

AGENDA

Hampton Roads Transportation Accountability Commission

Regular Meeting

April 19, 2018

12:30 p.m.

The Regional Board Room

723 Woodlake Drive, Chesapeake, VA 23320

1. Call to Order

2. Approval of Agenda

- *Recommended Action: Approval*

3. Public Comment Period

- *Limit 5 minutes per individual*

4. Chair Comments

- A. **Chair's Comments**
- B. **Appointment of a Nominating Committee**

5. Consent Items

- *Recommended Action: Approval*

A. **Minutes of the December 14, 2017 Regular Meeting (Attachment 5A)**

B. **Authorization of a Public Hearing – Draft HRTAC P3 Guidelines (Attachment 5B)**

C. **Amendments to Project Agreements relating to Bond Trustee and Tax Covenants (Attachment 5C)**

D. **De-Allocation of HRTAC Project Funds Returned by VDOT - HRTAC Adopted FY2016-FY2023 Funding Plan Adjustments (Attachment 5D)**

E. **Post Issuance Bond Compliance Policy (Attachment 5E)**

6. Action Items

- *Recommended Action: Discussion/Endorsement/Recommendation/Direction*

A. **Authorization of Public Hearing on the FY2019 Budget (Attachment 6A)** – Finance Chair Wagner - Recommended Action: Discussion/Approval

B. **Authorization of Public Hearing on the Proposed HRTAC FY2019-FY2024 Plan of Finance Update (Attachment 6B)** – Finance Committee Chair Wagner, Executive Director Page, and PFM Financial Advisors - Recommended Action: Discussion/Approval

- C. **Authorization of a Public Hearing on the HRTAC Proposed 2045 Plan of Finance Update (Attachment 6C)** – Finance Committee Chair Wagner, Executive Director Page, and PFM Financial Advisors - Recommended Action: Discussion/Approval

7. Information Items

- A. **Legislative Update** – Finance Committee Chair Senator Wagner
- B. **Regional Fuels Tax Collection** - DMV Commissioner Holcomb
- C. **HRTAC Initial HRTF Revenue Bond Sale** – Finance Committee Chair Wagner, Executive Director Page, and PFM Financial Advisors
- D. **HRTAC Monthly Financial Report** – Finance Committee Chair Senator Wagner
- E. **VDOT HRTAC Project Update, HRBT** – VDOT Administrator Utterback

8. Next HRTAC Meeting: Annual Organizational Meeting – June 21, 2018, 12:30 p.m., Regional Building Board Room

9. Adjournment

Agenda Item 5A
Consent Item

To: Chair Hipple and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: April 19, 2018

Re: December 14, 2017 Regular Meeting Minutes

Recommendation:

The Commission is asked to approve the Commission's December 14, 2017 Regular Meeting minutes.

Background:

The Commission approves meeting minutes for the permanent record of the Commission.

Fiscal Impact:

There is no fiscal impact in relation to this Consent Item.

Suggested Motion:

Motion is to approve the minutes of the Commission's Regular Meeting on December 14, 2017.



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**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the December 14, 2017 Regular Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Regular Meeting was called to order at 12:30 p.m. in the HRTPO Regional Board Room, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Members in Attendance:

Michael Hipple, Chair	Frank Rabil
Linda T. Johnson, Vice Chair	John Rowe
Rex Alphin	William D. Sessoms*
John Cosgrove	Thomas G. Shepperd
James Gray (for Donnie Tuck)	Frank Wagner
Herbert Green (for Eugene Hunt)	Rick West
Chris Jones	
McKinley Price	
Barry T. Porter	

HRTAC Executive Director

Kevin Page

HRTAC Ex-Officio Members in Attendance:

Charlie Kilpatrick	Cathie Vick
John Malbon	

Other Participants:

Doug Smith	Randy Keaton
James Baker	Randy Martin
Mary Bunting	Dawn Merkle
Bryan Hill	Neil Morgan
Tom Inglima	James Utterback
Michael Johnson	

HRTAC Voting Members Absent:

Kenneth Alexander	Christopher Stolle
Paul Freiling	David Yancey

HRTAC Ex-Officio Members Absent

Jennifer Mitchell

* Denotes Early Departure (After Votes on Action Items)

Others Recorded Attending:

Kelly Lackey (CH); Wynter Benda, Thelma Drake, Morgan Whayland (NO); Jerri Wilson (NN); Rob Matthias (VB); Julie Burger, Nancy Feldman, Kristen Fontana, John Gergely, Will Wampler (Citizens); Donna Sayegh (Citizens for Self-Government); Joel Acree (IOW); George Consolvo (Kaufman and Canoles); Robert E. Algar (Lane); Chuck Eastman (Michael

Baker Inc.); Theresa Leon (PBMares); Nelson Bush, David Miller, Liang Shan (PFM); Chuck Cayton (RK&K); Mercedes Holland (US NAVY); Scott Forehand, Nicole Peals, Don Quisenberry, Amber Riviere (Veteran Reporters); Tony Gibson, Martha Gross, Paula Miller (VDOT); Fred Parkinson (WSP); Mike Gooding (WVEC TV); Nancy Collins, Danetta Jankosky, Mike Long, Chris Vaigneur (HRPDC); Jennifer Coleman (HRTAC); Rob Case, Robert Crum, Michael Kimbrel, Camelia Ravanbakht, Joe Turner (HRTPO)

Call to Order

Chair Hipple called the meeting to order at 12:30 p.m.

VDOT Commissioner of Highways, Mr. Charlie Kilpatrick noted the meeting was his last in his current role and highlighted the milestones HRTAC reached during his tenure. He further reviewed the HRBT project, including project timeline, and the number of additional travel lanes.

Approval of Agenda

Mr. Rex Alphin Moved to approve the agenda; Ms. Linda Johnson seconded. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

Ms. Donna Sayegh expressed her concerns regarding the new express lanes and the economic hardships of tolls on the residents on the region. She further stated her displeasure with the communication of local transportation policies and actions to the citizens.

Mr. John Gergely expressed concerns with the new express lanes and its restricting access to lower income residents.

Consent Items

A. Minutes of September 21, 2017 HRTAC Regular Meeting (Attachment 5A to Agenda Packet)

Mr. Rex Alphin Moved to approve the minutes of the September 21, 2017 HRTAC Regular Meeting; seconded by Ms. Linda Johnson. The Motion Carried.

Action Items

A. HRTAC Bond Financing Update – Plan for Initial HRTF Revenue Bond Offering

HRTAC Executive Director, Kevin Page reminded the Commission of action taken at the September 21, 2017 regular HRTAC meeting and indicated those activities prepared the Commission to move forward to issue bonds in the first quarter of 2018.

Finance Committee Chair, Frank Wagner, summarized the evaluation process in regards to the issuance of the bonds and emphasized the need for a floor on the gas tax to further the effectiveness of the bond proceeds.

Mr. David Miller, PFM, provided members a presentation, including slides depicting the different types of bonds and rates of return. He further stated the market was currently

favorable due to historically low interest rates, and he reviewed potential bond repayment terms.

Delegate Chris Jones questioned the length of the bond repayment terms.

Mr. Rex Alphin Moved that the Commission approve the plan for an initial 2018 HRTAC Hampton Roads Transportation Fund (HRTF) Bond Revenue Offering under which up to \$500 million in HRTF Senior Lien Revenue Bonds would be issued, beginning during the first Quarter of Calendar Year (CY) 2018, and confirm its preparedness to consider appropriate actions and provide the appropriate authorizations necessary to advance the issuance; seconded by Mr. Tom Shepperd. The Motion Carried.

B. HRTAC Bond Underwriter Pool RFP

HRTAC Executive Director Page explained the role of the bond underwriters and reviewed the RFP process that was conducted. He further explained that the RFP Evaluation Committee recommended, and the Finance Committee endorsed, (i) a pool of potential underwriters, comprised of all who submitted proposals, as well as (ii) a short list of three from such pool for the Commission's inaugural bond offering.

Finance Committee Chair Wagner informed the Commission that the RFP Evaluation Committee recommended Wells Fargo as the lead underwriter with Merrill Lynch and JP Morgan serving as co-underwriters for the inaugural offering.

Mr. Rex Alphin Moved that the Commission approve: 1) the recommended list of Bond Underwriters to be included in the Commission's Pool of potential underwriters; and 2) the three Bond Underwriters from the Pool that have been selected to be engaged in the inaugural HRTAC Bond Offering, and the Commission authorize the HRTAC Chair to execute and deliver the necessary agreement with the selected HRTAC Bond Underwriters to be engaged during the Calendar Year 2018 bond issuance process; seconded by Dr. McKinley Price. The Motion Carried.

C. HRTAC Bond Trustee RFP

HRTAC Executive Director Page reviewed the bond trustee RFP process with the Commission and stated that Wilmington Trust was the firm recommended by the RFP Evaluation Committee and endorsed by the Finance Committee.

Delegate Chris Jones Moved that the Commission accept the Bond Trustee RFP Evaluation Committee's recommendation to award a contract to the selected firm, approve the issuance of an intent to award the contract to that firm, and authorizes the ultimate execution and delivery by the HRTAC Chair of the necessary agreement with the selected HRTAC Bond Trustee to be engaged for the inaugural HRTAC Bond Offering and any future senior or subordinate lien HRTF Revenue Bonds issued pursuant to the Indenture; seconded by Dr. McKinley Price. The Motion Carried.

D. HRTAC Initial HRTF Revenue Bond Offering – Issuance of Senior Lien Revenue Bonds

HRTAC Executive Director Page outlined the actions that had been taken to prepare for the bond offering. HRTAC Counsel, Tom Inglima, asked that the proposed bond resolution be

displayed on the overhead screen and proceeded to review the terms of the proposed bond resolution for Commission members, including the delegation of authority, and the parameters on that delegation, under the resolution.

Members questioned the repayment term limit of 40 years and asked if these bond terms had been used in the past. Mr. Miller of PFM indicated the Chesapeake Bay Bridge Tunnel and the High Rise Bridge projects had 35-year bond terms.

Delegate Chris Jones questioned who had the authority to change the term limits from 30 years to 40 years. Mr. George Consolvo, HRTAC Bond Counsel, stated the bond documents allowed the HRTAC Executive Director.

Dr. McKinley Price Moved to approve HRTAC resolution 2017-08 authorizing the issuance by the Commission of up to \$500 million in HRTF revenue bonds, with Wilmington Trust as the bond trustee, Wells Fargo as the senior underwriter, and Bank of America and J.P. Morgan as the co-underwriters; seconded by Senator Frank Wagner. A roll call vote was taken with the results as follows:

Mayor Rick West:	Yes.
Mayor Frank Rabil:	Yes.
Mr. James Gray:	Yes.
Mr. Rex Alphin:	Yes.
Chair Michael Hipple:	Yes.
Dr. McKinley Price:	Yes.
Mr. Herbert Green:	Yes.
Mayor John Rowe:	Yes.
Mr. Barry Porter:	Yes.
Vice Chair Linda Johnson:	Yes.
Mayor William Sessoms:	Yes.
Mr. Thomas Shepperd:	Yes.
Senator John Cosgrove:	Abstain.
Senator Frank Wagner:	Yes.
Delegate Chris Jones:	No.
Delegate Chris Stolle:	Absent
Delegate David Yancey:	Absent

The Motion Carried.

E. HRTAC Security Custody Services RFP

HRTAC Executive Director Page reminded the Commission of previous activities related to the RFP and stated the RFP Evaluation Committee recommended U.S. Bank. HRTAC Counsel Inglima provided a summary of the agreement and reviewed the motion.

Senator Frank Wagner Moved that the Commission accept the recommendation of the Security Custody Services RFP Evaluation Committee to award contract to the selected bank, approve the issuance of an intent to award the contract to that bank, and authorizes the HRTAC Chair to ultimately execute and deliver the prepared Security Custody Services Agreement with that bank; seconded by Ms. Linda Johnson. The Motion Carried.

F. HRTAC Annual Audit

HRTAC Executive Director Page noted that PBMares, LLP conducted the audit of HRTAC as required by the Code of Virginia. HRTAC Finance Chair Wagner noted this was the second audit of HRTAC without any issues, and complimented Director Page and staff for their efforts.

Ms. Linda Johnson Moved that the Commission approve the HRTAC FY2017 Audited Financial and Compliance Report and authorize the Executive Director to distribute of the report document for public access and viewing; seconded by Dr. McKinley Price. The Motion Carried.

G. HRTAC P3 Guidelines

HRTAC Finance Committee Chair Wagner noted the enabling legislation establishing HRTAC allowed the issuance of P3 documents and contracts. He stated the guidelines were needed to even receive an unsolicited P3 proposal. He explained that they wouldn't be voted on at the current meeting, but felt the current draft should be explained by HRTAC Counsel, Dawn Merkle. Ms. Merkle proceeded to review the benefits of adopting them. Delegate Jones reviewed with Ms. Merkle whether the proposed guidelines included the recent reforms which were adopted to protect the public interests.

Information Items

A. HRTF Financial Report

HRTAC Executive Director Page provided the following highlights of the HRTF Monthly Financial Report:

- \$523,897,091 in cash on hand
- Of that, \$323,645,364 is with BB&T
- \$186,279,513 is with LGIP
- \$13,972,214 is with Union Bank in several accounts

B. VDOT HRTAC Project Update

VDOT District Administrator, James Utterback, provided the following updates:

- I-64 Segment 1 on time and on schedule – delivered
- I-64 Segment 2 is making up time, bridges substantially complete by Spring
- I-64 Segment 3 was awarded last week for \$178 million
- I-64/264 Interchange Part 2 awarded last week for \$105 million
- They received Notice to Proceed on the High Rise Bridge, starting in Spring

Senator Cosgrove expressed gratitude to VDOT for the extraordinary job on the completed sections of the I-64 Widening Project.

Special Recognition of Certain Commissioners and HRTPO Staff

Chair Michael Hipple praised HRTPO Deputy Executive Director, Dr. Camelia Ravanbakht for 31 years of dedication and service. Additionally, Chair Hipple recognized and thanked Isle of Wight County Supervisor, Rex Alphin, for his time of service with HRTAC board. Finally, Chair Hipple recognized Commission Member Alan Krasnoff and remarked his Resolution of Appreciation would be presented at a later date.

Next Meeting

The next meeting will be held on April 19, 2017 at 12:30 p.m.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 1:40 p.m.

Michael J. Hipple
HRTAC Chair

To: Chair Hipple and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: April 19, 2018

Re: Draft HRTAC PPTA Guidelines

Recommendation:

The Finance Committee recommends that the Commission endorse the Draft HRTAC PPTA Guidelines and authorize the Finance Committee Chair to conduct a public hearing to solicit public comments to inform the Commission at its next meeting.

Background:

The Draft HRTAC PPTA Guidelines have been developed in accordance with the PPTA, and include details on the process for acceptance, review, negotiation, acceptance or rejection of any proposal. These Guidelines are not intended to modify or override the requirements of the PPTA, and the PPTA shall govern in the event of any conflicts between the PPTA and these Guidelines. The HRTAC PPTA Guidelines will add to the HRTAC project development and delivery tool kit by providing the conduit for the Commission to engage in a PPTA. As provided in the Draft HRTAC PPTA Guidelines, the conduit may only be accessed by Commission Action to entertain an unsolicited or solicited proposal. The Finance Committee was provided a full briefing at its December 5, 2017 meeting, and the Commission was provided a full briefing at its December 14, 2017 Regular Meeting.

Fiscal Impact:

There is no fiscal impact to the Hampton Roads Transportation Fund in relation to this Action Item.

Suggested Motion:

Motion: The Commission endorses the Draft HRTAC PPTA Guidelines and authorizes the Finance Committee Chair to conduct a public hearing to solicit public comments to inform the Commission at its next meeting.

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**Hampton Roads Transportation
Accountability Commission**

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PPTA Implementation Guidelines

**For the
Public-Private Transportation Act of 1995,
as Amended**

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I. INTRODUCTION**A. Overview of the PPTA**

The Public-Private Transportation Act of 1995, Section 33.2-1800, *et seq.* (the “PPTA”), of the Code of Virginia of 1950, as amended (the “Virginia Code”), grants responsible public entities the authority to create public-private partnerships for the development of transportation facilities for public use (“qualifying transportation facilities” or “P3 project”) if the public entity determines that they serve the public purposes of the PPTA. The PPTA provides a structure for considering both solicited and unsolicited proposals from private entities to develop and/or operate qualifying transportation facilities.

The PPTA defines “responsible public entity” to include the Commonwealth of Virginia and any political subdivision thereof that has the power to develop a qualifying transportation facility. The Hampton Roads Transportation Accountability Commission (“HRTAC”) is a political subdivision of the Commonwealth of Virginia with the authority to develop and/or operate qualifying transportation facilities within its authorized jurisdiction, and therefore is a “responsible public entity” as that term is used in the PPTA.

Under the PPTA, a private entity seeking authorization to develop or operate a transportation facility must obtain approval from the responsible public entity to do. The private responsible public entity may initiate the approval process by submitting an unsolicited proposal or the responsible public entity may request proposals.

Before a responsible public entity can approve a transportation facility under the PPTA, it must determine that the facility is in the best interest of the public. Once such a determination is made, the responsible public entity must engage in a competitive sealed bidding or competitive negotiation process consistent with the processes set out in the Virginia Public Procurement Act (“VPPA”).

B. Purpose of HRTAC’s PPTA Implementation Guidelines

The PPTA requires that, as a condition to approving any public-private partnership, a responsible public entity must first develop and adopt guidelines establishing the process for the acceptance and review of both solicited and unsolicited proposals from private entities. These Guidelines are established by HRTAC in accordance with the PPTA, and include details on the process for review, negotiation, acceptance or rejection of any proposal. In the event of any conflicts between the PPTA and these Guidelines, the PPTA shall govern.

Each P3 project is unique and certain sections or element of these Guidelines may not apply in all circumstances or may be subject to change in certain circumstances. HRTAC may modify the procurement and implementation processes set forth herein to address the specific needs of a particular P3 project. Any deviation from the processes set forth in these Guidelines by HRTAC shall not give recourse to any individual or entity for such deviation. The public, private entities submitting proposals, and other stakeholders will be

notified of modifications to procurement and implementation processes by means of a statement outlining and explaining the modifications issued with any solicitation.

C. Coordination with VDOT

Any proposals submitted to both HRTAC and the Virginia Department of Transportation (“VDOT”) will also be subject to VDOT’s comprehensive 2017 PPTA Implementation Manual and Guidelines. For any joint P3 project between HRTAC and VDOT, VDOT’s Manual and Guidelines will govern.

D. HRTAC Objectives

HRTAC was created to approve and fund new construction projects on new or existing highways, bridges, and tunnels in the localities comprising Planning District 23 (currently the Counties of Isle of Wight, James City, Southampton, and York, and the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg) (generally described herein as the “Hampton Roads” area or region). HRTAC is required to give priority to those projects that are expected to provide the greatest impact on reducing congestion for the greatest number of citizens residing within Planning District 23.

E. Overview of Process

The first step in the process for developing transportation facilities under the PPTA is to identify and screen potential P3 projects. Projects are identified in two ways: either HRTAC develops a project concept or a private entity develops a project concept on its own and submits a proposal to HRTAC for consideration.

Once a project is identified, HRTAC must make a determination that developing a facility as a P3 project is in the public interest. If it is in the public interest to procure a project under the PPTA, HRTAC will proceed to the procurement phase.

If HRTAC develops a project concept for a transportation facility that it determines should be developed as a P3 project, it will invite private entities to compete for the right to develop and/or operate the project through response to a solicitation (“Solicited Proposal”). The solicitation may proceed through either an invitation to bid (“ITB”) or request for proposal (“RFP”). During the course of developing a project concept, HRTAC may issue a request for information (“RFI”) or request for qualifications (“RFQ”) prior to the solicitation.

If a private entity develops a project concept and submits a proposal for it (“Unsolicited Proposal”), HRTAC is required to provide notice of the Unsolicited Proposal to the public. HRTAC may discontinue its evaluation of any Unsolicited Proposal at any time prior to the procurement stage. If HRTAC finds a proposed transportation facility in an Unsolicited Proposal is in the public interest and HRTAC approves it as a P3 project, HRTAC will solicit the submission of proposals from other private entities (“Competing Proposals”). If HRTAC determines that a transportation facility submitted for approval

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through an Unsolicited Proposal should not be approved, or if the project is one for which HRTAC intends to issue a request for qualifications (“RFQ”), HRTAC will return the Unsolicited Proposal to the private entity submitting it.

HRTAC will follow the competitive procurement requirements of the PPTA and VPPA for all P3 projects. HRTAC may utilize a two-step process for procurement utilizing a conceptual proposals followed by an invitation for bid or a request for detailed proposals. The term “Proposer” used in these Guidelines refers to a private entity or team of private entities, whether a joint venture, partnership, or any other type of association or legal entity, submitting a Solicited Proposal or an Unsolicited Proposal.

HRTAC may, at its discretion, enter into an Interim Agreement with one or more private entities for the purpose of project planning, design, engineering, environmental analysis and other similar activities. Prior to the development of a transportation facility under the PPTA, HRTAC will enter into a Comprehensive Agreement with the private entity pursuant to the requirements of the PPTA.

II. SOLICITED PROPOSALS

A. Identification of Projects and Solicitation of Proposals

HRTAC may identify and screen projects to determine whether a project is a potential candidate for P3 project delivery.

At its discretion, HRTAC may issue a RFI inviting private entities to express an interest in developing one or more qualifying transportation facilities or seeking additional information and comment from interested stakeholders. RFIs may also include public briefings to further discuss elements of the project under consideration, including seeking input which improve or refine the scope, risk allocation and technical requirements of the project being developed.

