donate an item for this year's Auction. Our goal is to raise at least \$30,000. All donors will be recognized at the Annual Meeting and in the **Blue Top**. In the next few days you will receive additional instructions with a list of popular items from previous auctions. Please fax your form by June 25th. Items must be received at the VTCA office by July 2nd! Remember, if we don't hear from you, you will probably hear from one of the committee members!

Thank you in advance for your support. With your help, we will speak with a strong, unified voice in the General Assembly.

Erosion And Sediment Control Classes

VTCA has three ESCCC classes remaining in the Spring series.

- Richmond - April 30, Holiday Inn Select Koger South
- Abingdon - May 21, Southwest Virginia Higher Education Center
- Roanoke - June 11, Holiday Inn Tanglewood

Visit www.vtca.org to register online or download the registration forms. Contact Stephanie Rusnak with any questions at stephanie@vtca.org or 804-330-3312.

VTCA Transportation Engineering Award Applications Now Available

VTCA is proud to announce the second Annual VTCA Transportation Engineering Awards. This program was created by the Engineering Consultant Leadership Committee to recognize outstanding achievements in engineering design in Virginia's transportation construction program. Eligible projects meet the following criteria:

- Projects must be related to transportation;
- Projects must be managed and performed in Virginia or must link Virginia to another state;
- Engineering firms must be members of VTCA at the time of entry; and
- Project construction must have been completed by December 31, 2009.

Prizes will be awarded to entrants in the following categories:

- Projects Larger than \$10 Million: VDOT and Municipal
- Projects Smaller than \$10 Million: VDOT and Municipal

Winners will be announced in a VTCA press release and will be recognized at the VTCA Consultant Forum held in September. Details and the application are available on VTCA's web site at http://vtcaonline.com/images/uploads/2010_award_application.pdf. Completed applications must be received no later than June 1, 2010. For more information contact Tom Witt at VTCA.

TPMI Registration Deadline Extended! VTCA Offers Members \$500 Scholarship

The application deadline for the Transportation Project Management Institute has been extended until April 9, 2010.

The University of Virginia Center for Transportation Studies (UVA CTS), in partnership with VTCA and the Virginia Department of Transportation, will offer the second annual Transportation Project Management Institute (TPMI) from May 11-20, 2010 in Charlottesville. TPMI is a nine-day residential training program specifically designed to enhance the project management skills of transportation professionals in design, operations and maintenance. TPMI's goal is to educate and enable transportation project managers to effectively lead the development and delivery phase of projects by immersing these professionals in a project management learning experience that is comprehensive, essential, transportation-focused, hands-on, and collaborative. Participants will learn from UVA faculty in Engineering and Business, leaders in the industry as well as the public sector, and will work collaboratively on a series of challenging, hands-on case study exercises. TPMI is designed to improve the abilities of mid-level project managers who have demonstrated capability and possess high-potential for career growth.

A full description of the institute, as well as application information is provided at TPMI's web site - <http://cts.virginia.edu/tpmi/>. For details on the VTCA Member \$500 Rebate please contact Tom Witt 804-330-3312 or by e-mail tom@vtca.org.

VTCA Board Adopts New Strategic Plan

At its January meeting, the VTCA Board of Directors adopted a new Strategic Plan. A committee of members worked for several months to update the previous plan. The committee included: Dick Reese, **Vulcan Materials**; Rich McDonough, **The Lane Construction Corp.**; Rich Hart, **Luck Stone**; and Rick James, **Adams Construction**.

The new Strategic Plan establishes VTCA's Mission as "the advocate and voice for Virginia's transportation construction industries and aggregate producers, providing its members with current industry information, training, legislative representation and regulatory advocacy."

Our Vision is "to be the Commonwealth's premier trade association advancing the interests of the transportation construction industries and aggregate producers."

The Corporate Values for VTCA are:

1. VTCA conducts its activities in an open, honest, legal, and ethical manner.
2. VTCA zealously represents its membership as a legislative and regulatory advocate.
3. VTCA is a member-run organization, earnestly representing its members regardless of their size, revenues or location.
4. VTCA partners with state agencies and other trade associations to advance common interests in transportation and promote the Commonwealth's prosperity.
5. VTCA works to accomplish its goals through its committee system.

The plan goes on to outline a series of Strategic Objectives and Means and Methods by which VTCA will accomplish its mission. Members who would like to have a copy of the Plan should contact Jan Morehead at the VTCA office.

TCMI Graduates 36 Industry Professionals

The prestigious Transportation Construction Management Institute, a ten-day residential program held at Virginia Tech, ended on February 26 with the graduation of 36 industry professionals – 17 from the private sector and 19 from VDOT.

