

Connecticut Public Transportation Commission
Minutes of February 2, 2012

ConnDOT Headquarters, Conference Room B
2800 Berlin Turnpike, Newington

Attendance: Members: Kevin Maloney, Richard Schreiner, Mort Katz, Russ St. John, Richard Sunderhauf, Ed McAnaney, Richard Carpenter, Alan Sylvestre, Robert Rodman. **Ex-officio members:** Connie Medolia and Fred Riese (DEEP). **ConnDOT staff:** Charlene Casamento, Michael Sanders, Dan Smachetti, Dennis King. **Guests:** Terry Hall, Jan Lindberg, Kim Dunham, Jamie Young.

Chairman Maloney called the meeting to order at 1:30 pm. The minutes of the meeting of January 5 were accepted as written after noting that Mort Katz was mistakenly omitted from the list of members in attendance at that meeting.

Featured Speaker

Charlene Casamento, ConnDOT Bureau Chief for Finance and Administration, provided an overview of the public/private partnership and 35-year agreement to upgrade Connecticut's 23 service plazas along Interstates 95 and 395 and Route 15. ConnDOT sought one private company which would be responsible for all activities at the service plazas rather than having to deal with several food vendors and the fuel vendor, and to ensure redevelopment activities were unified. This determined the structure of the request for proposals which was released in July 2008 and resulted in two bids submitted in December 2008.

The contract covers the 23 service plazas, which were generally antiquated and falling apart. Thirteen of the plazas offered only convenience stores, in addition to the fuel, while ten had food vendors on site.

The selection of the winning bidder to manage the service plazas was undertaken by ConnDOT and OPM. The final negotiated contract was also reviewed by an independent, third party financial analyst. The final contract calls for a minimum of \$178 million in private investment over the first 5 ½ years of the contract with an additional \$52 million invested over the remainder of the 35 years, including \$17 million invested in the last five years. The 35-year term of the contract is the result of the significant capital investment put forth by Project Service coupled with the fact that a large number of underground fuel storage tanks that are being installed early in the redevelopment program will come due for replacement just before the end of the 35-year term. The 35-year contract term places the responsibility for tank replacement on Project Service which will which also ensure that any environmental contamination that might be identified as part of the tank swap would be addressed by the current contractor rather than leaving it for the next operator to deal with.

The concessions agreement transfers the risk for the cost of redevelopment, including any construction cost overruns for the physical upgrade of the plazas, from the State to the service plaza developer/operator, Project Service LLC. The State will receive a percentage of

the non-fuel sales at the plazas as well as a cents per gallon fee on all gas sold. These two percentages will increase during the term of the contract.

The concession agreement requires that the initial redevelopment of the 23 service plazas must be completed by May 2015. The current construction schedule contemplates completion by spring of 2014, but an additional year is allowed for construction under the contract. The redevelopment of the 23 plazas will incorporate an aggregate increase in square footage from 167,854 s.f. to 209,625 s.f., as well as increases in the parking capacities for cars, trucks and buses, respectively, from 1,270 to 1,484 spaces, from 201 to 329 and from 25 to 33. The increases in truck parking will occur at Darien (54 new spaces), Fairfield (27 new spaces), Milford (42 new spaces) and five new spaces north of the I-91 interchange. Eighty-two truck-idling reduction modules will be incorporated at locations along Interstates 95 and 395.

The first two service plazas on Interstate 95 to be completed will be the southbound and northbound plazas at Milford which are currently projected to reopen in March of this year. Work has also commenced at the NB and SB Plainfield plazas on I-395. Other sites on which work will begin in 2012 are the Fairfield plazas on the Merritt Parkway, and the NB and SB Darien plazas, the NB and SB Branford plazas, the NB and SB Greenwich plazas, Montville and Orange, all on Interstate 95. The contract specifies that no two consecutive plazas in a given direction on any road can be closed at any given time.

The North Haven plazas on Route 15 have already been completed. The fueling islands were moved from in front of the buildings to slightly beyond the buildings. This change opened up the view of the buildings and allowed for a much longer, safer deceleration distance for cars before they encounter the fueling islands. Dunkin Donuts and Subway outlets were added at the two North Haven sites, as will be the case at all Route 15 service plazas with the exception of the Fairfield SB plaza which cannot be expanded due to the presence of a local road located immediately behind the plaza.

Truck idle-reduction equipment has been installed at the Milford service plazas and will be installed at other Interstate 95 sites. The use of such technology not only results in less pollution but also less engine wear, thus prolonging truck engine life. Dan Smachetti noted that some drivers may be reluctant to use these units because, whereas the trucking companies will reimburse drivers for fuel expenses, many don't reimburse drivers for electricity or other fees. As with other goods and services offered at the service plazas, the State will share in the revenues from the idling-reduction units.

In a similar vein, the underground infrastructure to accommodate future electric vehicle charging stations is being added at all service plazas. Solar panels are also being incorporated wherever they can be fit in. At North Haven, the panels are ground-mounted while at Milford they are on the fueling island canopies. The service plazas will also have full emergency power capabilities.

Casamento noted that a 1960 law grandfathered all existing service plazas as to their ability to serve food and sell fuel.

Other features of the new service plazas include multiple drive-through lanes for different food vendors at the larger locations, the capacity to fill multiple diesel fuel tanks simultaneously (at Darien, Milford and Madison) and traveler information kiosks on the Interstate 95 and the Plainfield SB I-395 plazas. All the upgraded plazas will also be fully ADA compliant.

The majority owners of Project Service LLC are DAI, which is the parent of Subway, Subcon, which is the Connecticut development company for Subway, and the Carlisle Infrastructure Investment Fund.

Dick Carpenter complimented the attractive appearance of the new Milford service plaza.

Exxon Mobil, the previous service plaza operator, has taken responsibility for their share of pre-existing contamination problems at the service plaza sites. The Exxon Mobil settlement agreement provides \$18 million for remediation work. Casamento noted that by addressing the pre-existing contamination at the time of redevelopment, we can take more aggressive options for remediation since the sites will be closed and available for excavation. Septic improvements and improvements to stormwater runoff are also being implemented.

Economic benefits of the new service plaza agreement have been estimated at \$500 million over the life of the contract and include 750 jobs retained and 250 new permanent jobs created. A single prime contractor for all plazas provides clear accountability. New tourist welcome centers are being incorporated into the northbound Greenwich and Darien plazas.

Dick Carpenter asked if over-the-highway rest area designs were considered. Dan Smachetti said they were considered but they really don't work here for a number of reasons.

Tom Cheeseman

In light of the passing of former Commission chairman Tom Cheeseman on Monday, Chairman Maloney suspended the remainder of the agenda. He read the Hartford Courant obituary for Tom and called for a moment of silence in honor of Tom. Members of the Commission then offered their testimonies and memories of Tom.

Chairman Maloney adjourned the meeting at 2:44 pm.