Once a project is identified as a potential P3 project, HRTAC must determine if it is in the public's interest to use the PPTA rather than other procurement methods to develop and/or operate it. Upon a finding in the public's interest (See Section ____ of these Guidelines), HRTAC may issue an ITB or RFP for the qualifying transportation facility (a bid or proposal submitted in response to an ITB or RFP shall be considered a "Solicited Proposal").

HRTAC shall use competitive sealed bidding procedures consistent with VPPA Section 2.2-4302.1 unless it determines that proceeding through competitive negotiation consistent with VPPA Section 2.2-4302.2 is likely to be advantageous to both HRTAC and the public based upon:

1. the scope, complexity, and urgency of the project,
2. risk sharing including guaranteed cost or completion guarantees, added value, or proposed debt or equity investments; or
3. an increase in funding, dedicated revenue source, or other economic benefit that would not be available if competition negotiation is not used.

If HRTAC proceeds through competitive negotiation, it shall state in writing the reasons for its determination to do so.

B. Procedures for Solicited Proposals

The procedures, format, and information required to be submitted for any particular Solicited Proposal shall be specified in the ITB or RFP and shall be consistent with the requirements of the VPPA and the PPTA.

The ITB or RFP shall specify any information and documents required by HRTAC and the factors that will be used in evaluating the bids or proposals. At the discretion of HRTAC, the solicitation may be composed of two stages, a conceptual stage and a detailed stage. The requirements of proposals at the conceptual and detailed stage as set forth in the Unsolicited Proposals Section of these Guidelines are a guide for Solicited Proposals but

an ITB or RFP need not include all such requirements (except those required by law) and may include additional or other requirements. Thus, it is important that any private entity submitting a Solicited Proposal carefully review the ITB or RFP. Pre-submission conferences may be held as deemed appropriate by HRTAC.

Prior to soliciting Solicited Proposals, HRTAC may issue a separate RFQ to determine a shortlist of private entities that are qualified to submit a Solicited Proposal. Shortlisted entities will then have an opportunity to submit a Solicited Proposal for that particular P3 Project.

Any proposal submitted for a P3 project that is not received in response to an ITB or RFP shall be an Unsolicited Proposal under these Guidelines, even if HRTAC has encouraged the submission of proposals pursuant to the PPTA that address those needs.

The issuance of a RFI or RFQ does not require HRTAC to issue an ITB or RFP for the project(s).

C. No Fees for RFIs or Solicited Proposals

No fees shall be charged for processing, reviewing, or evaluating a response to an RFI.

No fee will be charged to process, review or evaluate any Solicited Proposal.

III. UNSOLICITED PROPOSALS**A. Overview**

Private entities seeking authorization to develop and/or operate a transportation facility for which HRTAC has not either issued a RFI or initiated the Solicited Proposal process may submit an Unsolicited Proposal to HRTAC. Unsolicited Proposals must adhere to the requirements set forth in this Section. HRTAC may publicize its needs and encourage interested parties to submit Unsolicited Proposals. See Section ---- below for requirements for Unsolicited Proposals.

HRTAC will not accept Unsolicited Proposals for a project that is the subject of some, or all, of an RFI until such time as HRTAC publishes a notice that it will accept Unsolicited Proposals (a notice to accept Unsolicited Proposals may be published solely on HRTAC's website).

The submission of Unsolicited Proposals shall proceed in two stages: the conceptual stage (Unsolicited Conceptual Proposal) and the detailed stage (Unsolicited Detailed Proposal). Private entities seeking authorization for a transportation facility under this Section should submit an Unsolicited Conceptual Proposal in accordance with Section ____ below. Should HRTAC decide to proceed beyond the conceptual stage, it shall request submission of the Unsolicited Detailed Proposal in accordance with Section ____ below. Unless otherwise expressly requested by HRTAC, a Proposer should not submit an Unsolicited Detailed Proposal.

If HRTAC receives an Unsolicited Conceptual Proposal that HRTAC determines, in its sole discretion, to be similar to another Unsolicited Conceptual Proposal it will treat the later received proposal as a Competing Proposal. If the later Unsolicited Conceptual Proposal is similar to an Unsolicited Conceptual Proposal for which Competing Proposals are requested as set forth in Section ____ below, HRTAC will treat that Unsolicited Conceptual Proposal as a Competing Proposal only if it is submitted within the time designated for Competing Proposals. If it is not submitted within the time period for submission of Competing Proposals, it will be considered untimely and returned to the Proposer.

Because of the consequences to a Proposer for untimely submissions, prospective Proposers are strongly urged to monitor HRTAC's website for Notice of Unsolicited Conceptual Proposals (as described in Section ____ below), RFIs, and notices to accept Unsolicited Proposals.

HRTAC may charge reasonable amounts to cover the costs of processing, review, and evaluation of the Unsolicited Proposal. The fees are set forth in Section ____.

B. Consideration of Unsolicited Proposals**1. Initial Evaluation**

Within 90 calendar days of receiving an Unsolicited Conceptual Proposal and the Initial Evaluation Fee from a Proposer, HRTAC will initiate an initial evaluation of the Unsolicited Conceptual Proposal and its concept and benefits to determine that it is in accordance with the PPTA and these Guidelines, and is consistent with HRTAC's transportation policy goals ("Initial Evaluation").

As part of the Initial Evaluation, HRTAC will review any Unsolicited Conceptual Proposal that includes the imposition of user fees to ensure it demonstrates, in accordance with Virginia Code Section 33.2-2607, that the revenues received will be used solely for programs and projects that are reasonably related to, or benefit the users of, the new or improved highway, bridge or tunnel project that is being proposed.

Based upon the Initial Evaluation, HRTAC may reject an Unsolicited Conceptual Proposal and return it to the private entity submitting it, or HRTAC may decide to continue with consideration of it. HRTAC may require additional fees as set forth in Section ___ below to continue consideration of the Unsolicited Conceptual Proposal.

2. Evaluation of Public Interest and Other Considerations

If HRTAC decides to continue consideration of the Unsolicited Conceptual Proposal after Initial Evaluation, it shall consider the advantages, disadvantages, and long- and short-term costs of the proposed P3 Project and whether:

- a. it is in the public interest in accordance with the PPTA and as set forth in Section ___ of these Guidelines.
- b. it is technically and financially feasible;
- c. it will address the needs of HRTAC's transportation plan by improving safety, reducing congestion, increasing capacity, or enhancing economic efficiency;
- d. the estimated cost and environmental impact of the proposed P3 Project are reasonable in relation to alternative facilities; and
- e. the Proposer's plans will result in the timely development and more efficient operation.
- f. It is consistent with federal requirements and potential agreements for federal funding and approval for P3 projects, if federal funding is anticipated.

Only Unsolicited Conceptual Proposals complying with the requirements of these Guidelines, including the submission of required fees, will be considered by HRTAC for further review at the conceptual stage.

3. Third Party Analysis

During the Initial Evaluation or anytime thereafter, HRTAC may engage the services of qualified consultants, which may include attorneys, architects, engineers, certified public accountants, financial advisors or other consultants not otherwise employed by HRTAC, to provide independent analyses of Unsolicited Conceptual Proposals.

C. Procurement Stage

If HRTAC finds a proposed P3 project is in the public interest and HRTAC has received the full proposal fee set forth in Section ____ from the Proposer, it may determine to proceed with procurement of the P3 project. It shall proceed with such procurement through either:

- a. Competitive sealed bidding, as defined in Virginia Code Section 2.2-4302.1, or
- b. Competitive negotiation, if it has determined in writing that proceeding through competitive negotiation consistent with VPPA Section 2.2-4302.2 is likely to be advantageous to both HRTAC and the public based upon the factors listed in Section ____ above.

Prior to the procurement stage, HRTAC may reject any and all Unsolicited Conceptual Proposals at any time by returning the Unsolicited Conceptual Proposal to the private entity submitting it.

1. Public Notice and Receipt of Competing Proposals

Within ten (10) working days of acceptance of an Unsolicited Conceptual Proposal for procurement pursuant to Section C, above, HRTAC shall post on its website the Unsolicited Conceptual Proposal and a notice ("Notice") stating that HRTAC:

- a. has received an unsolicited proposal under the PPTA;
- b. intends to evaluate the proposal;
- c. will issue an ITB or RFP seeking Competing Proposals specifying a period of time not less than ninety (90) days during which it will receive Competing Proposals (HRTAC may provide for more than ninety (90) days for submission of Competing Proposals in situations where HRTAC deems, in its sole discretion, that scope or complexity of the original proposal warrants additional time for potential competitors to prepare proposals);
- d. will make available for public inspection a copy of the Unsolicited Conceptual Proposal at the HRTAC office during normal business hours; and

- e. will receive public comments for a specified period of time not less than 30 days from date of Notice, explain how comments may be submitted, and may, at HRTAC's sole discretion, provide for a public hearing on the proposed P3 project.

Trade secrets, financial records, or other records of the private entity excluded from disclosure under the provisions of Section 2.2-3705.6(11) shall not be required to be posted or provided for public inspection, except as otherwise agreed to by HRTAC and the private entity. Any inspection of procurement transaction records shall be subject to reasonable restrictions to ensure the security and integrity of the records.

A summary of the Unsolicited Conceptual Proposal and the location where a copy of it is available for public inspection may be published in the newspapers of general circulation in the Hampton Roads area.

If the use of state or federal funds is anticipated in any proposal, HRTAC may require that the Proposer provide additional copies of the proposal to be given to appropriate state or federal agencies.

During the period for receiving Competing Proposals or bids in response to an ITB, HRTAC may continue to evaluate the original Unsolicited Conceptual Proposal.

2. Procedure for Submission and Consideration of Competing Proposals

The Competing Proposals must follow the requirements for Unsolicited Conceptual Proposals set forth in Section ____ of these Guidelines. An Initial Evaluation Fee in the amount set forth in Section ____ below must be submitted along with the Competing Proposals.

Competing Proposals will be subject to an Initial Evaluation as described in Section ____ for Unsolicited Conceptual Evaluations. Only those Competing Proposals meeting the requirements of the Initial Evaluation will be accepted.

During the Initial Evaluation or anytime thereafter, HRTAC may engage the services of qualified consultants, which may include attorneys, architects, engineers, certified public accountants, financial advisors or other consultants not otherwise employed by HRTAC, to provide independent analyses of Unsolicited Conceptual Proposals.

3. Substantially Different Competing Proposals

If HRTAC receives a Competing Proposal which differs in meaningful ways from the Unsolicited Conceptual Proposal, HRTAC may, in its sole discretion, consider that Competing Proposal or any portion of it, as a separate Unsolicited Conceptual Proposal.

In the event HRTAC elects to treat a proposal, or part of a proposal, as a separate Unsolicited Conceptual Proposal, HRTAC will notify the Proposer. The Proposer may elect to have its proposal treated as an Unsolicited Conceptual Proposal under these Guidelines, and HRTAC will follow the procedures outlined in Sections B and C, above.

If the Proposer does not elect to treat the proposal as an Unsolicited Conceptual Proposal, HRTAC will return the proposal.

D. Proposal Review Fees

A review fee will be charged to a private entity submitting an Unsolicited Conceptual Proposal or a Competing Proposal to cover HRTAC's costs of processing, reviewing, and evaluating any proposal or competing unsolicited proposal. Such costs include but are not limited to HRTAC staff time, the cost of any materials or supplies expended, and the cost of any outside advisors or consultants, including but not limited to attorneys, consultants, financial and technical advisors, used by HRTAC to assist in processing, reviewing, or evaluating the proposal.

Review fees shall be imposed based on the reasonably anticipated costs to HRTAC in accordance with the following schedule:

1. Initial Evaluation Fee. Payment of an Initial Evaluation Fee must accompany the submission of an Unsolicited Conceptual Proposal or Competing Proposal to HRTAC. No Unsolicited Conceptual Proposal or Competing Proposal will be evaluated by HRTAC prior to submission of the requisite fee. The Initial Evaluation Fee shall be \$10,000.
2. Conceptual Phase Review Fees. After the Initial Evaluation of an Unsolicited Conceptual Proposal or Competing Proposal, if HRTAC decides to continue with consideration of the proposal, the Proposer shall pay to HRTAC a Conceptual Phase Review Fee of two and one-half percent (2.5%) of the reasonably anticipated total cost of the implementing the proposal, but no more than \$50,000, regardless of the anticipated total cost. HRTAC shall not proceed with consideration of either an Unsolicited Conceptual Proposal or Competing until the entire Conceptual Phase Review Fee has been paid in full.
3. Additional fees. Additional fees beyond the Initial Evaluation Fee and Conceptual Phase Review Fee may be imposed by HRTAC during any phase of evaluation or consideration of any proposal (other than Solicited Proposals), if HRTAC reasonably anticipates it will incur costs in excess of the Fees paid by the Proposer. HRTAC will notify the Proposer of the amount of such additional fees as and when it anticipates incurring such costs. Prompt payment of such additional fees is required before HRTAC will continue to process, review, and evaluate the proposal.
4. Reimbursement of excess fees paid. In the event the total fees paid by the Proposer exceed HRTAC's total costs incurred in processing, reviewing, and evaluating the proposal, HRTAC shall reimburse the difference. Otherwise, any fees paid to HRTAC are non-refundable.

IV. FINDING OF PUBLIC INTEREST

Prior to the initiation of the procurement of a qualifying transportation facility, HRTAC is required by Section 33.2-1803.1 of the PPTA to make a finding of public interest. At a minimum, such finding shall contain the following information:

1. A description of the benefits expected to be realized by the responsible public entity through the development and/or operation of the transportation facility, including person throughput, congestion mitigation, safety, economic development, environmental quality, and land use.
2. A description of the benefits expected to be realized by the responsible public entity through the use of this chapter compared with the development and/or operation of the transportation facility through other options available to the responsible public entity.
3. A statement of the risks, liabilities, and responsibilities to be transferred, assigned, or assumed by the private entity, which shall include the following:
 - a. A discussion of whether revenue risk will be transferred to the private entity and the degree to which any such transfer may be mitigated through other provisions in the interim or comprehensive agreements;
 - b. A description of the risks, liabilities, and responsibilities to be retained by the responsible public entity; and
 - c. Other items determined appropriate by the responsible public entity in the guidelines for this chapter.
4. The determination of whether the project has a high, medium, or low level of project delivery risk and a description of how such determination was made. If the qualifying transportation facility is determined to contain high risk, a description of how the public's interest will be protected through the transfer, assignment, or assumption of risks or responsibilities by the private entity in the event that issues arise with the development and/or operation of the qualifying transportation facility.
5. If the responsible public entity proposes to enter into an interim or comprehensive agreement through competitive negotiation, information and the rationale demonstrating that proceeding in this manner is more beneficial than proceeding pursuant by competitive sealed bidding.

V. PROPOSAL SUBMISSION PROVISIONS APPLICABLE TO ALL PROPOSALS**A. Generally**

Proposers are encouraged to propose innovative financing methods. Unless stated otherwise in a request for proposal, these financing methods may include the imposition of user fees or service payments as permitted under the provisions of the PPTA and the issuance of debt, equity, or other securities or obligations.

If the Instructions in an ITB or RFP differ from any of the provisions set forth in this Section V, the Instructions govern the submission of the bids or proposals submitted in response to that ITB or RFP.

HRTAC may require that any proposal be clarified. Such clarification may include but is not limited to submission of additional documentation, responses to specific questions, and interviews with potential project participants.

Proposals should be prepared as simply as possible, with straightforward, concise descriptions responsive to each of the requirements below or in the ITB or RFP. Proposers must submit their proposals with the required information in the order listed below.

Proposals must meet standards of professional writing established for the type of report or written material provided, must be thoroughly researched for accuracy of content, must be grammatically correct and not contain spelling errors, and must be submitted in the format outlined herein or in the ITB or RFP.

B. Submission of Proposals

One (1) original (marked “ORIGINAL”) and ten (10) copies, together with one (1) electronic copy, of the proposal must be submitted to:

Each copy shall be bound in a single volume where practical, except that information for which a claim of confidential or proprietary information is made should be submitted in a separately bound document or volume for convenience of review by HRTAC. Any such volume containing confidential or proprietary information shall be clearly marked on its cover.

C. Format and Structure of the Proposal

- The proposal shall be limited to a page size of 8 ½” x 11”, single space and type size shall not be less than 10 point font for each response item;
- All copies shall be printed on at least thirty percent (30%) recycled-content and/or tree-free paper;

- All copies shall be double-sided;
- Covers or binders shall be recyclable, made from recycled materials, and/or easily removable to allow for recycling of pages (proposals with glued bindings that meet all other requirements are acceptable);
- The use of plastic covers or dividers should be avoided;
- The proposal must contain a table of contents;
- Each proposal shall be structured so that it contains the following individual sections in the following order:
 - INTRODUCTION OF PROPOSER
 - PROJECT CHARACTERISTICS
 - PROJECT BENEFIT AND COMPATIBILITY
 - QUALIFICATIONS AND EXPERIENCE
 - PROJECT FINANCING
 - REFERENCES
 - CONFLICT OF INTEREST STATEMENT

Any proposal submitted for a qualifying transportation facility shall be clearly identified as a “PPTA Proposal.”

D. Affected Jurisdictions

Any Proposer submitting an Conceptual Proposal or Detailed Proposal to HRTAC must provide all other affected jurisdictions with a copy of the proposal by certified mail, express delivery, or hand delivery within five (5) business days of submission of the proposal to HRTAC. The Proposer is responsible for documenting delivery of the request or proposal. The term “affected jurisdiction” includes any county, city or town in which all or a portion of a qualifying transportation facility is located, and any responsible public entity directly affected by the qualifying transportation facility. If an affected jurisdiction is locality comprising Planning District 23, the Proposer is not required to provide the jurisdiction a copy separate and apart from the copies provided directly to HRTAC.

HRTAC may request comments from the affected jurisdictions, and the affected jurisdictions shall have sixty (60) days from the date of the request to submit written comments to HRTAC and to indicate whether the proposed qualifying transportation facility will address the needs identified in the appropriate state, regional, or local transportation plan by improving safety, reducing congestion, increasing capacity, enhancing economic efficiency, or any combination thereof as set

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forth in PPTA Section 33.2-1805. HRTAC will consider comments received within the 60-day period in evaluating proposals. HRTAC is not obligated to suspend or delay its evaluation of any proposal during the 60-day period for the receipt of comments from affected jurisdictions.

VI. SPECIAL PROVISIONS FOR UNSOLICITED CONCEPTUAL PROPOSALS AND COMPETING PROPOSALS

Unsolicited Conceptual Proposals and Competing Proposals at the conceptual stage must contain the following information:

A. Introduction of Proposer

- Legal Name of Proposer
- Address
- Tax ID Number (EIN)
- Type of Business Entity (i.e. Corporation, General Partnership, Limited Partnership, Unincorporated Association, Limited Liability Company, Sole Proprietorship).
- Identification number issued to the entity by the Virginia State Corporation Commission.
- Indicate whether or not the Proposer or any of its principals are currently debarred from submitting bids to HRTAC, any state or political subdivision or any Federal Department or Agency.
- Minority/DBE Status.
- Contact Person, and contact information (i.e., telephone number, e-mail address, etc.)
- Major subcontractors (over \$5 million) known to the Proposer.

B. Project Characteristics

- A topographic map (1:2,000 or other appropriate scale) indicating the location of the transportation facility or facilities and the communities that may be affected;
- A description of the project, including the conceptual design and all proposed interconnections with other transportation facilities, including a description of any components, planned initially or for the future, that are expected to generate revenue for the project or the Proposer;
- The proposed schedule for the work on the project, including the estimated time for completion of the construction of the transportation facility and the dates for operation of the facility;
- An estimate of the life-cycle cost of the transportation facility as proposed;

- A statement setting forth the method by which the Proposer proposes to secure any property interests required for the transportation facility or facilities, including whether the Proposer intends for HRTAC to acquire any such property interests;
- Information relating to the current transportation plans, if any, of each affected locality or public entity;
- A list of all permits and approvals required for developing and/or operating improvements to the transportation facility or facilities from local, state, or federal agencies and a projected schedule for obtaining such permits and approvals;
- A list of public utility's, locality's, or political subdivision's facilities, if any, that will be crossed by the transportation facility or facilities and a statement of the plans of the private entity to accommodate such crossings;
- A statement setting forth the private entity's general plans for developing and/or operating the transportation facility or facilities, including identification of any revenue, public or private, or proposed debt or equity investment or concession proposed by the private entity;
- Information on how the private entity's proposal will address the needs identified in the appropriate state, regional, or local transportation plan by improving safety, reducing congestion, increasing capacity, enhancing economic efficiency, or any combination thereof;
- A statement of the risks, liabilities, and responsibilities to be transferred, assigned, or assumed by the private entity for the development and/or operation of the transportation facility, including revenue risk and operations and maintenance;
- Identification and description of any work to be performed by HRTAC or any other public entity;
- Any anticipated adverse social, economic and environmental impacts of the project. Specify the strategies or actions to mitigate known impacts of the project. Indicate if environmental assessments have been completed;
- The projected positive social, economic and environmental impacts of the project;
- Assumptions related to ownership, legal liability, law enforcement and operation of the project and the existence of any restrictions on HRTAC's use of the project;
- Any other assumptions relied on for the project to be successful; and
- Any contingencies that must occur for the project to be successful.