During these tough economic times, the fact that TCMI was well attended is a testament to the industry's commitment to develop its future leaders. VTCA was also very proud to have provided a \$500 scholarship for each member who attended. Congratulations to these members for completing this rigorous program of study:

Billy Badger, Senior Construction Inspector A. Morton Thomas and Associates	John Dowdell, Company Safety Director R.R. Dawson Bridge Company	David Mitchell, Project Manager Branch Highways
Dellon Baker, Project Engineer E.V. Williams, Inc.	Willem Hol, Design Engineer Fluor Corp.	Michelle Philyaw, Office Engineer ATCS, PLC
Shawn Ball, Senior Associate Dewberry	Chris Keppeler, Engineer Corman Construction	Patrick Shorb, Corporate Officer L.S. Lee, Inc.
Anmarie Collins, Project Engineer Corman Construction	Miriam Kronisch, Project Manager RK&K Engineering	Thomas E. Starkey, Jr., Field Engineer E.V. Williams, Inc.
Kyle Davidson, Project Manager R.R. Dawson Bridge Company	Tuck Malloy, Construction Manager L.S. Lee, Inc.	Jim Welch, Project Manager Waterfront Marine
Anthony DiTommaso, Field Engineer Bryant Contracting	Elizabeth Martin, Project Coordinator R.R. Dawson Bridge Company	

“Work Zones Need Your Undivided Attention” National Work Zone Awareness Week April 19-23

Seven hundred people died in America's work zones in 2009. These people were just like you. Now they are gone forever, leaving behind shattered families, friends and coworkers.

National Work Zone Awareness Week is April 19-23. The theme for this year is “Work Zones Need Your Undivided Attention.” Distracted driving is a contributing factor to many crashes.

The national kickoff event will be held in New York City on April 19 at Battery Park adjacent to the Whitehall Ferry Terminal. There is an active work zone next to the location.

AASHTO has produced a short but powerful public service announcement. To view the PSA, visit <http://www.youtube.com/watch?v=CdgdK1imM>. Share the message with everyone you know. The life you save may be your own or that of someone you love.

To download the 2010 National Work Zone Awareness Week Poster visit http://www.atssa.com/galleries/default-file/NWZAW_2010-REDUCED.pdf.

For more resources, visit www.workzonesafety.org.



Questions On SWaM Certification

A number aggregate producers in Virginia have been contacted regarding the need to recertify their status as a SWaM (Small, Women and Minority owned) by the Virginia Department of Minority Business Enterprise. Questions have arisen concerning the type/amount of information that is requested, particularly as it pertains to companies that fall under the "Small" designation (under 250 employees). Of particular concern is the request for photo ID's of corporate officers and copies of corporate board minutes and bylaws.

There seems to be no real need for that information to verify a business as "Small" using the 'size of employee' criteria. Additionally, much of the information that is on the 1120 Federal Tax Form, which is required for recertification, seems unnecessary as well. Samuel Hayes, Director of DMBE, has been contacted with the industry's concerns. He requested that a letter outlining the concerns be sent to him. On behalf of the membership, VTCA has written Mr. Hayes clearly conveying numerous concerns with the amount and detail of information required for "Small" recertification.

A response is anticipated in the near future. If you have questions in the meantime please contact Sam Hollins at 804-330-3312.

Holmes National Meeting Coming To Virginia

The 2010 National Meeting of the Joseph A. Holmes Safety Association is coming to Virginia Beach. The meeting and training seminar will run June 8 – 10 and will be held at the Holiday Inn Sunspree. This year's meeting will offer a number of safety related workshops covering a multitude of topics including powered haulage, welding, independent contractors, MSHA updates, blasting safety and many more.

You can register for the meeting by going to www.holmessafety.org and clicking on the Events tab. The local Virginia chapter of the Association, The Virginia Dogwood Council, will be providing support for this important function. For more information contact Al Simonson at 507-351-2381 or Robert Glatter at 703-235-0249.

Spring Conference Offers Great Sessions For Producers

The VTCA Spring Conference and Trade show is just two weeks away, April 14-16 in Hampton. There is a tremendous slate of topics and geared just for aggregate producers.

Adele Abrams, a recognized expert on mining laws and mine safety and health, will be speaking on MSHA issues. This could not come at a more appropriate time, given the mood of MSHA lately especially concerning inspections and the general interpretation of the regulations. You won't want to miss her comments and insights as the industry's leading legal specialist on MSHA matters. Other topics developed specifically for producers include crusher automation, tips on blasting public relations, fines recovery, automated production data systems, changes at VDOT that affect producers and more.

If you have not registered for the Spring Conference you can do so at www.vtca.org. If you have any questions please contact Sam Hollins at 804-330-3312.

Be Recognized For Community Excellence

Information on the VTCA 2009 Community Excellence Awards was recently sent to all aggregate producers. The deadline for applications is June 1. Please begin to gather pertinent information regarding a community-related project performed by your operation last year and get your submission in by the deadline.

