P3 Project Delivery: Effects on the Environmental Review and Permitting of the Portsmouth Bypass

Gregory E. Snowden
Biolongist/Project Manager
Davey Resource Group

OTECE
October 27, 2016
Columbus, Ohio
P3 Project Delivery: Effects on the Environmental Review and Permitting of the Portsmouth Bypass

The E is for Edward

Gregory E. Snowden
Biologist/Project Manager
Davey Resource Group

OTEC
October 27, 2016
Columbus, Ohio
Overview

- What is a P3 project?
- Introduction to the Portsmouth Bypass (SCI-823)
- Effects on:
  - Regulatory Permitting
  - NEPA & Environmental Review
- Conclusions and Lessons for Future Projects
What is a P3 Project?

- Public-private partnership

“...mechanism for a government to procure and implement public infrastructure and/or services using the resources and expertise of the private sector” – World Bank Group

- We think of transportation, but P3 can take many forms:

  - Recreation Area Management
  - Public Lottery Management
  - Public School Construction
What is a P3 Project?

- P3 projects can vary in the level of financial risk that is transferred from public to private sector
- Not every P3 project is a glowing success...
  - Indiana Toll Road
  - Sold to private foreign investors in 2006 for $3.8 billion
  - Company filed for bankruptcy in September 2014
Portsmouth Bypass (SCI-823)

- Southern Ohio Veterans Memorial Highway
- 16-mile, 4-lane, divided, limited access highway
- Bypasses 26 miles of US-52 and US-23 through Portsmouth
- Improve safety and efficiency compared to the existing corridor
- $450 million construction cost
Portsmouth Bypass (SCI-823)
Portsmouth Bypass (SCI-823)

- Why was P3 process pursued for Portsmouth Bypass?
  - ODOT conducted project delivery alternatives study
  - P3 (design-build-finance-operate-maintain)
  - Public sector (design-bid-build)
Portsmouth Bypass (SCI-823)

- P3 selected for a number of reasons, including:

**COST**
- Payments spread out over 40 years
- Price certainty over long term
- P3 eligible for 35 year TIFIA loan

**SCHEDULE**
- Entire project completed up to 8 years earlier vs. traditional project delivery

**EFFICIENCIES**
- Reduced number of contractual interfaces, minimizing potential disputes
Portsmouth Bypass (SCI-823)

- P3 resulted in a very large project being delivered much faster when compared to traditional methods
- The speed and nature of the contract created regulatory/permitting and environmental compliance challenges...
Regulatory & Permitting

- 404 & 401 Permitting
  - Impact quantity was large – ODOT requested authorization to fill more stream footage than any other single project
    - No-build zones critical in documenting avoidance to agencies
  - Mitigation need was comparatively large and delivery timeframe was tight - $$$

Headwater stream, Scioto County
Regulatory & Permitting

- 404/401 permitting ~1.5 years from submission of applications
- ODOT likely over-mitigated for streams...
  - Disturbance was assumed from ROW to ROW for Phases 2 & 3, but in reality the impacts were not as great as what was permitted - $$$
NEPA & Environmental Review

- Final Environmental Impact Statement (EIS) issued in 2005
- Project had to be re-evaluated due to phasing (2 & 3 developed using design-build – ROW to ROW disturbance assumed as no detailed designs completed)
- New EIS Reevaluation issued in 2014
NEPA & Environmental Review

- Environmental commitments, obligations, conditions, and responsibilities during construction and operation were transferred to the developer.
- Environmental Consultation Management Plan (ECMP) developed as required by project agreement
  - Environmental Compliance Specialist

NO tree cutting between April 1 and September 30!
P3 Take Home Messages

✓ Coordinate with regulatory agencies right away! Plan for lengthy permit review and ensure that the project delivery schedule does not conflict ($$$)!

✓ Initiate mitigation process earlier in project review!

✓ Have a plan in place for managing environmental commitments!
Questions/Comments?
Greg Snowden, Davey Resource Group
greg.snowden@davey.com, 330-673-5685 x8008