C. Project Benefit and Compatibility

- The anticipated impact of the project on reducing congestion for the greatest number of citizens residing within the Hampton Roads region;
- The compatibility with HRTAC's existing funding plan and with the long-range transportation plan adopted by the Hampton Roads Transportation Planning Organization ("HRTPO");
- Description of how the project will enhance the Hampton Roads regional transportation system.
- Description of how the project will achieve performance, safety, mobility, or transportation demand management.
- Description of any known or anticipated public support or opposition, as well as any known or anticipated government support or opposition, for the project. Support should be demonstrated through resolution of official bodies, minutes or meetings, letters, or other official communications.

D. Qualification and Experience

- For the purpose of this Subsection, "major contractor or subcontractor" means any entity with whom the Proposer will contract any part of the development, construction, or operation of the proposed P3 Project with a value equal to or greater than 10% of the contract value, or, for P3 Projects over \$50 million, with a value equal to or greater than \$5 million.
- Identity of the legal structure of the firm or consortium of firms making the proposal. Identify the organizational structure for the project, the management approach and how each partner and major subcontractor in the structure fits into the overall team. All members of the Proposer's team, including major subcontractors known to the Proposer must be identified at the time a proposal is submitted for the Conceptual stage. Identified team members and major contractors or subcontractors may not be substituted or replaced once a project is approved and a Comprehensive Agreement is executed without HRTAC's written approval.
- Description of the experience the Proposer and its key principals involved in the proposed project, including experience with projects of comparable size and complexity. Describe the length of time in business, business experience, public sector experience and other engagements of the firm or consortium of firms. Describe the past safety performance record and current safety capabilities of the firm or consortium of firms. Describe the past technical performance history on recent projects of comparable size and complexity, including disclosure of any legal claims by or against the firm or consortium of firms. Include the identity of any firms that will provide design, construction and completion guarantees and

warranties and a description of such guarantees and warranties. Provide resumes of the key individuals who will be involved in the project.

- For each major contractor or subcontractor that will be utilized in the project, statement listing all of the firm's prior projects and clients for the past three (3) years with contact information for such clients (names/addresses/ telephone numbers/e-mail). If a firm has worked on more than ten (10) projects during this period, it may limit prior project list to 10, but shall first include all projects similar in scope and size to the proposed project, and second, it shall include as many of its most recent projects as possible. Each firm or major subcontractor shall be required to submit all performance evaluation reports or other documents in its possession evaluating the firm's performance during the preceding three (3) years in terms of cost, quality, schedule, safety and other matters relevant to the successful project development, operation, and completion.
- The names, addresses, e-mail, and telephone numbers of the Proposer's employee or agent who will be directly involved in the project and who may be contacted for further information.
- A current or most recently audited financial statement of the Proposer and all entities with an equity interest of twenty percent (20%) or greater in the Proposer. For each, submit the most recent Securities and Exchange Commission 10-K and 10-Q reports if applicable.
- Identity of any persons known to the Proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to The Virginia State and Local Government Conflict of Interest Act, Title 2.2, Chapter 31 of the Virginia Code (Section 2.2-3100 *et seq.*).
- Acknowledgement of conformance with the Ethics in Public Contracting Act (Sections 2.2-4367 through 2.2-4377 of the Virginia Code).
- Provide a completed qualification statement in a form acceptable to HRTAC that reviews all relevant information regarding technical qualifications and capabilities, firm resources and financial integrity of the Proposer and all major contractors or subcontractors, including but not limited to, bonding capacities, insurance coverage and firm equipment. This statement shall also include a mandatory disclosure by the firm for the past three (3) years, except as indicated, any of the following conduct:
 1. bankruptcy filings
 2. unpaid claims for money damages
 3. fines, assessments, or penalties

4. judgments or awards for money damages
5. contract defaults, contract terminations
6. license revocations, suspensions, other disciplinary actions
7. prior debarments or suspensions by a governmental entity
8. denials of prequalification, findings of non-responsibility
9. maximum five years safety performance data, including fatality incidents
10. “Experience Modification Rating” and issuing insurance company
11. “Recordable Incidence Rates” “Lost Time Incidence Rates”
12. OSHA 200 Summary and OSHA 300A Forms
13. OSHA violations, dates, and disposition
14. violations of any federal, state or local criminal or civil law by the firm or its principals
15. criminal indictments or investigations of the firm or its principals
16. legal claims filed by or against firm

E. Project Financing

- A preliminary estimate and estimating methodology of the cost of the work by phase, segment, or both. If costs span a period greater than twelve (12) months, they shall be reported in “year of expenditure” dollars.
- A plan for the development, proposed financing and construction of the project showing the anticipated schedule on which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds, including any anticipated debt service costs. Include any supporting due diligence studies, analyses, or reports.
- A list and discussion of assumptions underlying all major elements of the plan. Assumptions should include all terms, conditions and fees associated with financing given the recommended financing approach. In addition, the complete disclosure of interest rate assumptions should be included and what impact, if any, a change in interest rates would have on the ultimate annual project cost.

- Any proposed user fees and demonstrate that the revenues therefrom will be used solely for programs and projects that are reasonably related to, or benefit the users of, the proposed project.
- Financial information which demonstrates the private entity's financial stability and ability to finance the project.
- A description and analysis (cost/benefit, tax, etc.) to demonstrate the project's financial feasibility.
- The amounts and the terms and conditions for any revenue sources.
- Any aspect of the project that could disqualify the project from obtaining tax-exempt financing.

VI. REFERENCES

For all projects referenced in your Qualifications and Experience, the address, telephone number, and the name of a specific contact person who have knowledge of the work performed on those projects. These references should include:

- Name and address of project owner/sponsor
- Name, telephone number, fax number, and e-mail address of the owner's project manager
- A summary of the project including budget and final cost
- Project schedule (proposed and actual)

VII. CONFLICT OF INTEREST STATEMENT

Firms must submit an executed copy of the Conflict of Interest Statement. Exhibit __ to these guidelines.

F. Format for Submissions of Unsolicited Proposals and Competing Proposals at the Detailed Stage

After review and evaluation of proposals submitted at the conceptual stage, HRTAC shall determine if it will continue with the procurement of the qualifying transportation facility and will select two or more Proposers ("short-list") to submit a detailed proposal. HRTAC may select only one Proposer if only one Proposer is qualified to develop or operate the qualifying transportation facility.

HRTAC will issue a request for detailed proposals to the short-listed Proposers. The request for detailed proposals will set forth the requirements for the detailed proposal, which may include:

- Conceptual (single line) plans and elevations depicting the general scope, appearance and configuration of the project.
- A detailed description of the proposed participation, use and financial involvement of HRTAC in the project. Include the proposed terms and conditions for the project.
- A list of public utility's, locality's or political subdivision's facilities, if any, that will be impacted by the qualifying transportation facility and a statement of the plans of the proposed entity to accommodate such impacts (facilities owned or operated by the local government or political subdivision may include pipes, mains, storm sewers, water lines, sanitary sewers, natural gas facilities, or other structures, equipment, and appliances owned or operated by a locality or political subdivision for the purpose of transmitting or distributing communications, power, electricity, light, heat, gas, oil, crude products, water, steam, sewage or waste, storm water not connected with highway drainage, or any other similar commodity or substance, which facilities directly or indirectly serve the public).
- The names and addresses, if known, of the current owners of the property interests required to be secured and property the private entity intends to request that HRTAC acquire.
- A detailed listing of all firms that will provide specific design, construction and completion guarantees and warranties, a brief description of such guarantees and warranties and a record of any prior defaults in performance.
- An updated, total life-cycle cost including maintenance in “year of expenditure” dollars, specifying methodology and assumptions of the project or projects and its major building systems (e.g. electrical, mechanical, etc.) and the proposed project start date. Include anticipated commitment of all parties; equity, debt, and other financing mechanisms; and a schedule of project revenues and project costs. The life-cycle cost analysis should include, but not be limited to, a detailed analysis of the projected return, rate of return, or both, expected useful life of facility and estimated annual operating expenses.
- A detailed discussion of assumptions about user fees or rates, lease payments and other service payments, and the methodology and circumstances for changes and usage [clarify?] of the project over the useful life of the project.

- Update the identification of any known or anticipated public or government support or opposition for the project, including supporting documentation. Discuss the impact of the support or opposition on the project.
- Demonstration of consistency with appropriate HRTAC and/or affected jurisdiction comprehensive development plans (including related land use, environmental and facility standards ordinances, where applicable), transportation plans, the capital improvement plan and capital budget, or indication of the steps required for acceptance into such plans.
- Explanation of how the proposed project would impact the development plans of HRTAC or any affected jurisdiction.
- Description of an ongoing performance evaluation system or database to track key performance criteria, including but not limited to schedule, cash management, quality, worker safety, change orders, and legal compliance.
- Identification of the executive management and the officers and directors of the firm or consortium of firms making the proposal. In addition, identify any known conflicts of interest or other limitations that may impact HRTAC's consideration of the proposal, including the identification of any persons known to the private entity who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to the Virginia State and Local Government Conflict of Interests Act, Title 2.2, Chapter 31 (Section 2.2-3100 et seq.) of the Virginia Code.
- Include a detailed description of any financing plan proposed for the project, a comparison of that plan with financing alternatives that may be available to HRTAC, and all underlying data supporting any conclusions reached in the analysis or the selection by the private entity of the financing plan proposed for the project.
- Identify the proposed plan for obtaining sufficient numbers of qualified workers in all trades or crafts required for the project.
- Provide information on any training programs, including but not limited to apprenticeship programs registered with the U.S. Department of Labor or a State Apprenticeship Council, in place for employees of the firm and employees of any member of a consortium of firms.
- Information on the level of commitment by the firm to using small, women-owned, or minority businesses in developing and implementing the project.
- For each firm or major subcontractor that will perform construction and/or design activities, a sworn certification by an authorized representative of the

firm attesting to the fact that the firm is not currently debarred or suspended by any federal, state or local government entity.

- Description of worker safety training programs, job-site safety programs, accident prevention programs, written safety and health plans, including incident investigation and reporting procedures.
- All anticipated risk factors and methods for dealing with these factors. Describe the methods and remedies associated with any financial default.
- Any local, state or federal resources that the private entity contemplates requesting for the project. Describe the total commitment, if any, expected from HRTAC or other governmental sources (and identify each such source) and the timing of any anticipated commitment. Such disclosure should include any direct or indirect guarantees or pledges of HRTAC's credit or revenue.
- Any other information HRTAC deems necessary or desirable for evaluation of the detailed proposals.

VII. PROPOSAL EVALUATION AND SELECTION CRITERIA

Some or all of the following matters may be considered in the evaluation and selection of PPTA proposals. The specific evaluation criteria to be used for any particular procurement will be provided in the ITB or RFP. HRTAC retains the right at all times to reject any proposal at any time for any reason whatsoever.

A. Project Characteristics

Factors considered in evaluating the project characteristics may include, but are not limited to:

1. Project description, location, and design;
2. Proposed project schedule;
3. Operation of the project and interconnections with the transportation facilities;
4. Technical feasibility and state of the art offerings;
5. Conformity to federal, state and local laws, regulations, codes, guidelines and standards;
6. Environmental impacts;
7. Property impacts;
8. Utility, railroad, cable television provider, locality or political subdivision infrastructure facility impacts;
9. Federal, state and local permits;
10. Maintenance of the project; and
11. Ongoing operations.

B. Project Benefit and Compatibility

Factors to be considered in evaluating the proposed project's benefit to and compatibility with the appropriate local or regional comprehensive or development plans may include, but are not limited to:

1. Anticipated reduction in congestion;
2. Compatibility with HRTAC's existing funding plan, and with HRTPO's long-range transportation plan;

3. Enhancements to the Hampton Roads regional transportation system;
4. Achievement of performance, safety, mobility, or transportation demand management;
5. Community support or opposition, or both;
6. Public involvement strategy;
7. Compatibility with existing and planned facilities;
8. Compatibility with local, regional, and state economic development efforts; and
9. Compatibility with the land use plans, transportation plans, and capital improvement plans of affected jurisdictions.

C. Qualifications and Experience

Factors considered in evaluating the qualifications and experience may include, but are not limited to:

1. Experience, **training and preparation** [?] with similar projects of the Proposer, Proposer members, and major subcontractors; **[ISN'T THIS COVERED BY 1, 3]**
2. Reputation, industry experience;
3. Demonstrated record of successful past performance, including timeliness of project delivery, compliance with plans and specifications, quality of workmanship, cost-control and project safety;
4. Demonstrated conformance with applicable laws, codes, standards, regulations, and agreements on past projects;
5. Leadership structure;
6. Project manager's experience;
7. Management approach;
8. Organizational chart, including project staffing plans, the skill levels of the proposed task leaders, workforce, apprenticeship and other training programs offered for the project for the project;
9. Proposed safety plans;

10. Financial soundness, capability, including the ability to obtain required sureties and insurance coverages;
11. Project ownership; and
12. Ethics and integrity.

D. Project Financing

Factors considered in evaluating whether the proposed project financing allows adequate access to the necessary capital to finance the project may include, but are not limited to:

1. Estimated cost of the project, including debt source, operating costs, etc.;
2. Cost and cost benefit to HRTAC;
3. The impact of any proposed financing on HRTAC's debt burden or credit ratings;
4. Ability to obtain tax-exempt financing;
5. Financial plan, including overall feasibility and reliability of the plan; default implications; degree to which private entity has conducted due diligence investigation of proposed financial plan and results of any such inquiries or studies;
6. Private entity's past performance with similar plans and similar projects;
7. Life-cycle cost analysis;
8. The identity, credit history, and past performance of any third party that will provide financing for the project and the nature and timing of their commitment; and
9. User fees and use of revenue that benefits users. Reasonableness of assumptions underlying financing.

HRTAC may elect to accept the private entity's financing proposal or may select its own finance team, source, and financing vehicles.

E. Other Factors

Other factors that may be considered in the evaluation and selection of PPTA proposals may include, but are not limited to:

1. The eligibility of the facility for accelerated selection, review, and documentation;

2. Local citizen and government comments;
3. Benefits to the public; including whether the project will lead to productivity or efficiency improvements in HRTAC's processes or delivery of services to the public;
4. The private entity's compliance with HRTAC's **Procurement Policy [PPTA Guidelines?]** and the good faith effort to comply with the goals of such policy;
5. The private entity's plan to employ local contractors and residents;
6. Proposer's plan for utilizing SWAM or DBE business;
7. The safety record of the private entity; and
8. The risks, liabilities, and responsibilities transferred, assigned, or assumed by the private entity provide sufficient benefits to the public to not proceed with the development and/or operation of the transportation facility through other means of procurement available to HRTAC.

F. Timelines

Guidelines for determining applicable timelines are as follows:

1. For solicited proposals, the timeline for selecting proposals and negotiating an agreement will be consistent with the terms and conditions set forth in the Request for Proposals.
2. For unsolicited proposals, an estimated timeline will be developed and distributed within sixty (60) days of receipt of the proposal. The timeline will be subject to revision(s), as required.
3. Accelerated selection, review, and documentation timelines shall be permitted for proposals involving a qualifying facility that HRTAC deems a priority, such as qualifying transportation facilities that have approved or pending state and federal environmental clearances, secured significant right of way, have previously allocated significant state or federal funding, or exhibit other circumstances that could reasonably reduce the amount of time to develop and/or operate the qualifying transportation facility.

VIII. INTERIM AND COMPREHENSIVE AGREEMENTS

The purpose of an Interim Agreement for P3 projects is to all Proposers to engage and be compensated for certain project planning, design, engineering, environmental analysis or similar activities. HRTAC may, at its discretion, enter into an Interim Agreement with one or more Proposers for activities specified in the Agreement.

A Comprehensive Agreement is required to be entered into between HRTAC and a selected Proposer before the development of a P3 project.

HRTAC does not accept liability for any part or phase of a project prior to entering into a properly executed Interim or Comprehensive Agreement. Any Interim or Comprehensive Agreement executed pursuant to the PPTA and any annulment thereto, requires prior approval by HRTAC's members in accordance with Section 33.2-2604 of the Virginia Code. Any changes in the terms of an executed Interim or Comprehensive Agreement shall be in the form of a written amendment.

A. Interim Agreement

Interim agreements may be used when it is necessary or advisable to segment a project to produce distinct and clear deliverables necessary to keep the project moving towards development of a Comprehensive Agreement. An Interim Agreement may not be used to have HRTAC assume risks that should be assumed by the Proposer or to pay costs attributable to the Proposer's efforts in making the proposal. Interim Agreements require the same level of approval as Comprehensive Agreements.

Development of an Interim Agreement is in HRTAC's sole discretion and in no way limits the rights reserved by HRTAC to terminate the evaluation of any or all proposals at any time.

Such Interim Agreement may:

- a. Permit a private entity to commence activities for which it may be compensated relating to the proposed qualifying transportation facility, including, but not limited to, project planning and development, design and engineering, environmental analysis and mitigation, survey, and ascertaining the availability of financing for the proposed facility or facilities;
- b. Establish the process and timing of the negotiation of the Comprehensive Agreement; and
- c. Contain any other provisions related to any aspect of the development or operation of a qualifying transportation facility that the parties may deem appropriate.

At least thirty (30) days prior to entering into an Interim Agreement, HRTAC shall provide an opportunity for public comment on proposals. HRTAC shall post the major business

points of the agreement, including projected use of public funds, and explain how the public can submit comments. HRTAC shall also present the major points to its Board at a regular scheduled open meeting.

A draft of any Interim Agreement shall be posted and the public shall have an opportunity to comment on it at least thirty (30) days prior to the issuance of a final request for proposals.

B. Comprehensive Agreement

Prior to developing or operating any qualifying transportation facility, a selected Proposer must enter into a Comprehensive Agreement with HRTAC as provided by the PPTA. HRTAC may enter into a Comprehensive Agreement with multiple private entities if it determines, in writing, that it is in the public interest.

At least thirty (30) days prior to entering into a Comprehensive Agreement, HRTAC shall provide an opportunity for public comment on proposals. HRTAC shall post the major business points of the agreement, including projected use of public funds, and explain how the public can submit comments. HRTAC shall also present the major points to its Board at a regular scheduled open meeting.

HRTAC shall not enter into a Comprehensive Agreement unless HRTAC's Executive Director certifies in writing to the Governor and the General Assembly that the transfer, assignment, and assumption of risks, liabilities, and permitting responsibilities or the mitigation of revenue risk by the private sector enumerated in the finding of public interest issued pursuant to Section 33.2-1803.1 of the PPTA have not materially changed since the finding was issued and the finding of public interest is still valid. Any change to the project scope that does not materially impact the assignment of risks or liabilities or mitigation of revenue risk shall be presented in a public meeting before the appropriate governing board.

As provided by the PPTA, the terms of the Comprehensive Agreement must include, but not be limited to:

- a. Delivery of maintenance, performance and payment bonds or letters of credit in connection with the design, construction, expenses, equipping, maintenance or operation of the qualifying transportation project, in the forms and amounts satisfactory to HRTAC and in compliance with Virginia Code Section 2.2-4337 for those components of the qualifying transportation project that involves construction;
- b. Review and approval of plans and specifications for the qualifying transportation project by HRTAC;
- c. HRTAC's right to inspect the construction of or improvement to qualifying transportation project to ensure compliance with the Comprehensive Agreement, and standards required by HRTAC;

- d. Maintenance of a policy or policies of public liability insurance or an acceptable program of self-insurance, each in form and amount satisfactory to HRTAC and reasonably sufficient to insure coverage of tort liability to the public and employees and to enable the continued operation of the qualifying transportation facility;
- e. Monitoring of the maintenance practices of the private entity by HRTAC and actions that may be taken by HRTAC to ensure the proper maintenance of the qualifying transportation project;
- f. The terms under which the private entity will reimburse HRTAC for services provided by HRTAC;
- g. The terms under which the private entity will file appropriate financial statements in a form acceptable to HRTAC on a periodic basis;
- h. The terms governing the rights and responsibilities of HRTAC and the private entity in the event that the Comprehensive Agreement is terminated or there is a material default by the private entity, including the conditions governing assumption of the duties and responsibilities of the private entity by HRTAC and the transfer or purchase of property or other interests of the private entity by HRTAC and, in the case of a termination for convenience, compensation or reimbursement for development expenses and fees;
- i. Provisions for such user fees, lease payments, or service payments, if any, as may be established from time to time by agreement of the parties, subject in each case to such limitations as may be required to comply with Federal and state laws, regulations and policies;
- j. Requiring a copy of any service contract to be filed with HRTAC and providing that a schedule of the current user fees or lease payments shall be made available by the private entity to any member of the public upon request;
- k. Guaranteed cost and completion guarantees related to the development and/or operation of the qualified transportation facility and payment of damages for failure to meet the completion guarantee;
- l. The date of termination of the private entity's authority, duties and responsibilities to HRTAC;
- m. The terms and conditions under which HRTAC may contribute financial resources, if any, for the qualifying transportation facility;
- n. The terms and conditions under which HRTAC will be required to pay money to the private entity and the dates and amounts of such payments for the project;

- o. The terms and conditions under which existing site conditions will be assessed and addressed, including the identification of the responsible party for conducting the assessment and taking necessary remedial action;
- p. A provision for the distribution of any earnings in excess of the maximum rate of return negotiating in the Comprehensive Agreement;
- q. Incorporation of the duties of a private entity in the PPTA, the parties, and all terms and conditions required by law;
- r. A provision that all change to the Comprehensive Agreement must be by written amendment; and
- s. A provision requiring funding for adequate staffing by the Virginia State Police for law enforcement services during development and operation of the qualify transportation facility, as determined in consult with the Virginia State Police.