You owe it to your company to be recognized for the great work you do in your community! Visit http://vtcaonline.com/images/uploads/community_excellence09.pdf for all the details.

Members Receive NSSGA Awards

Each year the National Sand, Stone and Gravel Association presents an array of awards recognizing excellence in the industry. Winning an award designates an operation as having achieved a level of excellence in safety and health, environmental stewardship, community involvement, plant appearance or market innovation. VTCA salutes these members:

Excellent in Community Relations Awards

Luck Stone Corporation – Gilmerton Yard, Chesapeake

Vulcan Materials Company – Springfield Quarry, Glen Allen

Environmental Excellence Award

Boxley Materials Company – Piney River Quarry, Arrington

Vulcan Materials Company – Augusta Quarry, Staunton

Sterling Safety Award

J.F. Allen Company

Thomas Rutherford, Inc. is pleased to announce its merger with Marsh & McLennan Agency (MMA), a subsidiary of Marsh, Inc. The merger makes MMA the country's 13th largest insurance agency. Rutherford is one of the most highly-regarded brokerage firms in the country. During the last 30 years, the senior management team has built the premier franchise in the Southeast and Mid-Atlantic region. Rutherford's top three executives, Thomas D. Rutherford, Jr., chairman, and Vice-Chairmen Thomas R. Brown and George A. "Shad" Steadman, III will continue to lead the regional business. All of Rutherford's employees will remain with the firm and join the MMA network. The firm will continue to operate under the Rutherford name.

"Joining MMA represents an exciting opportunity for our firm to build upon the strong foundation we have forged over the last 30 years." said Tom Rutherford, Jr. "Together, we will offer greater resources and a broader platform to serve the emerging needs of our clients as they address the increasingly complex risks associated with operating in today's dynamic business environment."

Congratulations to Jim Tanner, **Denton Concrete Services Company**, on his recent hole-in-one. He used a 9-iron to ace the 148-yard 17th hole at Meadowbrook Country Club in Richmond.

After 61 years at VTCA, we miss **Margie McGee**. We know she has many friends in the industry, so if you'd like to keep in touch, her e-mail address is margiemcgee28@gmail.com.

The renovated headquarters of **Lanford Brothers Co.** has achieved silver LEED status, the first in Botetourt County, Virginia to earn the coveted LEED certification. LEED is the rating system of the U.S. Green Building Council whereby buildings earn credits for incorporating various features that reduce their impact on the environment or improve the well-being of occupants. Buildings must satisfy specific prerequisites in six categories: sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality and innovation in design. The 8,800-square-foot facility features a vegetative roof with rain garden, low-flow plumbing, natural light, high performance mechanical equipment and construction materials with a high percentage of recycled content.

Moffatt & Nichol is pleased to announce that former Virginia Secretary of Transportation Pierce Homer has joined the firm as Transportation Director. Mr. Homer has more than 25 years of experience in transportation, land use and public-private partnerships. He will focus on expanding and enhancing the firm's extensive and successful practices in those areas.

As Secretary, Homer led a \$4.5 billion annual program spanning all modes of transportation and employing more than 10,500 employees. He led the development of nationally recognized programs in public-private partnerships; land use and transportation integration; freight and passenger rail enhancements; organizational accountability; and fiscal and financial transparency.

Prior to his appointment as Secretary of Transportation, Homer served as Deputy Secretary of Transportation. From 1987 to 2002, he worked for Prince William County, Virginia, rising to the position of Deputy County Executive.

Donald E. Stone, Jr., PE, an engineer with nearly 30 years' experience, will serve as the next Chief Executive Officer of **Dewberry** effective April 2nd. Stone joined Dewberry in December 2008 and has been serving as Dewberry's COO and infrastructure engineering services practice area leader. He graduated from The Citadel with a B.S. in civil engineering.

Dan M. Pleasant, PE, president of Dewberry's southeast division, has been chosen as the new Chief Operating Officer. He has spent 30 years of his career with Dewberry. He is a graduate of North Carolina State University, where he received his bachelor's and master's degrees in civil engineering.

Stone will succeed the retiring Ronald L. Ewing, PE, RLS, who has been with Dewberry since 2002. In addition to ensuring smooth transitions for Stone and Pleasant, Ewing may continue to be involved with Dewberry on various initiatives.



Welcome To Our New Members

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Halcrow delivers planning, design and management services for developing infrastructure and buildings worldwide. Specializing in engineering services, design, construction management, project management, public-private partnerships, transportation and maritime projects.