The representations, information and data supplied in support of or in connection with proposals play a critical role in the competitive evaluation process and in the ultimate selection of a proposal by HRTAC. Accordingly, as part of the Comprehensive Agreement, the Proposer shall certify that all material representations, information and data provided in support of, or in connection with, a proposal is true and correct. Such certifications shall be made by authorized individuals who have knowledge of the information provided in the proposal. In the event that material changes occur with respect to any representations, information or data provided for a proposal, the Proposer shall immediately notify HRTAC of such changes in reasonable detail. Any violation of this section of the Comprehensive Agreement shall give HRTAC the right to terminate the Agreement, withhold payment or other consideration due, and seek any other remedy available under the law.

C. Additional Notice and Posting Requirements

Once an Interim Agreement or a Comprehensive Agreement has been executed, HRTAC shall make procurement records available for public inspection, in accordance with the Virginia Freedom of Information Act (Section 2.2-3700 *et seq.* of the Virginia Code). Such procurement records shall include documents initially protected from disclosure on the basis that the release of such documents would adversely affect HRTAC's financial interest or bargaining position. Such procurement records shall not include (i) trade secrets of the private entity or (ii) financial records, including balance sheets or financial statements of the private entity that are not generally available to the public through regulatory disclosure or otherwise.

D. Reservation of Rights

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In connection with any proposal, HRTAC shall have all rights available to it by law in administering these procedures, including, without limitation, the right in its sole discretion to:

1. Reject any or all proposals at any time, for any reason. Private entities shall have no recourse against HRTAC for such rejection. A private entity will be notified in writing of such rejection in accordance with these procedures.
2. Terminate evaluation of any and all proposals at any time.
3. Suspend, discontinue and/or terminate negotiations on an Interim Agreement or Comprehensive Agreement at any time prior to their execution by all parties. (See Section VII below.)
4. Negotiate with a private entity without being bound by any provision in its proposal.
5. Request or obtain additional information about any proposal.
6. Issue addenda to and/or cancel any RFP.
7. Revise, supplement or withdraw all or any part of these procedures at any time.
8. Modify any standard fee schedule as stated herein for a specific proposal or for all future proposals.
9. Decline to return any and all fees required to be paid by a private entity hereunder, except for that portion of the initial fees paid by Proposers with an unsolicited conceptual proposal that were not expended by HRTAC in evaluating the proposal if HRTAC declines to accept the proposal for consideration.
10. Request revisions to conceptual or detailed proposals.
11. Treat any proposal which may have certain characteristics in common yet differ in meaningful ways from a previously received proposal as either a competing proposal or a noncompeting unsolicited proposal and proceed accordingly.
12. Submit a proposal for review by outside consultants or advisors selected by HRTAC without notice to the Proposer. Such consultants or advisors shall be advised of and contractually required to agree to maintain the confidentiality of information that has been designated as confidential pursuant to an agreement between HRTAC and the Proposer, and to refer all requests for such information to HRTAC.

13. Modify the stated timeline for consideration, review or negotiation of proposals when deemed necessary by HRTAC in its sole discretion. Written notice will be provided to any affected Proposers when such departures from a stated timeline are deemed significant.

Under no circumstances shall HRTAC be liable for, or reimburse, the costs incurred by private entities, whether or not selected for negotiations, in developing proposals or in negotiating agreements.

Any and all information HRTAC makes available to Proposers shall be as a convenience to the Proposer and without representation or warranty of any kind. Proposers may not rely upon any oral responses to inquiries. If a Proposer has a question regarding application of these procedures, the Proposer must submit the question in writing to HRTAC's Executive Director and HRTAC will respond in writing as it determines appropriate.

E. Virginia Freedom of Information Act

All proposals submitted to HRTAC become the property of HRTAC and are subject to the Virginia Freedom of Information Act ("FOIA") (Section 2.2-3700 *et seq.* of the Virginia Code). Proposers are advised to familiarize themselves with FOIA to ensure that documents identified as confidential or proprietary will not be subject to disclosure under FOIA.

In accordance with Section 2.2-3705.6(11) of FOIA, proposals and records voluntarily submitted to HRTAC under the PPTA are subject to disclosure except to the extent that they relate to (i) confidential proprietary records submitted to HRTAC under a promise of confidentiality, or (ii) memoranda, working papers, or other records related to proposals if making public such records would adversely affect the financial interest of HRTAC or private entity or the bargaining position of either party. Cost estimates relating to proposed procurement transactions prepared by or for HRTAC are not open to public inspection pursuant to PPTA Section 33.2-1820(E).

Section 33.2-1803(H) of the PPTA requires HRTAC to take appropriate action to protect confidential proprietary information submitted by a private entity. In order for confidential proprietary information to be excluded from disclosure under FOIA, the private entity must (i) invoke the exclusion when the data or materials for which protection from disclosure is sought are submitted to HRTAC, (ii) identify the data or other materials for which protection from disclosure is sought, and (iii) state the reasons why exclusion from disclosure is necessary. HRTAC is authorized and obligated to protect only confidential proprietary information, and thus will not protect any portion of a proposal from disclosure if the entire proposal has been designated confidential by the Proposer without reasonably differentiating between proprietary and non-proprietary information contained herein.

Upon timely receipt of a request that designated portions of a proposal be protected from disclosure as confidential and proprietary, HRTAC shall determine whether such protection is appropriate under applicable law and, if appropriate, the scope of such

appropriate protection, and shall communicate its determination to the Proposer. Upon a final determination by HRTAC to accord less protection than requested by the Proposer, the Proposer will be accorded an opportunity to withdraw its proposal. A proposal so withdrawn will be treated in the same manner as a proposal not accepted for publication and conceptual-phase consideration as provided below.

To the extent that access to any procurement record or other document or information is compelled or protected by a court order, then HRTAC must comply with such order.

F. Use of Public Funds

Virginia constitutional and statutory requirements regarding appropriation and expenditure of public funds shall apply to any Interim or Comprehensive Agreement entered into under the PPTA. Accordingly, the processes and procedural requirements associated with the expenditure or obligation of public funds shall be incorporated into planning for any PPTA project or projects.

G. Applicability of Other Laws

In submitting proposals and in developing, executing or operating facilities under the PPTA, private entities must comply with all applicable federal, state, and local laws.

IX. INDEPENDENT AUDIT

For qualifying transportation facility whose construction cost is estimated to exceed \$50 million, a provision requiring the private entity to reimburse HRTAC for the costs of an independent audit as described in Section __ and required by PPTA Section 33.2-1803(F) for P3 projects with construction costs over \$50 million, HRTAC shall engage a consultant of its choosing to perform an independent audit of the traffic cost estimates associated with the Proposer's proposal and all the public costs and other liabilities which may require the expenditure of public funds. Such liabilities include improvements to other transportation facilities required as a result of the proposal, the Proposer's failure to reimburse HRTAC for services rendered, and other risks and liabilities to which taxpayers or HRTAC may be exposed should the Proposer default on the Interim Agreement, the Comprehensive Agreement or bonds issued as part of the financing for the P3 project. The Proposer shall reimburse HRTAC for the costs for the independent audit and the results of the audit must be disclosed in accordance with FOIA.

X. GOVERNING PROVISIONS

In the event of any conflict between these guidelines and procedures and the PPTA, the terms of the PPTA shall control.

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION



*Economic Vitality and Quality of Life
Unlocking Hampton Roads*

HRTAC P3 Guidelines

**Dawn Merkle
Willcox & Savage, P. C.**

Public-Private Transportation Act of 1995 (PPTA)

- Is one of several potential procurement paths – *one tool in the procurement toolbox*
- A public entity must adopt PPTA Guidelines before it can accept unsolicited proposals or solicit proposals for a P3 project.
- Having Guidelines does not require HRTAC to accept unsolicited proposals nor consider any P3 project
- For any joint project with VDOT, VDOT will be the lead and its Guidelines will be followed rather than HRTAC's Guidelines
- For a joint project with any other public entity, Guidelines of the “coordinating” (lead) public entity would be used.

Why PPTA?

- Incentivize private entities to identify and investigate the feasibility of new and innovative transportation facilities
- Encourage investment by private entities in transportation facilities when such investment is in the best interest of the public
- Provide the greatest possible flexibility in contracting
- Increase ability to fund needed projects
- Not subject to many of the requirements of the Public Procurement Act
- May be for the development, operation, or both, of a transportation facility

PPTA Guidelines for HRTAC

- We recommend adoption of guidelines for flexibility in future procurement options
- Required to include processes for:
 - Unsolicited proposals
 - Competitive sealed bidding
 - Competitive negotiation
 - Finding of public interest
 - Public notices as required by PPTA
- Most recent draft of HTRAC PPTA Implementation Guidelines has been updated to reflect 2017 changes in PPTA and conform with HRTAC's processes

In Sum

- No downside to adopting:
 - Adopting Guidelines does not require HRTAC to consider any P3 Project
 - Joint projects with VDOT will be conducted in accordance with VDOT's guidelines and VDOT will be the "coordinating public entity"
 - Adopting Guidelines allows HRTAC the greatest flexibility in future procurements
- Benefits to adopting:
 - No delay in opportunity to accept unsolicited proposals or consider P3 projects if HRTAC decides to do so
 - Allows HRTAC to obtain benefit of private sector innovation in transportation facilities that it may not have considered



6

12/14/2017

To: **Chair Hipple and the other members of HRTAC**

From: **Kevin B. Page, Executive Director**

Date: **April 19, 2018**

Re: **Amendments to Project Agreements with VDOT relating to Bond Trustee and Tax Covenants**

Recommendation:

The Finance Committee recommends that the Commission endorse the Project Agreement Amendments relating to Bond Trustee and Tax Covenants and authorize the Commission's Chair to execute and deliver the Amendments to VDOT.

Background:

Following the Series 2018 HRTF Revenue Bonds sale, HRTAC must amend its Standard Project Agreements for projects receiving funds from the Series 2018 HRTF Revenue Bond proceeds. The amendment incorporates identified tax covenants and a requirement for VDOT and VDOT's contractors to name HRTAC's bond trustee, Wilmington Trust, National Association, or its successors, (in addition to HRTAC) as an additional insured on the required insurance policies. An amendment template has been developed for the Standard Project Agreements involving the I-64 Peninsula Widening Segments 2 and 3, I-64/I-264 Interchange Phases I and II, and I-64 Southside Widening High Rise Bridge projects. An amendment has been developed for the MOA between VDOT, HRTPO, and HRTAC involving the I-64 Peninsula Widening Segment 1 project.

Fiscal Impact:

There is no fiscal impact to the Hampton Roads Transportation Fund in relation to this Action Item.

Suggested Motion:

Motion: The Commission approves the proposed amendments to the Project Agreements and MOA relating to Bond Trustee and Tax Covenants and authorizes the Chair to execute and deliver the amendments to VDOT.

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**AMENDMENT TO
[STANDARD / INTERIM] PROJECT AGREEMENT
FOR FUNDING AND ADMINISTRATION
(Tax Covenants for Bond Funded Projects)**

THIS AMENDMENT TO **[STANDARD / INTERIM] PROJECT AGREEMENT FOR FUNDING AND ADMINISTRATION** (this “Amendment”), dated as of April __, 2018 (the “Effective Date”), is made by and between the VIRGINIA DEPARTMENT OF TRANSPORTATION (“VDOT”), and the HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION (“HRTAC”).

RECITALS:

A. The parties have entered into a **[Standard / Interim] Project Agreement for Funding and Administration of the [HRTAC Project Number Description (UPC)]**, dated as of **[_____]**, 20**[1]** **[as amended by a _____ Amendment to [Standard / Interim] Project Agreement for Funding and Administration, dated as of [_____], 201**[1]** (as amended,] the “Project Agreement”).**¹

B. Under Section I(c) of the Project Agreement, the parties have agreed that VDOT and HRTAC will work in good faith to adopt amendments to the Project Agreement as may be necessary and desirable in connection with HRTAC’s bond offerings.

C. The parties now desire to amend the Project Agreement on the terms set forth below.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements set forth in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend the Project Agreement as follows:

1. The Project Agreement is hereby amended by incorporating the tax covenants set forth on Exhibit A hereto.

2. VDOT shall comply with its obligations under Section A.13 of the Project Agreement by requiring VDOT’s contractors to name HRTAC’s bond trustee, Wilmington Trust, National Association, or its successors, (in addition to HRTAC) as an additional insured on the required insurance policies.

3. Except as modified by the provisions of this Amendment, all other terms of the Project Agreement shall remain in full force and effect.

¹ **Note to Draft:** Certain Standard Project Agreements (e.g., the October 14, 2015 and November 9, 2016 agreements) may have been amended previously.

4. This Amendment may be executed in any number of counterparts, and by each party on a separate counterpart, each of which, when so executed and delivered, shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[Remainder of page intentionally left blank – signature page follows]

IN WITNESS WHEREOF, the parties have executed this Amendment by their duly authorized representative as of the Effective Date.

**VIRGINIA DEPARTMENT OF
TRANSPORTATION**

By: _____
Stephen Brich
Commissioner of Highways

Date: _____

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____
Michael J. Hipple
Chair

Date: _____

EXHIBIT A

Tax Covenants for Bond Funded Projects

(See attached.)

TAX COVENANTS For Bond Funded Projects

VDOT will not permit more than five percent of the total amount of HRTAC Bond Proceeds or the Financed Property to be used directly or indirectly (i) for a Private Business Use or (ii) to make or finance loans to Nongovernmental Persons without delivery to HRTAC of a favorable opinion of nationally recognized bond counsel concluding that such use will not affect the exclusion of interest on the HRTAC bonds from gross income of the holders thereof for federal tax purposes. Any transaction that is generally characterized as a loan for federal income tax purposes is a "loan" for purposes of this paragraph. In addition, a loan may arise from the direct lending of HRTAC Bond Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed, including any contractual arrangement which in substance transfers tax ownership and/or significant burdens and benefits of ownership.

Notwithstanding the foregoing, VDOT and HRTAC agree that the provisions herein shall not apply to HRTAC Bond Proceeds derived from "qualified bonds" (as defined in Section 141(e) of the Code (or any successor provisions thereto or regulations thereunder)) HRTAC may from time to time issue. In the event any such "qualified bonds" are issued by HRTAC, VDOT agrees that it will not permit HRTAC Bond Proceeds derived from such "qualified bonds" to be used in a manner that fails to comply with the provisions of Section 141(e) and 142(a) of the Code (or any successor provisions thereto or regulations thereunder).

VDOT agrees not to requisition or spend HRTAC Bond Proceeds for any project cost not constituting a Capital Expenditure.

Except as may be described in Appendix B, VDOT neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which VDOT is receiving HRTAC Bond Proceeds.

VDOT acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by HRTAC to the contractors/vendors or (ii) VDOT remits payment to the contractors/vendors within five banking days after the date on which HRTAC advances the amount of the requisition. HRTAC may request the detailed information in order to compute the rebate liability to the U.S. Treasury on HRTAC's bonds or other debt financing pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

Capital Expenditure means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

"Federal Government" means the government of the United States and its agencies or instrumentalities.

"Financed Property" means any property financed in whole or in part by any allocation of HRTAC Bond Proceeds.

"General Public Use" means use of Financed Property by a Nongovernmental Person as a member of the general public. Use of Financed Property by a Nongovernmental Person in a Trade or Business is treated as General Public Use only if the Financed Property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not engaged in a Trade or Business. Use under arrangements that convey priority rights or other preferential benefits is not use on the same basis as the general public.

"Governmental Person" means any Person that is a state or local governmental unit within the meaning of Section 141 of the Code (or any instrumentality thereof).

"HRTAC Bond Proceeds" means, as used herein, the sale proceeds of any HRTAC bond or other debt instrument that is a "tax-exempt bond" or a "tax-advantaged bond" (as defined in Treasury Regulations Section 1.150-1(a) or any successor provision thereto), together with the investment earnings on such proceeds, to the extent allocated to the project that is the subject of this Agreement.

"Nongovernmental Person" mean any Person other than a Governmental Person. For the purposes hereof, the Federal Government is a Nongovernmental Person.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership or any other entity (including the Federal Government and a Governmental Person).

"Private Business Use" means, except to the extent permitted in accordance with Sections 103 and 141 of the Code (or any successor provisions thereto or regulations thereunder), a use of the HRTAC Bond Proceeds directly or indirectly in a Trade or Business carried on by a Nongovernmental Person other than General Public Use. For all purposes hereof, a Private Business Use of any Financed Property is treated as a Private Business Use of HRTAC Bond Proceeds. Both actual and beneficial use by a Nongovernmental Person may be treated as Private Business Use under Section 141 of the Code. In most cases, however, Private Business Use results from a Nongovernmental Person having special legal entitlements to use the Financed Property under an arrangement with VDOT. Examples of the types of special legal entitlements resulting in Private Business Use of HRTAC Bond Proceeds include (i) ownership for federal tax purposes of Financed Property by a Nongovernmental Person and (ii) actual or beneficial use of Financed Property by a Nongovernmental Person pursuant to a lease, a Service Contract, an incentive payment contract or certain other arrangements such as a take-or-pay or other output-type contract. Private Business Use of the Financed Property may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental

Persons do not have a special legal entitlement to the use of the Financed Property. Any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease for purposes of the Private Business Use analysis. An arrangement that is referred to as a management or Service Contract may nevertheless be treated as a lease, and in determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including (i) the degree of control over the property that is exercised by a Nongovernmental Person, and (ii) whether a Nongovernmental Person bears risk of loss of the Financed Property. Private Business Use of Financed Property that is not available for General Public Use may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. In determining whether special economic benefit gives rise to Private Business Use, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (i) whether the Financed Property is functionally related or physically proximate to property used in the Trade or Business of a Nongovernmental Person, (ii) whether only a small number of Nongovernmental Persons receive the economic benefit, and (iii) whether the cost of the Financed Property is treated as depreciable by the Nongovernmental Person. As used herein, Private Business Use also means, except to the extent permitted in accordance with Sections 103 and 141 of the Code (or any successor provisions thereto or regulations thereunder), any use of Financed Property in a Trade or Business carried on by a Nongovernmental Person (other than General Public Use) that generates payments (whether or not to HRTAC or any related party) that are used or to be used directly or indirectly as a source of payment of, or security for, debt service on any HRTAC bonds.

"Service Contract" means a contract under which a Nongovernmental Person will provide services involving all, a portion or any function of any Financed Property. For example, a Service Contract includes a contract for the provision of management services for all or any portion of Financed Property. Contracts for services that are solely incidental to the primary governmental function or functions of Financed Property (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not included in this definition. Additional contracts not included in this definition are (i) a contract to provide for services by a Nongovernmental Person in compliance with Revenue Procedure 97-13, 1997-1 C.B. 632, as modified by Revenue Procedure 2001-39, I.R.B. 2001-28 and Revenue Procedure 2016-44, 2016-36 IRB 316, and as modified or superseded by Revenue Procedure 2017-13, 2017-6 IRB, (ii) a contract to provide for services by a Nongovernmental Person if the only compensation is the reimbursement of the Nongovernmental Person for actual and direct expenses paid by the Nongovernmental Person to unrelated parties and (iii) a contract to provide for the operations by a Nongovernmental Person of a facility or system of facilities that consists predominately of public utility property (within the meaning of Section 168(i)(10) of the Code), if the only compensation is the reimbursement of actual and direct expenses of the Nongovernmental Person and reasonable administrative overhead expenses of the Nongovernmental Person.

"Trade or Business" has the meaning set forth in Section 141(b)(6)(B) of the Code, and includes, with respect to any Nongovernmental Person other than a natural person, any activity carried on by such Nongovernmental Person. "Trade or Business" for a natural person means any activity carried on by such natural person that constitutes a "trade or business" within the meaning of Section 162 of the Code.

**AMENDMENT TO
MEMORANDUM OF AGREEMENT
AMONG THE VIRGINIA DEPARTMENT OF TRANSPORTATION,
THE HAMPTON ROADS TRANSPORTATION PLANNING ORGANIZATION,
AND
THE HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
(I-64 Peninsula Widening, Segment I Funding – Tax Covenants for Bond Funded Projects)**

THIS AMENDMENT TO MEMORANDUM OF AGREEMENT (this “Amendment”), dated as of March __, 2018 (the “Effective Date”), is made by and among the VIRGINIA DEPARTMENT OF TRANSPORTATION (“VDOT”), the HAMPTON ROADS TRANSPORTATION PLANNING ORGANIZATION (“HRTPO”), and the HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION (“HRTAC”).

RECITALS:

A. The parties have entered into a Memorandum of Agreement for I-64 Peninsula Widening, Segment I Funding (UPC 104905), dated as of January 2016 (the “Memorandum Agreement”).

B. VDOT and HRTAC have agreed to adopt amendments to the Memorandum Agreement as may be necessary and desirable in connection with HRTAC’s bond offerings.

C. The parties now desire to amend the Memorandum Agreement on the terms set forth below.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements set forth in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend the Memorandum Agreement as follows:

1. The Memorandum Agreement is hereby amended by incorporating the tax covenants set forth on Exhibit A hereto.

2. Except as modified by the provisions of this Amendment, all other terms of the Memorandum Agreement shall remain in full force and effect.

3. This Amendment may be executed in any number of counterparts, and by each party on a separate counterpart, each of which, when so executed and delivered, shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[Remainder of page intentionally left blank – signature page follows]

IN WITNESS WHEREOF, the parties have executed this Amendment by their duly authorized representative as of the Effective Date.

**VIRGINIA DEPARTMENT OF
TRANSPORTATION**

By: _____

Stephen Brich
Commissioner of Highways

Date: _____

**HAMPTON ROADS
TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____

Michael J. Hipple
Chair

Date: _____

**SOLELY FOR THE PURPOSE OF
ACKNOWLEDGING THE EXECUTION
OF THIS AMENDMENT**

**HAMPTON ROADS TRANSPORTATION
PLANNING ORGANIZATION**

By: _____

Thomas G. Shepperd, Jr.
Chair

Date: _____

EXHIBIT A

Tax Covenants for Bond Funded Projects

VDOT will not permit more than five percent of the total amount of HRTAC Bond Proceeds or the Financed Property to be used directly or indirectly (i) for a Private Business Use or (ii) to make or finance loans to Nongovernmental Persons without delivery to HRTAC of a favorable opinion of nationally recognized bond counsel concluding that such use will not affect the exclusion of interest on the HRTAC bonds from gross income of the holders thereof for federal tax purposes. Any transaction that is generally characterized as a loan for federal income tax purposes is a “loan” for purposes of this paragraph. In addition, a loan may arise from the direct lending of HRTAC Bond Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed, including any contractual arrangement which in substance transfers tax ownership and/or significant burdens and benefits of ownership.

Notwithstanding the foregoing, VDOT and HRTAC agree that the provisions herein shall not apply to HRTAC Bond Proceeds derived from “qualified bonds” (as defined in Section 141(e) of the Code (or any successor provisions thereto or regulations thereunder)) HRTAC may from time to time issue. In the event any such “qualified bonds” are issued by HRTAC, VDOT agrees that it will not permit HRTAC Bond Proceeds derived from such “qualified bonds” to be used in a manner that fails to comply with the provisions of Section 141(e) and 142(a) of the Code (or any successor provisions thereto or regulations thereunder).

VDOT agrees not to requisition or spend HRTAC Bond Proceeds for any project cost not constituting a Capital Expenditure.

VDOT neither has on the date of this Agreement nor expects to have after this date any funds that are restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, for the purposes for which VDOT is receiving HRTAC Bond Proceeds.

VDOT acknowledges that it may have to provide detailed information about the investment of the amount of any requisition unless (i) payments are remitted directly by HRTAC to the contractors/vendors or (ii) VDOT remits payment to the contractors/vendors within five banking days after the date on which HRTAC advances the amount of the requisition. HRTAC may request the detailed information in order to compute the rebate liability to the U.S. Treasury on HRTAC’s bonds or other debt financing pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”).

“Capital Expenditure” means any cost of a type that is properly chargeable to capital account (or would be so chargeable with (or but for) a proper election or the application of the definition of “placed in service” under Treas. Reg. § 1.150-2(c)) under general federal income tax principles, determined at the time the expenditure is paid.

“Federal Government” means the government of the United States and its agencies or instrumentalities.

“Financed Property” means any property financed in whole or in part by any allocation of HRTAC Bond Proceeds.

“General Public Use” means use of Financed Property by a Nongovernmental Person as a member of the general public. Use of Financed Property by a Nongovernmental Person in a Trade or Business is treated as General Public Use only if the Financed Property is intended to be available and in fact is reasonably available for use on the same basis by natural persons not engaged in a Trade or Business. Use under arrangements that convey priority rights or other preferential benefits is not use on the same basis as the general public.

“Governmental Person” means any Person that is a state or local governmental unit within the meaning of Section 141 of the Code (or any instrumentality thereof).

“HRTAC Bond Proceeds” means, as used herein, the sale proceeds of any HRTAC bond or other debt instrument that is a “tax-exempt bond” or a “tax-advantaged bond” (as defined in Treasury Regulations Section 1.150-1(a) or any successor provision thereto), together with the investment earnings on such proceeds, to the extent allocated to the project that is the subject of this Agreement.

“Nongovernmental Person” mean any Person other than a Governmental Person. For the purposes hereof, the Federal Government is a Nongovernmental Person.

“Person” means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, corporation or partnership or any other entity (including the Federal Government and a Governmental Person).

“Private Business Use” means, except to the extent permitted in accordance with Sections 103 and 141 of the Code (or any successor provisions thereto or regulations thereunder), a use of the HRTAC Bond Proceeds directly or indirectly in a Trade or Business carried on by a Nongovernmental Person other than General Public Use. For all purposes hereof, a Private Business Use of any Financed Property is treated as a Private Business Use of HRTAC Bond Proceeds. Both actual and beneficial use by a Nongovernmental Person may be treated as Private Business Use under Section 141 of the Code. In most cases, however, Private Business Use results from a Nongovernmental Person having special legal entitlements to use the Financed Property under an arrangement with VDOT. Examples of the types of special legal entitlements resulting in Private Business Use of HRTAC Bond Proceeds include (i) ownership for federal tax purposes of Financed Property by a Nongovernmental Person and (ii) actual or beneficial use of Financed Property by a Nongovernmental Person pursuant to a lease, a Service Contract, an incentive payment contract or certain other arrangements such as a take-or-pay or other output-type contract. Private Business Use of the Financed Property may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. Any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease for purposes of the Private Business Use analysis. An arrangement that is referred to as a management or Service Contract may nevertheless be treated as a lease, and in determining whether a management or service contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including

(i) the degree of control over the property that is exercised by a Nongovernmental Person, and (ii) whether a Nongovernmental Person bears risk of loss of the Financed Property. Private Business Use of Financed Property that is not available for General Public Use may also be established on the basis of a special economic benefit to one or more Nongovernmental Persons even if such Nongovernmental Persons do not have a special legal entitlement to the use of the Financed Property. In determining whether special economic benefit gives rise to Private Business Use, it is necessary to consider all of the facts and circumstances, including one or more of the following factors: (i) whether the Financed Property is functionally related or physically proximate to property used in the Trade or Business of a Nongovernmental Person, (ii) whether only a small number of Nongovernmental Persons receive the economic benefit, and (iii) whether the cost of the Financed Property is treated as depreciable by the Nongovernmental Person. As used herein, Private Business Use also means, except to the extent permitted in accordance with Sections 103 and 141 of the Code (or any successor provisions thereto or regulations thereunder), any use of Financed Property in a Trade or Business carried on by a Nongovernmental Person (other than General Public Use) that generates payments (whether or not to HRTAC or any related party) that are used or to be used directly or indirectly as a source of payment of, or security for, debt service on any HRTAC bonds.

“Service Contract” means a contract under which a Nongovernmental Person will provide services involving all, a portion or any function of any Financed Property. For example, a Service Contract includes a contract for the provision of management services for all or any portion of Financed Property. Contracts for services that are solely incidental to the primary governmental function or functions of Financed Property (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not included in this definition. Additional contracts not included in this definition are (i) a contract to provide for services by a Nongovernmental Person in compliance with Revenue Procedure 97-13, 1997-1 C.B. 632, as modified by Revenue Procedure 2001-39, I.R.B. 2001-28 and Revenue Procedure 2016-44, 2016-36 IRB 316, and as modified or superseded by Revenue Procedure 2017-13, 2017-6 IRB, (ii) a contract to provide for services by a Nongovernmental Person if the only compensation is the reimbursement of the Nongovernmental Person for actual and direct expenses paid by the Nongovernmental Person to unrelated parties and (iii) a contract to provide for the operations by a Nongovernmental Person of a facility or system of facilities that consists predominately of public utility property (within the meaning of Section 168(i)(10) of the Code), if the only compensation is the reimbursement of actual and direct expenses of the Nongovernmental Person and reasonable administrative overhead expenses of the Nongovernmental Person.

“Trade or Business” has the meaning set forth in Section 141(b)(6)(B) of the Code, and includes, with respect to any Nongovernmental Person other than a natural person, any activity carried on by such Nongovernmental Person. “Trade or Business” for a natural person means any activity carried on by such natural person that constitutes a “trade of business” within the meaning of Section 162 of the Code.

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Agenda Item 5D
Consent Item

To: Chair Hipple and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: April 19, 2018

**Re: De-Allocation of HRTAC Project Funds Returned by VDOT - HRTAC Adopted
FY2016-FY2023 Funding Plan Adjustments**

Recommendation:

The Finance Committee endorsed and recommends the Commission amend its HRTAC 2016-2023 Funding Plan to (i) reduce HRTAC funding allocated to the following projects in the amounts specified (\$140.3 million in the aggregate): I-64 Peninsula Widening Segment I Project (UPC 104905) by \$15.0 million; I-64 Peninsula Widening Segment II Project (UPC 106665) by \$13.8 million; I-64 Peninsula Widening Segment III Project (UPC 106689) by \$43.5 million; and the I-64 Southside Widening Including High Rise Bridge Phase I project (UPC 106692) by \$68.0 million; and (ii) reduce the Smart Scale funding allocated to the following projects in the amounts specified (\$31.1 million in the aggregate): the I-64 Peninsula Widening Segment III Project (UPC 106689) by \$23.8 million Smart Scale; and the I-64 Southside Widening Including High Rise Bridge Phase I project (UPC 106692) by \$7.3 million Smart Scale.

Background:

On March 26, 2018, VDOT notified HRTAC that it was being released from, in the aggregate, \$140,300,000 of project obligations, and that \$31,100,000 of Smart Scale funds under the agreements with VDOT also would be decreased. VDOT has reported that the reductions are due to construction contract savings and the reduction of project contingencies. The \$140.3 million reduction in HRTAC obligations is allocated to the I-64 Peninsula Widening Segment I Project (UPC 104905) by \$15.0 million, the I-64 Peninsula Widening Segment II Project (UPC 106665) by \$13.8 million, the I-64 Peninsula Widening Segment III Project (UPC 106689) by \$43.5 million, and the I-64 Southside Widening Including High Rise Bridge Phase I project (UPC 106692) by \$68.0 million. VDOT has also notified HRTAC that the required Smart Scale funding will decrease in accordance with the project agreements by \$31.1 million, allocated to the I-64 Peninsula Widening Segment III Project (UPC 106689) by \$23.8 million, and the I-64 Southside Widening Including High Rise Bridge Phase I project (UPC 106692) by \$7.3 million. A detailed matrix is attached to this briefing.



Subject to the CTB Approval, HRTAC will need to include this adjustment in its HRTAC 2016-2023 Funding Plan and amend its project agreements with VDOT and the HRTPO to reflect changes within project line items and to deallocate funds and make them available for reprogramming. On Tuesday, April 3, 2018, the Finance Committee took action to endorse the deallocation and authorized the Finance Committee Chair to communicate the Committee's action to the Commission at its April 19, 2018 meeting.

Fiscal Impact

These adjustments of Hampton Roads Transportation Funds are within in the HRTAC 2016-2023 Funding Plan.

Suggested Motion:

Motion. Motion is the Commission approves the amendment of its HRTAC 2016-2023 Funding Plan to (i) reduce the HRTAC funds allocated to the I-64 Peninsula Widening Segment I Project (UPC 104905) by \$15.0 million, the HRTAC funds allocated to the I-64 Peninsula Widening Segment II Project (UPC 106665) by \$13.8 million, the HRTAC funds allocated to the I-64 Peninsula Widening Segment III Project (UPC 106689) by \$43.5 million, and the HRTAC funds allocated to the I-64 Southside Widening Including High Rise Bridge Phase I project (UPC 106692) by \$68.0 million, and (ii) reduce the Smart Scale funds allocated to the I-64 Peninsula Widening Segment III Project (UPC 106689) by \$23.8 million, and the Smart Scale funds allocated to the I-64 Southside Widening Including High Rise Bridge Phase I project (UPC 106692) by \$7.3 million; and, the Commission further authorizes the Chair to execute and deliver the necessary amendments to the corresponding Project Agreements to reflect these deallocations.

Item 5 Attachment
HRTAC Funding
Funding Return Information
March 7, 2018

Project	Item	HRTAC Funding Return (Millions)	Comments
I-64 Peninsula Widening Segment I			
	Project Under Expenditures	\$ 15	
I-64 Peninsula Widening Segment II			
	Scope Validation Funds	\$ 13.8	
I-64 Peninsula Widening Segment III			
	Project Award	\$ 25.7	Contract award was below the estimated cost for the project. Additionally \$23.8M in Smart Scale savings will go back to CTB.
	Scope Validation Funds	\$ 17.8	
I-64 Southside and High Rise Bridge			
	Project Award	\$ 43	Contract Award was below the estimated cost for the project. Additionally \$7.3M in Smart Scale savings will go back to CTB.
	Scope Validation Funds	\$ 25	
Total Potential Return		\$ 140.3	

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To: Chair Hipple and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: April 19, 2018

Re: Series 2018A HRTF Revenue Bonds – Post Issuance Bond Compliance Policy

Recommendation:

The Finance Committee endorsed the proposed HRTAC Post Issuance Bond Compliance Policy and recommends Commission approval.

Background:

Following the Series 2018A HRTF Revenue Bonds sale, HRTAC must adopt a Post Issuance Bond Compliance Policy. HRTAC Bond Counsel has worked with staff to develop a draft Post Issuance Bond Compliance Policy that summarizes the federal law regulatory compliance responsibilities of the Commission with regard to its tax-exempt bond issues. These responsibilities consist of compliance with (1) federal income tax regulations relating to the use and investment of bond proceeds, and (2) federal securities regulations relating to continuing disclosure to the market. The policy addresses the assignment of general categories of responsibilities, and specifies the frequency of review and required duration of recordkeeping for each item. At its April 3, 2018 meeting, the Finance Committee was briefed and took action to endorse the proposed HRTAC Post Issuance Bond Compliance Policy.

Fiscal Impact:

The fiscal impact to the Hampton Roads Transportation Fund in relation to this Action Item will be determined as the policy is implemented.

Suggested Motion:

Motion: The Commission approves the proposed HRTAC Post Issuance Bond Compliance Policy.



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**HAMPTON ROADS TRASNPORATION ACCOUNTABILITY COMMISSION
HAMPTON ROADS TRANSPORATION FUND REVEUE BONDS
POST-ISSUANCE BOND COMPLIANCE POLICY**

This policy summarizes the federal law regulatory compliance responsibilities of the Hampton Roads Transportation Accountability Commission (the “Commission”) with regard to its tax-exempt bond issues. These responsibilities consist of compliance with (1) federal income tax regulations relating to the use and investment of bond proceeds, and (2) federal securities regulations relating to continuing disclosure to the market.

This policy is formulated to address, in a summary fashion, the assignment of general categories of responsibilities, and to specify the frequency of review and required duration of recordkeeping for each item. A more specific checklist to be used in connection with each individual bond issue is attached as Exhibit A to this document. Any questions that arise as to non-routine matters should be addressed to bond counsel. Each specific category of tasks should be assigned to one responsible department or individual.

Because most bond issues remain outstanding for long periods of time, and the possibility of IRS audit exists throughout the term of each bond issue, each individual or department with responsibilities under this policy should develop a plan detailing the steps that will be taken to transfer responsibilities and accumulated knowledge to successor personnel. Further, Commission record retention policies should be applied to bond-related materials with the recognition that tax regulations require the retention of most records relating to tax-exempt bond issues for the life of the bonds, including the life of any bonds that refund such bonds, plus 3 years. See “Record Retention,” below, for more detail.

Index:

<u>Topic</u>	<u>Page</u>
Allocation of Bond Proceeds	2
Investment of Bond Proceeds.....	3
Use of Bond Financed Facilities	4
Changes in Terms.....	5
Record Retention.....	6
Continuing Disclosure Requirements	7
Voluntary Disclosure	8
Exhibit A – Transaction Checklist	A-1

Allocation of Bond Proceeds

The Treasury Regulations set forth detailed allocation and accounting rules relating to the allocation of bond proceeds to expenditures. Allocations should reflect, among other things, compliance with the various rules that qualify uses of funds for temporary periods (i.e., periods during which unspent funds are not subject to yield restriction) and other limitations on expenditures.

Responsibility for this category: Executive Director

<i>Task</i>	<i>Responsible Party</i>	<i>Frequency of Review</i>
Prepare and maintain an expenditure summary showing the date, amount and purpose of each expenditure from bond proceeds, and including copies of all requisitions or advance certificates. (Expenditures should reflect compliance with limitations set forth in issue-specific non-arbitrage certificates in bond transcripts.)	_____	Monthly during draw-down periods
Request that bond counsel prepare reimbursement resolutions for projects to be financed with tax-exempt bond proceeds in the near future.	_____	Issue-specific ¹
If a reimbursement resolution has been adopted, bond proceeds can be used to reimburse expenditures made up to 60 days before the resolution date, and the bonds must be issued and proceeds allocated to each expenditure within 18 months after the later of (i) the date of the first expenditure to be reimbursed or (ii) the placed in service date of the project, but in no event later than three years after the expenditure was paid.	_____	Issue-specific
Bond proceeds for capital projects should be spent consistently with the “3-year temporary period” rule, meaning that (i) the project moves forward with diligence after closing, (ii) the Commission incurs within six months after closing a substantial binding obligation to a third party to expend at least 5 percent of the bond proceeds on the project, and (iii) all bond proceeds are expended on the project within 3 years after the date of issuance of the bonds.	_____	Issue-specific

¹ Also refer to Exhibit A for bond issue-specific items.

Investment of Bond Proceeds

Bond proceeds that are not immediately spent are regarded as “nonpurpose investments” while held in reserve, or until they are spent and allocated to expenditures in the manner described above. The yield on a nonpurpose investment must be restricted unless the type of investment qualifies for a “temporary period” during which such restriction is not required. In order to prevent artificially depressing yield, nonpurpose investments must be purchased at fair market value. In addition, any arbitrage that the Commission in fact earns, even during a temporary period or in a reasonably required reserve fund, must be rebated to the federal government, unless an exception to rebate applies.

Responsibility for this category: Executive Director

<i>Task</i>	<i>Responsible Party</i>	<i>Frequency of Review</i>
Avoid the formal or informal creation of funds reasonably expected to be used to pay debt service on bonds without determining in advance whether such funds must be invested at restricted yield. (Such funds may be deemed to be “replacement proceeds” of the bonds, which are subject to yield restriction requirements.)	_____	Semi-annual
Prepare and maintain a summary of investment transactions in order to assist with arbitrage rebate compliance analysis.	_____	Quarterly
Obtain computation of the “yield” of the bonds and establish a procedure to track the return on invested bond proceeds.	_____	Issue-specific
Monitor compliance with “temporary period” expectations for spending bond proceeds (e.g., three years for a construction fund)	_____	Issue-specific
When required, provide for yield restriction of investments, or “yield reduction payments” if restrictions cannot be met.	_____	Issue-specific
Monitor compliance with 6-month, 18-month, or 24-month spending exceptions to rebate requirement, including percentage milestones required by the Treasury Regulations.	_____	Issue-specific
Engage an outside arbitrage rebate consultant to prepare computations of rebate liability and, if rebate is payable, timely file Form 8038-T and pay the amount of rebate that is due. (Rebate is ordinarily due at 5-year intervals.)	_____	Issue-specific
Maintain the special records required to establish that certain investments (e.g., guaranteed investment contracts, certificates of deposit, defeasance escrows) are purchased at fair market value; this may include the requirement of receiving multiple bids.	_____	Issue-specific

Use of Bond Financed Facilities

Property financed with tax-exempt bond proceeds generally must be used for governmental purposes and not used for, secured or paid by, or leased to any private trade or business. However, a *de minimis* amount of private use (i.e., no more than 10%) is allowed in most circumstances, as is use by the general public. In addition, no more than 5% of proceeds of bonds allocated to private use may be used in connection with private business use that is unrelated or disproportionate to the governmental use financed by the issue. Service contracts, management contracts and other arrangements may be maintained with private or federal government entities without implicating private use so long as certain regulatory safe harbors are met or the contract is reviewed and approved by bond counsel.

Responsibility for this category: Executive Director

<i>Task</i>	<i>Responsible Party</i>	<i>Frequency of Review</i>
Establish internal processes for tracking which outstanding bond issues financed which facilities and in what amounts.	_____	Annual
Make periodic reviews to ensure there is no more than 10% in aggregate amount of bond-financed facilities that can be attributed to private use or special legal entitlements (i.e., arrangements comparable to the conveyance of priority rights to use bond-financed facilities) involving private entities or federal government users (other than the <i>de minimis</i> allowable amount).	_____	Annual
Consult with bond counsel in making periodic reviews of service, management, and other contracts to ensure continuing compliance with regulatory safe harbors.	_____	Annual
Ensure that no more than 5% of the proceeds of governmental bonds allocated to private use are used in connection with private business use that is unrelated or disproportionate to the government use financed by the issue.	_____	Annual
Promptly consult with bond counsel as to any possible change of use or private use of bond-financed facilities. “Remedial action” for such “change of use” may require redemption or defeasance of bonds or expenditures for other qualified purposes within specified time periods.	_____	As events arise

Changes in Terms

Proposed changes to the terms of tax-exempt bonds must be carefully scrutinized to determine if the changes cause the bonds to be “reissued” for federal income tax purposes. Avoiding a reissuance is often important in order to avoid the application of subsequent, often more restrictive, changes in law and tax-exempt bond eligibility requirements, and the requirements of filing a new IRS Form 8038-G, obtaining an arbitrage rebate report and in some cases obtaining new public approvals.

Responsibility for this category: Executive Director

<i>Task</i>	<i>Responsible Party</i>	<i>Frequency of Review</i>
Consult with bond counsel before engaging in post-issuance credit enhancement transactions or hedging transactions.	_____	Issue-Specific
Identify any post-issuance changes to the terms of the bonds that could be treated as a tax reissuance, such as changes in yield in an amount greater than 25 basis points, material deferral of scheduled debt service payments, including extensions of maturities, and changes in obligor or security that affect payment expectations.	_____	Issue-Specific

Record Retention

Responsibility for this category: Executive Director

<i>Task</i>	<i>Responsible Party</i>	<i>Frequency of Review</i>
Keep all closing transcripts prepared by bond counsel, including a copy of each filed IRS Form 8038-G; and maintain general records relating to each bond issue for the life of the issue (plus any refunding of the issue) plus three years.	_____	Issue- Specific
Maintain all special records required by the safe harbors for investment contracts or defeasance escrows.	_____	Issue-Specific
Maintain records of identification on the Commission's books and records of any "qualified hedge" contract.	_____	Issue-Specific

Continuing Disclosure Requirements

Securities regulations applying to publicly issued bonds, and in many cases loan covenants in private placements, require continuing disclosure obligations.