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Fax: 571-403-3719
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President & CEO: Scott Wray
Vice President: Gary Schworm
VTCA Contact: Forrest Heinle

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Phone: 804-518-0361
Fax: 804-518-0363

Member: Scott Wray
Member: Gary Schworm
VTCA Contact: Mitch Upton

Join Your Colleagues for the 2010 Annual Meeting July 15 - 18, 2010

Plan to benefit from a thought-provoking, educational and enjoyable Annual Meeting in Virginia Beach. The program will include these valuable sessions:

- Dialogue with VDOT Leadership
- Succeeding in Times of Change
- Effective Ways to Build Successful Teams
- 2010 Virginia General Assembly – the Good, the Bad and the Ugly
- Federal Reauthorization – 78 Million Jobs Depend on It
- Business/Construction Law Update

The newly renovated Wyndham Virginia Beach Oceanfront is situated on the tranquil north end of the beach, featuring an indoor/outdoor heated pool, hot tub, full fitness facilities, sauna, bicycle rentals and a shuttle to the Boardwalk. The hotel also has an award-winning restaurant, a pub, a snack stand, oceanfront bar and outside patio

The program and registration materials are scheduled for release the first week of May!



Attention Golfers – Save These Dates!

April 16 – VTCA Spring Conference Golf Tournament at Stonehouse Golf Club, Williamsburg

April 30 – Hilliard Charity & Fellowship Outing at Bowling Green Country Club, Front Royal

June 8 – 8th Annual Virginia Highway Workers Golf Tournament at Hunting Hawk Golf Club, Glen Allen

July 16 – VTCA Annual Meeting Golf Tournament at Virginia Beach National, Virginia Beach



PPTA: 15 YEARS AND COUNTING

*Chuck Wall, Attorney/Partner
Williams Mullen*

It may be hard to believe, but 2010 marks the 15th anniversary of Virginia's Public-Private Transportation Act of 1995 (PPTA). The law was entered into the Acts of Assembly on April 3, 1995, beginning a new chapter in the procurement of transportation construction in the Commonwealth.

More Timely, Less Costly

The PPTA allows private companies to enter into contracts with public entities to develop and operate certain transportation facilities. In its original policy statement, the PPTA pointed to the role the private sector might play in delivering roads "in a more timely or less costly fashion." The legislation sought the expansion and acceleration of transportation funding, enabled by "the greatest possible flexibility in contracting." In many ways, the purposes and processes that make up the PPTA became examples for other states to follow.

What's Happened?

Over the past 15 years, the PPTA has seen its share of successes but also elicits mixed reviews. The Pocahontas Parkway, a nine-mile, four-lane toll road that connects I-95 and I-295 south of Richmond, was the first project to launch the PPTA into the national spotlight. Upon its completion in 2002, the Pocahontas Parkway was highly acclaimed for its tax-exempt financing and non-traditional risk-allocation program. It is equally well-known for the low traffic volume that led to VDOT's 2006 concession of the project, also under the PPTA.

Other VDOT projects that are completed or moving forward under the PPTA include:

- ◆ Route 288 (west of Richmond).
- ◆ Jamestown 2007 (Route 199 around Williamsburg).
- ◆ Route 28 (interchanges in Fairfax and Loudoun Counties).
- ◆ Capital Beltway (I-495) HOT Lanes.
- ◆ Coalfields Expressway (Wise, Dickenson and Buchanan Counties).
- ◆ Route 58 (Hillsville to Stuart).
- ◆ Downtown/Midtown Tunnels and MLK Extension (Norfolk and Portsmouth).

The I-95/395 HOT Lanes project remains under negotiation. Unfortunately, VDOT commenced consideration but has not pursued completion of several PPTA endeavors that include I-81, Hampton Roads Third Crossing, Dulles Rail and U.S. 460.

While VDOT and its Innovative Project Delivery Division are rightfully the headliners, local governments are also in on the PPTA action. Examples include Henrico County's agreement for the North Gayton Extension and Prince William County's recent improvements to Route 15.

Over these first 15 years, some PPTA projects have proceeded on a design-build basis but without any true innovation in funding sources or mechanisms. The Pocahontas Parkway, Coalfields Expressway, and Capital Beltway HOT Lanes projects are three public-private partnerships that involve non-traditional financing. However, some other PPTA projects have focused on the timely delivery side of the equation rather than private equity, concessions, or other at-risk capital components.

What's Next?

What will the next 15 years bring? How about the next four? Before entering office, Governor McDonnell expressed strong support for the PPTA and the key role it can play in solving challenges involving major priority projects. The industry is waiting to see how that plays out, and the factors are anything but constant: availability of government funding and incentives (or lack thereof), public tolerances for tolls, the overall economy, strategies of concessionaires and infrastructure funds, and appetites for risk among public and private entities. Project timing, government and community support, economic development aspects, and quality of proposal teams – all of these will continue as paramount determinants, as well.

In any event – despite all of the variables and unknowns – it is difficult to foresee a future in which VDOT and local governments do not accelerate use of the PPTA, to take more and better advantage of its ingenuity as a procurement tool. Perhaps not tomorrow, but somewhere down the road.