Responsibility for this category: Executive Director

<i>Task</i>	<i>Responsible Party</i>	<i>Frequency of Review</i>
<p>Manage preparation and dissemination of required annual disclosures of financial and operational information, including:</p> <ul style="list-style-type: none"> (a) Audited financial statements of the Commission; and (b) Updated operating data of the type described in the Official Statement for the Series 2018A Bonds in (i) Table I: "Historical Hampton Roads Transportation Fund Revenues," (ii) Appendix E, Table 1: "HRTF Revenues Fiscal Year 2014 to Date," (iii) Appendix E, Table 2: "Hampton Roads Transportation Fund (HRTF) Revenues and Expenditures," and (iv) Appendix E, Table 3: "Hampton Roads Transportation Fund (HRTF) Transportation Project Expenditures." 	_____	Annual
<p>Review required event notices list (applicable events must be disclosed on EMMA no more than ten (10) business days after their occurrence):</p> <ul style="list-style-type: none"> (a) Principal and interest payment delinquencies; (b) Non-payment related defaults, if material; (c) Unscheduled draws on any debt service reserves maintained with respect to the bonds, reflecting financial difficulties; (d) Unscheduled draws on any credit enhancement maintained with respect to the bonds, reflecting financial difficulties; (e) Substitution of credit or liquidity providers, or their failure to perform; (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds; (g) Modifications to rights of bondholders, if material; (h) Bond calls, if material, and tender offers; (i) Defeasance of all or any portion of the bonds; (j) Release, substitution, or sale of property securing repayment of the bonds, if material; (k) Rating changes; (l) Bankruptcy, insolvency, receivership or similar event of the issuer; (m) Consummation of a merger, consolidation, or acquisition involving the issuer or the sale of all or substantially all of the assets of the issuer, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such a transaction; and (n) Appointment of a successor or additional bond trustee or the change of name of a trustee, if material. 	_____	As events arise

Voluntary Disclosure

If the Commission chooses to provide information to the market beyond what is specifically required by its continuing disclosure obligations (discussed above), all releases of information which can be expected to reach the bond market must be in compliance with the anti-fraud rules under the Securities Exchange Act (“Rule 10b-5”) (i.e., the information that is provided must not be materially inaccurate or misleading in the context in which it is provided). In addition, disparities in disclosure by a municipal bond issuer to various investors should be minimized, as such disparities can negatively impact market perception of an issuer and can lead to Rule 10b-5 claims. The best course of action is to take steps to assure uniform dissemination of information to the maximum extent practicable, such as through posting of disclosures on the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board.

Responsibility for this category: Executive Director

<i>Task</i>	<i>Responsible Party</i>	<i>Frequency of Review</i>
Designate a municipal bonds investor-relations specialist, responsible for responding to inquiries from market participants.	_____	Annual
Disclosed information should be periodically reviewed to determine whether inconsistent information is being provided through marketing materials, press kits, or Internet sites.	_____	Quarterly
Maintain a record of all contacts with market participants, including contact information and summaries of the questions presented and responses (if any) given. This record should be periodically reviewed and analyzed as to the need to make public releases (EMMA postings) of information to minimize any instances of selective or inconsistent disclosure.	_____	Monthly
All information prepared for public release shall be reviewed by one or more members of the Commission and by counsel.	_____	Issue-Specific

EXHIBIT A

TRANSACTION CHECKLIST

KEY PARTICIPANTS			
Responsible Department or Individual:		Executive Director	
Bond Counsel:		Kaufman & Canoles	
Trustee:		Wilmington Trust	
Paying Agent:		Wilmington Trust	
Rebate Specialist:			
Dissemination Agent:			
Other:			
Other:			
A. TAX LAW REQUIREMENTS		Document Reference	Responsibility
1. General Matters.			
(a) Proof of filing Form 8038-G.			
(b) Any “Significant modification” to bond documents results in reissuance under Treas. Reg. § 1.1001-3 – proof of filing new Form 8038, etc., plus final rebate calculation on pre-modification bonds.			
2. Use of Proceeds			
(a) No private business use arrangement with private entity (includes federal government) beyond permitted <i>de minimis</i> amount, unless cured by remedial action under Treas. Reg. § 1.141-12.			
(i) Sale of facilities.			
(ii) Lease.			
(iii) Nonqualified management contract. Rev. Proc. 97-13.			
(iv) Nonqualified research contract. Rev. Proc. 97-14.			
(v) “Special legal entitlements” (e.g. any other arrangement comparable to the conveyance of priority rights to the use of bond financed facilities)			
(b) Change of use remedial action may consist generally of redemption or defeasance of bonds (with notice of defeasance to IRS). Where disposition is a cash sale, remedial action may be an alternative qualifying use of proceeds. Alternative use must have proof of filing new Form 8038-G, and other “new money” requirements prior to the sale of original facilities .			

3. Arbitrage.		
(a) Rebate. IRC § 148(f).		
(i) First installment of arbitrage rebate (at least 90% of rebatable amount) due on fifth anniversary of bond issuance plus 60 days.		
(ii) Succeeding installments (at least 90% of rebatable amount) every five years.		
(iii) Final installment (total rebatable amount) 60 days after retirement of last bonds of issue.		
(iv) Monitor expenditures prior to semi-annual target dates for six-month, 18-month, or 24-month spending exception to rebate.		
(b) Monitor expenditures generally against date of issuance expectations for three-year temporary period.		
(c) For advance refunding escrows, confirm that any scheduled purchased of State and Local Government Series (SLGs) U.S. Treasury securities are made on the scheduled date.		
4. Record Retention.		
(a) Maintain general records relating to issue for life of issue plus any refunding plus three years.		
(b) Maintain special records required by safe harbor for investment contracts or defeasance escrows. Treas. Reg. § 1.148-5.		
(c) Maintain record of identification on the Commission's books and records of "qualified hedge" contract. Treas. Reg. § 1.148-4(h)(2)(viii), § 1.148-11a(i)(3) and § 1.148-4(h)(4).		
5. Bond Proceeds Used for Reimbursement. Make any allocations of bond proceeds for reimbursement not later than 18 months after the later of (a) the date the expenditure is paid or (b) the date the Project is placed in service or abandoned, but in no event more than 3 years after the expenditure is paid. Treas. Reg. § 1.150-2.		
B. DISCLOSURE REQUIREMENTS		
1. SEC Rule 15c2-12 Requirements.		
(a) Determine applicability of continuing disclosure undertaking ("CDU").		
(b) Identification of the Commission as "obligated person" for purposes of Rule-15c2-12.		
(c) Name of Dissemination Agent, if applicable.		
(d) Periodically determine that required CDU filings have been prepared, sent to and received by EMMA.		

(e) Any information required to be provided to EMMA:		
(i) Annual Reports.		
(1) Audited financial statements.		
(2) Historical HRTF Revenues, HRTF Revenues Last Five FYs to Date, HRTF Revenues and Expenditures, and HRTF Transportation Project Expenditures		
(ii) Other information.		
(1) Change of fiscal year.		
(2) Other information specified in CDU.		
(f) Event Disclosure.		
Notification by the Commission to EMMA, in timely manner, of any following events with respect to bonds, if event is material within the meaning of the federal securities laws:		
(i) Principal and interest payment delinquencies.		
(ii) Non-payment related defaults, if material.		
(iii) Unscheduled draws on any debt service reserves maintained with respect to the bonds, reflecting financial difficulties.		
(iv) Unscheduled draws on any credit enhancement maintained with respect to the bonds, reflecting financial difficulties.		
(v) Substitution of credit or liquidity providers, or their failure to perform.		
(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds.		
(vii) Modifications to rights of bondholders, if material.		
(viii) Bond calls, if material, and tender offers.		
(ix) Defeasance of all or any portion of the bonds.		
(x) Release, substitution or sale of property securing repayment of the bonds, if material.		
(xi) Rating changes.		
(xii) Bankruptcy, insolvency, receivership or similar event		

(xiii) Consummation of a merger, consolidation, or acquisition or the sale of all or substantially all of the assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material		
(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material		
(xv) Failure of the Commission on or before the date required by disclosure agreement to provide annual financial and operating information to the persons and in the manner required by any disclosure agreement		
(g) Failure of the Commission to timely file financial information (including audited financial statements) and operating data with EMMA.		
<p>2. Notification to Underwriters of Bonds.</p> <p>Determination of whether bond purchase agreement requires the Commission to notify underwriters for a specified period of time of any fact of event that might cause the official statement to contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading.</p>		
<p>3. Information Required to be Filed with Other Entities.</p>		
(a) Trustee or Bondholder.		
(b) Rating Agencies.		
(c) Bond Insurer (if any).		
(d) Credit Enhancer (if any).		
(e) Examples:		
(i) Financial records.		
(1) Annual.		
(2) Quarterly.		
(ii) Budgets.		
(iii) Issuance of additional bonds.		
(iv) Events of default.		
(v) Notices of redemption.		
(vi) Amendments to bond documents.		
<p>4. Local Disclosure.</p> <p>Any Virginia and/or local requirements.</p>		

C. MISCELLANEOUS REQUIREMENTS		
1. Investments. Compliance with permitted investments.		
2. Derivatives. Ongoing compliance with derivatives contracts, including any posting of collateral.		

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Agenda Item 6A
Action Item

To: Chair Hipple and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: April 19, 2018

Re: FY2019 HRTAC Administrative Budget and Request for a Public Hearing

Recommendation:

The Finance Committee recommends that the Commission endorse the Proposed HRTAC FY2019 Administrative Budget reflected in the enclosed Budget (the “Proposed HRTAC FY2019 Administrative Budget”) and authorize the Finance Committee Chair to hold a public hearing regarding the proposed budget.

Background:

Each year, HRTAC develops, adopts, and tracks its annual operating budget. For FY2019, the HRTAC Staff has developed the Proposed HRTAC FY2019 Administrative Budget for the Finance Committee’s review and input. The Draft HRTAC FY2019 Administrative Budget is based on Staff review of prior expenditure flows and anticipated additional needs of the Commission for the upcoming business year. The proposed budget is \$198,512 more than the FY2018 approved budget (attributed to anticipated bond issuance expenses and increased HRPDC/HRTPO contracted staff costs) and anticipates that the HRTF interest/investment income will support the expenditures. At its April 3, 2018 meeting, the Finance Committee received a full briefing and endorsed the budget and sent request, through its Chair, for the Commission to authorize a public hearing.

Fiscal Impact:

There is a \$2,468,512 fiscal impact of in relation to this Action Item.

Suggested Motion:

Motion: The Commission endorses the Proposed HRTAC FY2019 Administrative Budget and authorizes the Finance Committee Chair to conduct a public hearing on the Proposed HRTAC FY2019 Administrative Budget.





Proposed FY2019 Administrative Budget

CATEGORY	FY2018 Approved			FY2019 Proposed		
	FY2018 Administrative	FY2018 Project Development	FY2018 Approved Budget	FY2019 Proposed Budget	FY2019 Administrative	FY2019 Project Development
REVENUES						
HRTF Support *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Investment Income	\$ 1,300,000	\$ 970,000	\$ 2,270,000	\$ 2,464,512	\$ 1,334,512	\$ 1,130,000
TOTAL REVENUE	\$ 1,300,000	\$ 970,000	\$ 2,270,000	\$ 2,464,512	\$ 1,334,512	\$ 1,130,000
EXPENDITURES						
PERSONNEL**						
HRTAC Staff	\$ 500,000	\$ -	\$ 500,000	\$ 524,512	\$ 524,512	\$ -
HRTPO/HRPDC Support Staff**	\$ 75,000	\$ -	\$ 75,000	\$ 120,000	\$ 120,000	\$ -
SUBTOTAL PERSONNEL	\$ 575,000	\$ -	\$ 575,000	\$ 644,512	\$ 644,512	\$ -
PROFESSIONAL SERVICES						
Audit	22,000	-	22,000	24,000	24,000	-
Bank Fees & Investment Services	240,000	-	240,000	300,000	300,000	-
Legal	375,000	300,000	675,000	625,000	300,000	325,000
Financial Advisors	-	670,000	670,000	600,000	-	600,000
Insurance - D&O/Liability	4,000	-	4,000	4,000	4,000	-
Recruiting			2,000	2,000	2,000	
Bond Issuance Expense	2,000	-	-	200,000	-	200,000
SUBTOTAL PROFESSIONAL SERVICES	\$ 643,000	\$ 970,000	\$ 1,613,000	\$ 1,755,000	\$ 630,000	\$ 1,125,000
TECHNOLOGY/COMMUNICATION**						
IT/Communications	5,000	-	5,000	5,000	5,000	-
LAN system/ Cloud	10,000	-	10,000	10,000	10,000	-
Website Consultant	1,000	-	1,000	2,000	2,000	-
SUBTOTAL TECHNOLOGY/COMMUNICATION	\$ 16,000	\$ -	\$ 16,000	\$ 17,000	\$ 17,000	\$ -
ADMINISTRATIVE **						
Public Notices/Advertising	5,000	-	5,000	3,000	3,000	-
Office Space	12,000	-	12,000	12,000	12,000	-
Office Supplies**	5,000	-	5,000	4,000	3,000	1,000
Furniture	500	-	500	500	500	-
Printing/Copying**	9,000	-	9,000	7,000	3,000	4,000
Dues/Subscriptions	1,000	-	1,000	1,000	1,000	-
Travel	16,000	-	16,000	8,000	8,000	-
Meeting Expenses**	12,000	-	12,000	7,000	7,000	-
Postage**	500	-	500	500	500	-
Professional Development	5,000	-	5,000	5,000	5,000	-
SUBTOTAL ADMINISTRATIVE	\$ 66,000	\$ -	\$ 66,000	\$ 48,000	\$ 43,000	\$ 5,000
TOTAL EXPENDITURES	\$ 1,300,000	\$ 970,000	\$ 2,270,000	\$ 2,464,512	\$ 1,334,512	\$ 1,130,000

* HRTF Support will be used if the Interest/Investment Income is less than budgeted.

**includes items to be reimbursed to HRPDC/HRTPO



Agenda Item 6B
Action Item

To: Chair Hipple and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: April 19, 2018

Re: Proposed HRTAC FY2019-FY2024 Plan of Finance Update

Recommendation:

The Finance Committee recommends that the Commission authorize HRTAC Staff to conduct a public hearing on the Proposed HRTAC FY2019-FY2024 – Six Year Operating and Capital Program of Projects for the Region’s High Priority Projects (With Toll Revenues to HRTAC) to update the HRTAC-adopted 2016-2023 Financial Plan to include certain modifications for the Region’s High Priority Projects and additional revenues based on new or updated information.

Background:

During FY2018, HRTAC Staff developed a Proposed HRTAC FY2019-FY2024 – Six Year Operating and Capital Program of Projects for the Region’s High Priority Projects (With Toll Revenues to HRTAC) as an update to the Commission’s Adopted 2016-2023 Financial Plan, first adopted by the Commission on March 17, 2016. The purpose of updating the Financial Plan is to provide current direction on project financing, revenue assumptions, and timing that will be used as the Commission’s current funding plan. This will guide the Commission and inform others through advancing project construction readiness, project finance, bonding, tolling, environmental planning and the development of the Constrained and Unconstrained elements of the HRTPO 2045 Long Range Transportation Plan Update as necessary. The Commission will need to conduct a public hearing on the Proposed HRTAC FY2019-FY2024 Plan of Finance Update to receive public comments for consideration in the Commission’s action at its next Regular meeting after the hearing. At its April 3, 2018 meeting, the Finance Committee received a detailed briefing, endorsed the HRTAC FY2019-FY2024 – Six Year Operating and Capital Program of Projects utilizing VDOT’s revenue estimates and requested that the Commission authorize staff to conduct a public hearing.

Fiscal Impact:

There is no fiscal impact in relation to this Action Item authorizing a public hearing.



Suggested Motion:

Motion: The Commission endorses the Proposed HRTAC FY2019-FY2024 – Six Year Operating and Capital Program of Projects for the Region's High Priority Projects (With Toll Revenues to HRTAC) and authorizes HRTAC Staff to conduct a public hearing.



HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION



April 2018 Commission Meeting – Items 6B & 6C
**HRTAC FY2019-FY2024 Program of Projects &
Proposed 2045 Plan of Finance Update**

**Kevin Page, HRTAC
April 19, 2018**

Update Overview

- In September 2017, an updated HRTAC 2040 Long-Range Plan of Finance was adopted by the HRTAC Commission and was incorporated in the HRTPO's Constrained 2040 LRTP.
 - HRBT can be completed by 2024;
 - HRB II and Bower's Hill Interchange can be completed in 2037
 - Rt 460/58/13 and Ft. Eustis Interchange can be completed in 2038
- HRTPO has initiated the process of updating the LRTP to the horizon year 2045. Accordingly, HRTAC is extending its Long-Range Plan of Finance to 2045.
- The FY2019-FY2024 Program of Projects, considered as a part of the 2045 Plan of Finance, is evaluated in conjunction with the 2045 Plan of Finance update.
- Assumptions and adjustments incorporated to the update include:
 - HRTF revenue long-term projection (assume SB896, gas tax floor, will be enacted into law)
 - Project costs, HRTAC's obligations, and VDOT funds
 - Interest rates

HRTF Revenue: FY 2019 to FY 2024 & Post FY 2024 Long-Term Projection

- FY 2019 – FY 2024 Update
 - use the latest FY 2024 forecast provided by VDOT in January 2018
 - include additional fuels tax revenues induced by the fuel price floor*
- Projection post FY 2024
 - In 2017, VDOT provided an updated projection with annual growth rates from 1.27% to 1.88% (materially lower than its forecast in 2015 – approximately 3.0%).
 - HRTAC staff and PFM used a historical trend line approach which was reviewed and accepted by credit rating agencies. The results suggested 2.62% and 1.02% growth rates for sales tax and fuels tax, respectively.
 - Revenues in VDOT 2017 forecast are \$210M less than the historical trend line method through 2038 and \$1,406M less through 2060.
- The two long-term projections were presented to and reviewed by the Financing Committee meeting on April 3. The Financing Committee recommended:
 - Using VDOT's projection for HRTAC's FY 2019 - FY 2024 Capital Program
 - Using the historical trend line approach for the long term 2045 Plan of Finance

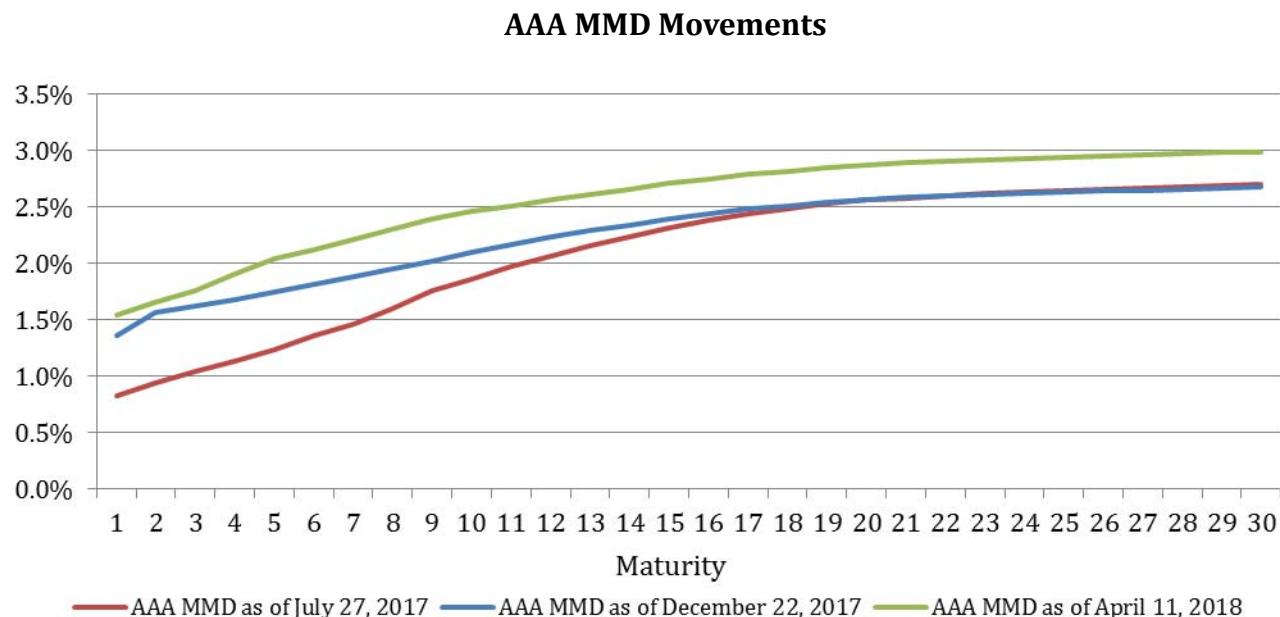
Project Costs, HRTAC's Obligations, and VDOT Funds

- VDOT provided total project cost estimates. Cost reductions in the Approved Projects are shared between HRTAC and VDOT pursuant to the Standard Project Agreements.
- Updated HRBT cost estimate of \$3,662M continues to assume the SEIS Alternative A scope approved by the Commission.
- Assume other LRTP projects (HRB II, Bower's Hill, Rt. 460/58/13, and Ft. Eustis), finish at the same time.

in millions	Approved Projects			HRBT			Other LRTP Projects		
	Total Costs	HRTAC Share	VDOT & Other Funds	Total Costs	HRTAC Share	VDOT & Other Funds	Total Costs	HRTAC Share	VDOT & Other Funds
Previous Assumption	\$1,654	\$1,233	\$421	\$3,799	\$3,799	\$0	\$3,105	\$2,776	\$329
Updated Assumption	\$1,481	\$1,090	\$391	\$3,661	\$3,662	\$0	\$3,105	\$2,776	\$329
Difference	\$173	\$143	\$30	\$138	\$138	\$0	\$0	\$0	\$0

Interest Rate

- The Federal Reserve raised its benchmark lending rate in December 2017 and again in March 2018. The municipal bond benchmark rates has risen by 28-80 basis points since July 2017 when the last Plan of Finance was analyzed.
- The current Plan of Finance assumes a interest rate cushion based on the market view in mid 2017. In light of recent market movements, it is appropriate to adjust future rate assumptions to preserve reasonable conservatism of the analytic approach. Additional 10-25 basis points were added.



Updated 2045 Long-Range Plan of Finance Results (with Toll Revenues to HRTAC and Historical Trend HRTF Projection and Gas Tax Floor)

- HRTAC, using HRTF revenues and toll revenues, can fund HRBT costs of **\$3,662M** costs (SEIS Alternative A scope) with 2024 completion.
- No other anticipated SMART SCALE funds are assumed for HRBT.
- Other projects – High Rise Bridge Phase II, Bower's Hill Interchange, Rt 460/58/13, and Ft. Eustis can still be completed in the same time frame of 2037-2038.

Approved Projects	HRBT	HRB II	Bower's Hill Interchange	Rt 460/58/13	Ft. Eustis Interchange	Total FV Cost	Funded by HRTF Debt	Funded by Toll Debt	Funded by HRTAC Pay-Go	Funded by VDOT and Other Pay-Go
2045 FCLRTP (With Toll Revenues to HRTAC)										
Inflated Costs (MM)	\$1,481	\$3,662	\$1,729	\$659	\$396	\$320	\$8,248	\$4,050	\$675	\$2,805
Fiscally Constrained Construction End Year	2022	2024	2037	2037	2038	2038				\$718

- \$345M toll revenue debt is assumed to pay HRBT. If HRTAC does not collect toll revenues, HRTAC will fund \$345M less HRBT costs - \$3,317M in total
- Trend HRTF Projection provides \$3,662M for HRBT, VDOT 2017 Revenue Projection provides \$3,562M for HRBT
 - \$100M less funding availability for HRBT in the FY2019-FY2024 HRTAC Six-Year Funding Plan.

FY 2019 – FY 2024 HRTAC Projected Cash Flow (With Toll Revenues to HRTAC and VDOT 2017 HRTF Projection and Gas Tax Floor)

HRTAC's funding capacity for HRBT reduces to \$3,562M due to lower revenue estimates.

HRTAC Project Costs and Expenses

	Prior Years	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total	HRTAC Cost Share	VDOT Funds	HRTPO Funds	Outside Contribution	
Operating/HRTF Fees		\$9	\$2	\$3	\$3	\$3	\$3	\$25	\$25				
I-64 Peninsula Widening		\$341	\$90	\$78	\$41			\$549	\$328	\$221			
I-64/I-264 Interchange Improvement		\$213	\$73	\$44	\$24	\$8		\$362	\$290	\$67	\$2	\$3	
I-64 Southside/High Rise Bridge		\$88	\$166	\$197	\$79			\$530	\$432	\$98			
Project Development		\$37	\$4	\$1				\$41	\$41				
Mega-Project Delivery (HRBT)		\$195	\$278	\$743	\$762	\$782	\$802	\$3,562	\$3,562				
Total		\$687	\$531	\$599	\$889	\$772	\$785	\$805	\$5,069	\$4,678	\$386	\$2	\$3

Funding Sources

	Prior Years	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
VDOT Funds		\$235	\$46	\$64	\$34	\$8		\$386
HRTPO Funds			\$2					\$2
Outside Contribution			\$3					\$3
HRTAC Cost Share		\$448	\$486	\$536	\$855	\$765	\$785	\$805
Total		\$687	\$531	\$599	\$889	\$772	\$785	\$805
								\$5,069

Notes:

1. Assume additional fuels tax revenues as a result of the fuel price floor (provided by Department of Planning and Budget in March 2018)
2. Reduced HRBT costs in order to keep other 2045 LRTP projects completed in the same years as the previous LRTP indicated.
3. No anticipated Smart Scale funds assumed for HRBT.
4. Anticipates net toll revenues from HRTAC funded projects be returned to HRTAC.

FY 2019 – FY 2024 Project Costs and Expenses & Funding Sources (With Toll Revenues to HRTAC and VDOT 2017 HRTF Projection and Gas Tax Floor)

HRTAC Projected Cash Flow

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
HRTF .7% local Sales Tax Funds	\$140	\$143	\$146	\$149	\$152	\$155	\$883
HRTF 2.1% Fuel Tax Funds ¹	\$49	\$52	\$52	\$53	\$53	\$54	\$312
Total HRTF Revenue	\$188	\$194	\$198	\$201	\$205	\$209	\$1,195
HRTAC Toll Revenues ²	\$0	\$0	\$0	\$0	\$2	\$2	\$4
HRTF Interest Income	\$5	\$8	\$10	\$5	\$1	\$1	\$29
HRTF Investment Income	\$6	\$10	\$10	\$9	\$4	\$0	\$39
HRTAC HRTF Revenue Debt Proceeds ³	\$32	\$533	\$729	\$160	\$529	\$109	\$2,092
HRTAC Toll Revenue Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$345	\$345
Total Available HRTAC Funding	\$230	\$746	\$947	\$375	\$740	\$665	\$3,704
HRTAC Cost Share	\$486	\$536	\$855	\$765	\$785	\$805	\$4,230
HRTAC Debt Service	\$26	\$33	\$61	\$68	\$87	\$87	\$361
Total Annual Expenditure	\$511	\$569	\$916	\$833	\$871	\$891	\$4,592
Carryover Balance From Previous Year	\$924	\$643	\$819	\$851	\$394	\$263	
Remaining HRTAC Funds Unobligated	\$643	\$819	\$851	\$394	\$263	\$36	

Notes:

1. Included additional fuels tax revenues as a result of the fuel price floor (provided by Department of Planning and Budget in March 2018)
2. High Rise Bridge Phase I toll revenues starting FY 2023
3. Net of financing costs

FY 2019 – FY 2024 Funding Plan Detail

(With Toll Revenues to HRTAC and VDOT 2017 HRTF Projection and Gas Tax Floor)

Hampton Roads Transportation Accountability Commission
Proposed - FY2019 - FY2024 - Six-Year Operating and Capital Program of Projects (With Toll Revenues to HRTAC and VDOT 2017 HRTF Projection)

Project Location	Project Description	User	Source of Funds	Pre-SYP Funding Activities	Pre-HRTAC Funding Activities	HRTAC FY15	HRTAC FY16	HRTAC FY17	HRTAC FY18	HRTAC FY19	HRTAC FY20	HRTAC FY21	HRTAC FY22	HRTAC FY23	HRTAC FY24	3/30/18		
Operating/HRTF Fees																		
HRTAC Districtwide	HRTAC Operating Budget	HRTAC	HRTAC HRTF	\$ 8,530,095	\$ -	\$ 1,088,363	\$ 1,696,732	\$ 1,476,000	\$ 1,300,000	\$ 1,334,612	\$ 1,367,475	\$ 1,402,072	\$ 1,431,125	\$ 1,470,052	\$ 1,508,974	\$ 14,024,608		
	HRTAC Project Initiation Budget	HRTAC	HRTAC HRTF	\$ 319,000	\$ -	\$ 55,162	\$ 55,162	\$ 970,000	\$ 1,300,000	\$ 1,334,612	\$ 1,367,475	\$ 1,402,072	\$ 1,431,125	\$ 1,470,052	\$ 1,508,974	\$ 10,413,143		
	Department of Taxation Fees	HRTAC	HRTAC HRTF	\$ 444,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,518		
	Department of Motor Vehicles Fees	DMV	HRTAC HRTF	\$ 98,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,659		
	Total Operating Costs/HRTF Fees					\$ 9,323,368	\$ 542,051	\$ 1,143,525	\$ 2,965,732	\$ 2,400,000	\$ 2,270,000	\$ 2,464,512	\$ 2,526,125	\$ 2,569,278	\$ 2,654,010	\$ 2,720,360	\$ 2,788,369	\$ 25,055,962
Construction Projects																		
I-64 Peninsula Widening	I-64 Widening Segment 1	VOOT	VDOT	\$ 900,000,000	\$ 29,375,000	\$ -	\$ 90,000,000	\$ 9,026,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000,000		
	UPC 10980	HRTAC	HRTAC HRTF	\$ 10,000,000	\$ 29,375,000	\$ -	\$ 90,000,000	\$ 9,026,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000,000		
	Total			\$ 1,250,000,000	\$ 29,375,000	\$ -	\$ 90,000,000	\$ 9,026,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000,000		
Neaport News	I-64 Widening Segment 2	VOOT	VDOT	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000		
	PE UPC 10665	HRTAC	HRTAC HRTF	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000		
Neaport News	I-64 Widening Segment 2	VOOT	VDOT	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000		
James City County, York County	ROW/Construction UPC 10665	VOOT	VDOT	\$ 153,794,364	\$ -	\$ -	\$ 15,372,395	\$ 69,210,987	\$ 69,210,987	\$ 16,038,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,832,897		
	Total			\$ 153,794,364	\$ -	\$ -	\$ 15,372,395	\$ 69,210,987	\$ 69,210,987	\$ 16,038,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,832,897		
York County	I-64 Widening Segment 3	VOOT	VDOT	\$ 10,000,000	\$ -	\$ -	\$ 200,000	\$ 2,600,000	\$ 2,600,000	\$ 2,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
	PE UPC 10669	HRTAC	HRTAC HRTF	\$ 10,000,000	\$ -	\$ -	\$ 200,000	\$ 2,600,000	\$ 2,600,000	\$ 2,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
York County	I-64 Widening Segment 3 - I-90 Reconstruction	VOOT	VDOT	\$ 29,120,469	\$ -	\$ -	\$ 10,000,000	\$ 19,210,469	\$ 32,000,000	\$ 25,858,850	\$ 34,082,658	\$ -	\$ -	\$ -	\$ -	\$ 121,151,977		
	Construction UPC 10669 - 109790	HRTAC	HRTAC HRTF	\$ 12,541,600	\$ -	\$ -	\$ 10,000,000	\$ 12,541,600	\$ 42,262,068	\$ 51,851,130	\$ 64,419,198	\$ -	\$ -	\$ -	\$ -	\$ 112,903,966		
	Total			\$ 41,752,069	\$ -	\$ -	\$ 10,000,000	\$ 31,752,069	\$ 74,262,068	\$ 77,250,960	\$ 46,501,958	\$ -	\$ -	\$ -	\$ -	\$ 204,854,937		
I-64/264 Interchange Improvement	I-64/264 Interchange Improvement Phase I	VOOT	VDOT	\$ 5,047,700	\$ 5,047,700	\$ 5,153,009	\$ 6,612,036	\$ 3,306,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,047,700		
	PERROW UPC 57048 - 10842	HRTAC	HRTAC HRTF	\$ 5,071,063	\$ 5,047,700	\$ 5,153,009	\$ 6,612,036	\$ 3,306,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,011,063		
Perrow	I-64/264 Interchange Improvement Phase I	VOOT	VDOT	\$ 20,118,763	\$ 5,047,700	\$ 20,118,763	\$ 6,612,036	\$ 3,306,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,118,763		
Perrow	I-64/264 Interchange Improvement Phase I	VOOT	VDOT	\$ 20,118,763	\$ 5,047,700	\$ 20,118,763	\$ 6,612,036	\$ 3,306,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,118,763		
Perrow	I-64/264 Interchange Improvement Phase I	VOOT	VDOT	\$ 20,118,763	\$ 5,047,700	\$ 20,118,763	\$ 6,612,036	\$ 3,306,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,118,763		
Perrow	I-64/264 Interchange Improvement Phase II	VOOT	VDOT	\$ 87,234,589	\$ -	\$ -	\$ 22,402,977	\$ 64,831,412	\$ 41,690,228	\$ 8,105,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,023,653		
	Construction UPC 10730 - 10842	HRTAC	HRTAC HRTF	\$ 87,234,589	\$ -	\$ -	\$ 22,402,977	\$ 64,831,412	\$ 41,690,228	\$ 8,105,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,023,653		
Perrow	I-64/264 Interchange Improvement Phase II	VOOT	VDOT	\$ 68,475,476	\$ 13,882,000	\$ 7,070,291	\$ 31,081,324	\$ 15,540,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,475,476		
	PERROW UPC 10730 - 10842	HRTAC	HRTAC HRTF	\$ 6,047,700	\$ 13,882,000	\$ 7,070,291	\$ 31,081,324	\$ 15,540,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,882,000		
Perrow	I-64/264 Interchange Improvement Phase II	VOOT	VDOT	\$ 29,346,361	\$ 10,582,222	\$ -	\$ 7,104,649	\$ 3,709,490	\$ 7,950,000	\$ 10,288,526	\$ 2,756,222	\$ -	\$ 7,808,946	\$ -	\$ -	\$ 50,000,000		
	Construction UPC 10730 - 10842	HRTAC	HRTAC HRTF	\$ 28,197,294	\$ -	\$ -	\$ 7,104,649	\$ 3,709,490	\$ 7,950,000	\$ 10,288,526	\$ 2,756,222	\$ -	\$ 7,808,946	\$ -	\$ -	\$ 28,197,294		
Perrow	I-64/264 Interchange Improvement Phase II - Project Outside of Alternative A Modified	VOOT	VDOT	\$ 32,171,655	\$ 10,582,222	\$ -	\$ 7,104,649	\$ 6,580,784	\$ 7,950,000	\$ 27,532,345	\$ 34,750,000	\$ 23,915,465	\$ 7,808,946	\$ -	\$ -	\$ 126,028,411		
	Remaining Projects of the Third Crossing SEB	HRTPO	HRTAC	\$ 7,000,000	\$ -	\$ -	\$ 3,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000,000		
Perrow	I-64/264 Interchange Improvement - Phase II	VOOT	VDOT	\$ 4,850,000	\$ -	\$ -	\$ 1,100,000	\$ 3,750,000	\$ 3,750,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
	PE UPC 10669	HRTAC	HRTAC HRTF	\$ 4,850,000	\$ -	\$ -	\$ 1,100,000	\$ 3,750,000	\$ 3,750,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
I-64 Southbound/High Rise Bridge	I-64 Southbound/High Rise Bridge	VOOT	VDOT	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000			
	PE UPC 10662	HRTAC	HRTAC HRTF	\$ 2,657,143	\$ -	\$ 2,657,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,657,143			
Chesapeake, Suffolk	I-64 Southbound/High Rise Bridge	VOOT	VDOT	\$ 14,792,636	\$ -	\$ 14,792,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,792,636			
	ROW/Construction UPC 10662 - 10690	HRTAC	HRTAC HRTF	\$ 14,792,636	\$ -	\$ 14,792,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,792,636			
Chesapeake, Suffolk	I-64 Southbound/High Rise Bridge	VOOT	VDOT	\$ 54,197,206	\$ -	\$ -	\$ 32,133,168	\$ 22,064,038	\$ 3,404,118	\$ 36,055,621	\$ 2,871,264	\$ 9,703,000	\$ 32,913,371	\$ -	\$ -	\$ 92,965,545		
	ROW/Construction UPC 10662 - 10690	HRTAC	HRTAC HRTF	\$ 16,185,794	\$ -	\$ -	\$ 32,133,168	\$ 22,064,038	\$ 3,404,118	\$ 36,055,621	\$ 2,871,264	\$ 9,703,000	\$ 32,913,371	\$ -	\$ -	\$ 41,956,220		
	Total			\$ 70,363,000	\$ -	\$ -	\$ 32,133,168	\$ 22,064,038	\$ 3,404,118	\$ 36,055,621	\$ 2,871,264	\$ 9,703,000	\$ 32,913,371	\$ -	\$ -	\$ 512,413,765		
Project Development																		
Neaport News, Norfolk, Portsmouth, Chesapeake, Suffolk	Third Crossing SEB Study UPC 106724	VOOT	VDOT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Norfolk, Hampton, Neaport News	HRCS SEB Preferred Alternative Refinement	VOOT	VDOT	\$ 25,000,000	\$ -	\$ -	\$ 3,000,000	\$ 22,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000,000		
Neaport News, Norfolk, Portsmouth, Chesapeake, Suffolk	Remaining Projects of the Third Crossing SEB - Project Outside of Alternative A Modified	HRTPO	HRTAC	\$ 7,000,000	\$ -	\$ -	\$ 3,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000,000		
Portsmouth, Chesapeake, Suffolk	Remaining Projects of the Third Crossing SEB - Bowers Hill Environmental Study UPC 106724	VOOT	VDOT	\$ 1,640,000	\$ -	\$ -	\$ -	\$ -	\$ 1,640,000	\$ 1,950,000	\$ 410,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000		
Suffolk	Route 400/913	VOOT	VDOT	\$ 3,194,424	\$ -	\$ -	\$ -	\$ 1,527,769	\$ 1,696,056	\$ 1,696,056	\$ 138,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000		
	PE UPC 10664	HRTAC	HRTAC HRTF	\$ 3,194,424	\$ -	\$ -	\$ -	\$ 1,527,769	\$ 1,696,056	\$ 1,696,056	\$ 138,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000		
Mega-Project Delivery																		
Norfolk, Hampton, Neaport News	Financing Proceeds - I-64 HRBT Expansion	HRTAC	VDOT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,491,750	\$ 278,035,475	\$ 742,930,780	\$ 762,129,050	\$ 781,807,276	\$ 801,377,458	\$ 3,217,371,769	\$ 3,217,371,769		
	HRTAC Total Revenue	HRTAC	HRTAC HRTF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,491,750	\$ 278,035,475	\$ 742,930,780	\$ 762,129,050	\$ 781,807,276	\$ 801,377,458	\$ 3,217,371,769	\$ 3,217,371,769		
	Total Development/Construction Project Costs	Total		\$ 677,840,340	\$ 58,886,412	\$ 26,980,443	\$ 169,713,456	\$ 170,028,873	\$ 252,231,156	\$ 528,750,580	\$ 596,929,605	\$ 886,465,472	\$ 769,737,396	\$ 781,807,276	\$ 801,377,458	\$ 5,043,10,277		
	Total Estimated Operating and Capital Costs			\$ 687,153,648	\$ 58,626,462	\$ 26,120,968	\$ 172,680,186	\$ 172,428,854	\$ 254,901,156	\$ 531,216,024	\$ 698,456,730	\$ 722,360,006	\$ 784,527,636	\$ 804,765,827	\$ 804,765,827	\$ 5,048,07,692		
	Estimates Carried into Out Years as Place Holders			\$ 500,000,000	\$ 5,000,000	\$ 107,104,649	\$ 46,498,968	\$ 49,224,507	\$ 46,693,244	\$ 28,952,858	\$ 34,982,858	\$ 7,808,946	\$ -	\$ -	\$ 389,786,469	\$ 389,786,469		
	Mega-Project Under Development - Not Under Contract			\$ 2,146,314	\$ 363,855	\$ -	\$ 2,146,400	\$ 272,261	\$ 291,738	\$ 1,250,000	\$ 4,500,000	\$ 8,300,000	\$ 9,703,000	\$ 14,600,000	\$ 17,716,816	\$ 17,716,816		
	HRTPO-HRTF Interests			\$ 2,146,314	\$ 363,855	\$ -	\$ 2,146,400	\$ 272,261	\$ 291,738	\$ 1,250,000	\$ 4,500,000	\$ 8,300,000	\$ 9,703,000	\$ 14,600,000	\$ 17,716,816	\$ 17,716,816		
	HRTAC-HRTF Revenue Debt (Reimbursement)			\$ 183,220,203	\$ 44,000,000	\$ 12,644,237	\$ 63,214,234	\$ 62,810,810	\$ 308,920,138	\$ 31,814,853	\$ 533,005,465	\$ 725,249,237	\$ 160,442,005	\$ 526,242,277	\$ 108,515,089	\$ 108,515,089		
	HRTAC-HRTF Total Revenue Debt (TDA)			\$ 186,156,086	\$ 186,276,116	\$ 211,159,993	\$ 123,088,511	\$ 205,276,649	\$ 485,025,848	\$ 740,276,052	\$ 854,970,052	\$ 764,795,465	\$ 740,276,052	\$ 854,970,052	\$ 5,085,331,600			
	Total Funding Sources			\$ 447,007,718	\$ 29,543,051	\$ 23,123,968	\$ 85,575,539	\$ 124,088,511	\$ 230,857,948	\$ 485,025,848	\$ 740,276,052	\$ 854,970,052	\$ 764,795,465	\$ 740,276,052	\$ 854,970,052	\$ 4,677,065,218		
	HRTAC Funding Use			\$ 447,007,718	\$ 29,543,051	\$ 23,123,968	\$ 85,575,539	\$ 124,088,511	\$ 230,857,948	\$ 485,025,								



HRTAC Unlocking Hampton Roads

10

Agenda Item 6C
Action Item

To: Chair Hipple and the other members of HRTAC

From: Kevin B. Page, Executive Director

Date: April 19, 2018

Re: Proposed HRTAC 2045 Long Range Plan of Finance Update

Recommendation:

The Finance Committee endorse the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects and request Commission authorization for the Finance Committee to conduct a public hearing to update the HRTAC 2045 Long Range Plan of Finance Update to include certain modifications for the Region's High Priority Projects and additional revenues based on new or updated information.

Background:

Last year, HRTAC Staff developed a 2040 Long Range Plan of Finance Update for the HRTAC High Priority Projects and communicated the plan to the HRTPO for use in its 2040 Constrained Long Range Transportation Plan for the Region's High Priority Projects. This current effort is to update information and develop a 2045 Long Range Plan of Finance for the HRTAC High Priority Projects. HRTAC efforts have included employing financial consultant services, general and bond counsel, and included input provided by VDOT, HRTAC and HRTPO Staff. The purpose of developing the 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects is to provide current direction on project financing and timing that will be used in the HRTPO's long range transportation plan. This will guide the Region and inform others through advancing project construction readiness, project finance, bonding, tolling, environmental planning and the development of the Constrained and Unconstrained elements of the HRTPO 2045 Long Range Transportation Plan Update as necessary.

The 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects process includes HRTAC conducting a public hearing for the purpose of sharing the proposed update with the public and soliciting public input for the Commission to be aware of prior to the Commission taking Action on the 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects at its June 21, 2018 Annual Organizational meeting. At its April 3, 2018 meeting, the Finance Committee was fully briefed and endorsed the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects and requested Commission authorization for the Finance Committee to conduct a public



hearing to update the HRTAC 2045 Long Range Plan of Finance Update to include certain modifications for the Region's High Priority Projects and additional revenues based on new or updated information.

Fiscal Impact:

There is no fiscal impact in relation to this Action Item authorizing a public hearing.

Suggested Motion:

Motion: The Commission endorses the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects (With Toll Revenues to HRTAC) to the Commission, and authorizes and authorizes HRTAC Staff to conduct a public hearing.



SB 896 Motor vehicle fuels; sales tax in certain regions of the Commonwealth.

another bill?	<input checked="" type="checkbox"/>
<input type="button" value="go"/>	

[Frank W. Wagner](#) | all patrons ... notes | add to my profiles*Summary as passed: (all summaries)*

Motor vehicle fuels sales tax in certain areas of the Commonwealth; price floor. Establishes a floor on the 2.1 percent sales tax imposed on motor vehicle fuels sold in Northern Virginia and Hampton Roads by requiring that the average distributor price upon which the tax is based be no less than what the statewide average distributor price would have been on February 20, 2013. The bill defines "average distributor price." This bill incorporates [SB 140](#) and is identical to [HB 768](#).

Full text:

01/19/18 Senate: Presented and ordered printed 18104315D [pdf](#) | [impact statement](#)
02/06/18 Senate: Committee substitute printed 18106063D-S1 [pdf](#) | [impact statement](#)
02/06/18 Senate: Substitute bill reprinted 18106063D-S1 [pdf](#) | [impact statement](#)
02/21/18 House: Committee substitute printed 18107415D-H1 [pdf](#) | [impact statement](#)
03/08/18 Senate: Conference substitute printed 18108108D-S2 [pdf](#) | [impact statement](#)
03/20/18 Senate: Bill text as passed Senate and House (SB896ER) [pdf](#) | [impact statement](#)

Amendments:[Conference amendments](#)*Status:*

01/19/18 Senate: Presented and ordered printed 18104315D
[01/19/18 Senate: Referred to Committee on Finance](#)
02/06/18 Senate: Committee substitute printed 18106063D-S1
[02/06/18 Senate: Incorporates SB140 \(Petersen\)](#)
[02/06/18 Senate: Reported from Finance with substitute \(11-Y 3-N 2-A\)](#)
02/06/18 Senate: Substitute bill reprinted 18106063D-S1
[02/07/18 Senate: Constitutional reading dispensed \(39-Y 0-N\)](#)
02/08/18 Senate: Read second time
02/08/18 Senate: Reading of substitute waived
02/08/18 Senate: Committee substitute agreed to 18106063D-S1
02/08/18 Senate: Engrossed by Senate - committee substitute SB896S1
[02/09/18 Senate: Read third time and passed Senate \(26-Y 12-N\)](#)
[02/09/18 Senate: Reconsideration of passage agreed to by Senate \(39-Y 0-N\)](#)
[02/09/18 Senate: Passed Senate \(26-Y 12-N\)](#)
02/14/18 House: Placed on Calendar
02/14/18 House: Read first time
[02/14/18 House: Referred to Committee on Appropriations](#)
[02/21/18 House: Reported from Appropriations with substitute \(22-Y 0-N\)](#)
02/21/18 House: Committee substitute printed 18107415D-H1
02/23/18 House: Read second time
02/26/18 House: Passed by for the day
02/27/18 House: Read third time
02/27/18 House: Committee substitute agreed to 18107415D-H1
02/27/18 House: Engrossed by House - committee substitute SB896H1
02/27/18 House: Passed House with substitute (82-Y 16-N 1-A)
[02/27/18 House: VOTE: PASSAGE \(82-Y 16-N 1-A\)](#)
[02/28/18 Senate: House substitute rejected by Senate \(3-Y 37-N\)](#)
02/28/18 House: House insisted on substitute
02/28/18 House: House requested conference committee
[02/28/18 Senate: Senate acceded to request \(35-Y 5-N\)](#)
02/28/18 Senate: Conferees appointed by Senate

02/28/18 Senate: Senators: Wagner, Norment, Saslaw
02/28/18 House: Conferees appointed by House
02/28/18 House: Delegates: Jones, S.C., Habeeb, Filler-Corn
03/08/18 Conference: Amended by conference committee
03/08/18 Senate: Conference substitute printed 18108108D-S2
03/08/18 House: Conference report agreed to by House (65-Y 27-N 1-A)
03/08/18 House: VOTE: ADOPTION (65-Y 27-N 1-A)
03/09/18 Senate: Conference report agreed to by Senate (27-Y 12-N)
03/09/18 Senate: Reconsideration of conference report agreed to by Senate (39-Y 0-N)
03/09/18 Senate: Conference report agreed to by Senate (28-Y 11-N)
03/20/18 Senate: Enrolled
03/20/18 Senate: Bill text as passed Senate and House (SB896ER)
03/20/18 House: Signed by Speaker
03/22/18 Senate: Signed by President
03/26/18 Senate: Enrolled Bill Communicated to Governor on March 26, 2018
03/26/18 Governor: Governor's Action Deadline Midnight, April 9, 2018
04/06/18 Governor: Approved by Governor-Chapter 797 (effective 7/1/18)

1

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 58.1-2292, 58.1-2295, as it is currently effective, 58.1-2299,
 3 58.1-2299.10, and 58.1-2299.14 of the Code of Virginia, relating to the motor vehicle fuels sales tax
 4 in certain regions of the Commonwealth; price floor.*

5
6

Approved

[S 896]

7 **Be it enacted by the General Assembly of Virginia:**

8 1. *That §§ 58.1-2292, 58.1-2295, as it is currently effective, 58.1-2299, 58.1-2299.10, and
 9 58.1-2299.14 of the Code of Virginia are amended and reenacted as follows:*

10 **§ 58.1-2292. Definitions.**

11 As used in this chapter unless the context requires a different meaning:

12 "Alternative fuel" means the same as that term is defined in § 58.1-2201.

13 "Applied period" means the period of time in which a tax rate is imposed.

14 "Base period" means the period of time used to calculate the statewide average distributor price.

15 "Commissioner" means the Commissioner of the Department of Motor Vehicles.

16 "Cost price" means the same as that term is defined in § 58.1-602, and also includes all federal and
 17 state excise taxes and storage tank fees paid by the distributor. "Cost price" does not include separately
 18 stated federal diesel fuel excise taxes, unless the distributor fails to exclude the federal diesel excise tax
 19 when collecting the tax imposed pursuant to this chapter.

20 "Department" means the Department of Motor Vehicles, acting directly or through its duly authorized
 21 officers and agents.

22 "Diesel fuel" means the same as that term is defined in § 58.1-2201.

23 "Distributor" means (i) any person engaged in the business of selling fuels in the Commonwealth
 24 who brings, or causes to be brought, into the Commonwealth from outside the Commonwealth any fuels
 25 for sale, or any other person engaged in the business of selling fuels in the Commonwealth; (ii) any
 26 person who makes, manufactures, fabricates, processes, or stores fuels in the Commonwealth for sale in
 27 the Commonwealth; or (iii) any person engaged in the business of selling fuels outside the
 28 Commonwealth who ships or transports fuels to any person in the business of selling fuels in the
 29 Commonwealth.

30 "Distributor charges" means the amount calculated by the Department to approximate the value of
 31 the items, on a per gallon basis, excluding the wholesale price of a gallon of fuel, upon which the tax
 32 imposed by § 58.1-2295 was calculated prior to July 1, 2018.

33 "Fuel" means any fuel subject to tax under Chapter 22 (§ 58.1-2200 et seq.).

34 "Gross sales" means the same as that term is defined in § 58.1-602.

35 "Gasoline" means the same as that term is defined in § 58.1-2201.

36 "Liquid" means the same as that term is defined in § 58.1-2201.

37 "Retail dealer" means any person, including a distributor, who that sells fuels to a consumer or to
 38 any person for any purpose other than resale.

39 "Sale" means the same as that term is defined in § 58.1-602 and also includes the distribution of fuel
 40 by a distributor to itself as a retail dealer.

41 "Sales price" means the same as that term is defined in § 58.1-602 and also includes all
 42 transportation and delivery charges, regardless of whether the charges are separately stated on the
 43 invoice. Sales price does not include separately stated federal diesel fuel excise taxes, unless the
 44 distributor fails to exclude the federal diesel excise tax when collecting the tax imposed pursuant to this
 45 chapter.

46 "Statewide average distributor price" means the statewide average wholesale price of a gallon of
 47 unleaded regular gasoline or diesel fuel, as appropriate, plus distributor charges.

48 "Statewide average wholesale price" means the statewide average wholesale price of a gallon of
 49 unleaded regular gasoline or diesel fuel, as appropriate, calculated pursuant to § 58.1-2217.

50 "Wholesale price" means the same as that term is defined in § 58.1-2201.

51 **§ 58.1-2295. (Contingent expiration date) Levy; payment of tax.**

52 A. 1. In addition to all other taxes now imposed by law, there is hereby imposed a tax upon every
 53 distributor who engages in the business of selling fuels at wholesale to retail dealers for retail sale in
 54 any county or city that is a member of (i) any transportation district in which a rapid heavy rail
 55 commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass
 56 transportation system are owned, operated, or controlled by an agency or commission as defined in

57 § 33.2-1901 or (ii) any transportation district that is subject to subsection C of § 33.2-1915 and that is
 58 contiguous to the Northern Virginia Transportation District.

59 2. In addition to all other taxes now imposed by law, there is hereby imposed a tax upon every
 60 distributor who engages in the business of selling fuels at wholesale to retail dealers for retail sale in
 61 any county or city that is located in a Planning District established pursuant to Chapter 42 (§ 15.2-4200
 62 et seq.) of Title 15.2 that (i) as of January 1, 2013, has a population of not less than 1.5 million but
 63 fewer than two million, as shown by the most recent United States Census, has not less than 1.2 million
 64 but fewer than 1.7 million motor vehicles registered therein, and has a total transit ridership of not less
 65 than 15 million but fewer than 50 million riders per year across all transit systems within the Planning
 66 District or (ii) as shown by the most recent United States Census meets the population criteria set forth
 67 in clause (i) and also meets the vehicle registration and ridership criteria set forth in clause (i). In any
 68 case in which the tax is imposed pursuant to clause (ii), such tax shall be effective beginning on the
 69 July 1 immediately following the calendar year in which all of the criteria have been met.

70 B. 1. The tax shall be imposed *on each gallon of fuel, other than diesel fuel, sold by a distributor to*
a retail dealer for retail sale in any such county or city described in subsection A at a rate of 2.1
percent of the sales price charged by a distributor for fuels sold to a retail dealer for retail sale in any
such county or city. In any such sale to a retail dealer in which the distributor and the retail dealer are
the same person, the sales price charged by the distributor shall be the cost price to the distributor of the
fuel statewide average distributor price of a gallon of unleaded regular gasoline as determined by the
Commissioner pursuant to subdivision C 1. For alternative fuels other than liquid alternative fuels, the
Commissioner shall determine an equivalent tax rate based on gasoline gallon equivalency.

71 2. *The tax shall be imposed on each gallon of diesel fuel sold by a distributor to a retail dealer for*
retail sale in any such county or city at a rate of 2.1 percent of the statewide average distributor price
of a gallon of diesel fuel as determined by the Commissioner pursuant to subdivision C 2.

72 C. 1. *To determine the statewide average distributor price of a gallon of unleaded regular gasoline,*
the Commissioner shall use the period from June 1 to November 30, inclusive, as the base period for
the determination of the rate of the tax for the immediately following applied period beginning January
1 and ending June 30, inclusive. The Commissioner shall use the period from December 1 to May 31,
inclusive, as the base period for the determination of the rate of the tax for the immediately following
applied period beginning July 1 and ending December 31, inclusive. In no case shall the statewide
average distributor price of a gallon of unleaded regular gasoline determined for the purposes of this
section be less than the statewide average wholesale price of a gallon of unleaded regular gasoline on
February 20, 2013, plus a distributor charge calculated by the Commissioner for that date.

73 2. *To determine the statewide average distributor price of a gallon of diesel fuel, the Commissioner*
shall use the period from June 1 to November 30, inclusive, as the base period for the determination of
the rate of the tax for the immediately following applied period beginning January 1 and ending June
30, inclusive. The Commissioner shall use the period from December 1 to May 31, inclusive, as the base
period for the determination of the rate of the tax for the immediately following applied period
beginning July 1 and ending December 31, inclusive. In no case shall the statewide average distributor
price of a gallon of diesel fuel determined for the purposes of this section be less than the statewide
average wholesale price of a gallon of diesel fuel on February 20, 2013, plus a distributor charge
calculated by the Commissioner for that date.

74 D. The tax levied under this section shall be imposed at the time of sale by the distributor to the
 75 retail dealer.

76 E. The tax imposed by this section shall be paid by the distributor, but the distributor shall
 77 separately state the amount of the tax and add such tax to the sales price or charge. Thereafter, such tax
 78 shall be a debt from the retail dealer to the distributor until paid and shall be recoverable at law in the
 79 same manner as other debts. No action at law or suit in equity under this chapter shall be maintained in
 80 the Commonwealth by any distributor who is not registered under § 58.1-2299.2 or is delinquent in the
 81 payment of taxes imposed under this chapter.

82 F. *Nothing in this section shall be construed to exempt the imposition and remittance of tax pursuant*
to this section in a sale to a retail dealer in which the distributor and the retail dealer are the same
person.

83 § 58.1-2299. Bad debts.

84 A. In any return filed under the provisions of this chapter, a distributor may credit, against the tax
 85 shown to be due on the return, the amount of tax previously returned and paid on accounts which are
 86 owed to the distributor and which have been found to be worthless within the period covered by the
 87 return. The credit, however, shall not exceed the amount of the ~~uncollected sales price~~ determined by
 88 treating prior payments on each debt as consisting of the same proportion of the sales price, tax levied
 89 under this chapter, and other nontaxable charges as the total debt originally owed to the distributor tax
 90 due pursuant to § 58.1-2295 for the relevant applied period for the fuel delivered to the worthless

118 accounts. The amount of accounts for which a credit has been taken that are thereafter in whole or in
 119 part paid to the dealer shall be included in the first return filed after such collection.

120 B. Notwithstanding any other provision of this section, a distributor whose volume and character of
 121 uncollectible accounts, including checks returned for insufficient funds, renders it impractical to
 122 substantiate the credit on an account-by-account basis may, subject to the approval of the Department,
 123 utilize an alternative method of substantiating the credit.

124 **§ 58.1-2299.10. Willful commission of prohibited acts; criminal penalties.**

125 Any person who willfully commits any of the following acts with the intent to (i) evade or
 126 circumvent the taxes imposed under this chapter or (ii) assist any other person in efforts to evade or
 127 circumvent such taxes is guilty of a Class 6 felony, if he:

128 1. Does not pay the taxes imposed under this chapter and diverts the proceeds from such taxes for
 129 other purposes;

130 2. Is a distributor required to be registered under the provisions of this chapter, or the agent or
 131 representative of such a distributor, and converts or attempts to convert proceeds from taxes imposed
 132 under this chapter for the use of the distributor or the distributor's agent or representative, with the intent
 133 to defraud the Commonwealth;

134 3. Illegally collects taxes imposed under this chapter when not authorized or licensed by the
 135 Commissioner to do so;

136 4. Conspires with any other person or persons to engage in an act, plan, or scheme to defraud the
 137 Commonwealth of proceeds from taxes levied under this chapter;

138 5. Fails to remit to the Commissioner any tax levied pursuant to this chapter, if he (i) has added, or
 139 represented that he has added, the tax to the sales price for the fuel and (ii) has collected the amount of
 140 the tax; or

141 6. Applies for or collects from the Department a tax credit when the person knows or has reason to
 142 know that fuel for which the credit is claimed has been or will be used for a taxable purpose; however,
 143 if the amount of fuel involved is not more than 20 gallons, such person is guilty of a Class 1
 144 misdemeanor.

145 **§ 58.1-2299.14. Recordkeeping requirements; inspection of records; civil penalties.**

146 A. Every distributor required to make a return and pay or collect any tax under this chapter shall
 147 keep and preserve suitable records of the sales taxable under this chapter, and such other books of
 148 account as may be necessary to determine the amount of tax due hereunder, and such other pertinent
 149 information as may be required by the Commissioner. Such records shall be kept and maintained for a
 150 period to include the Department's current fiscal year and the previous three fiscal years.

151 B. The Commissioner or any agent authorized by him may examine during the usual business hours
 152 all records, books, papers, or other documents of any distributor required to be registered under this
 153 chapter relating to the sales *price* of any fuel subject to taxation under this chapter to verify the
 154 truth and accuracy of any statement or any other information as to a particular sale.

155 C. Any person who fails to keep or retain records as required by this section shall be subject to a
 156 civil penalty. The amount of the civil penalty assessed against a person for his first violation shall be
 157 \$1,000. The amount of the civil penalty assessed against a person for each subsequent violation shall be
 158 \$1,000 more than the amount of the civil penalty for the preceding violation.

159 D. Any person who refuses to allow an inspection authorized under this section shall be subject to a
 160 civil penalty of \$5,000 for each refusal.

161 2. That the Department of Motor Vehicles (the Department) shall develop guidelines, with the
 162 input of relevant stakeholders, to determine the distributor charges, as defined by § 58.1-2292 of
 163 the Code of Virginia, as amended by this act, to be added to the wholesale price of a gallon of fuel
 164 in order to establish the statewide average distributor price of a gallon of fuel pursuant to
 165 § 58.1-2295 of the Code of Virginia, as amended by this act. Such guidelines shall include a
 166 procedure for a review of the items included in the distributor charge and an adjustment of the
 167 charge, if necessary, at the same time that the Department computes the tax for an applicable base
 168 period pursuant to § 58.1-2217 of the Code of Virginia. The guidelines required by this enactment
 169 shall not be subject to the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

ENROLLED

SB896ER

Department of Planning and Budget

2018 Fiscal Impact Statement

1. Bill Number: SB896

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Wagner

3. Committee: Passed Both Houses

4. Title: Motor vehicle fuels sales tax in certain areas of the Commonwealth; price floor

5. Summary: This bill establishes a floor on the 2.1 percent sales tax imposed on motor vehicle fuels sold in Northern Virginia and Hampton Roads by requiring that the average distributor price upon which the tax is based be no less than the statewide average wholesale price on February 20, 2013, plus distributor charges.

6. Budget Amendment Necessary: Yes. Item 453, service area 60707 for Hampton Roads.

7. Fiscal Impact Estimates: Final. See Item #8.

Expenditure and Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>	<i>Dollars</i>	<i>Fund</i>
2019	\$45,200,000	NVTC & PRTC*	\$21,900,000	Hampton Roads
2020	\$45,100,000	NVTC & PRTC	\$22,000,000	Hampton Roads
2021	\$42,700,000	NVTC & PRTC	\$20,900,000	Hampton Roads
2022	\$40,600,000	NVTC & PRTC	\$19,800,000	Hampton Roads
2023	\$38,300,000	NVTC & PRTC	\$18,700,000	Hampton Roads
2024	\$37,900,000	NVTC & PRTC	\$18,500,000	Hampton Roads

* Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission

8. Fiscal Implications: The revenue impact for FY 2019, estimated by the Department of Taxation, reflects 11 months of revenue. Taxpayers are required to pay the tax on the 20th day of the second month following the month in which the activity occurred, but must file and pay both April and May taxes in June. The additional funding would be remitted to the transportation commissions using the existing processes.

The forecast is based on a statewide average distributor charge of \$3.72/gallon, comprised of a statewide average wholesale charge of \$3.22 and a distributor charge of \$0.50. The \$3.22 is a weighted average of the statewide average wholesale price for gasoline (\$3.16/gallon) and diesel (\$3.36/gallon), based on consumption levels of each fuel in the state.

The distributor price of gasoline is expected to rise over time. Therefore, the bill will create less extra revenue as the distributor price comes closer to the floor price. Pursuant to Virginia Code § 58.1-2299.20, the Department of Motor Vehicles will recover the direct

costs of administration of the Motor Vehicle Fuels Sales Tax from the transportation commissions.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, Virginia Department of Transportation, Northern Virginia Transportation Commission, Potomac and Rappahannock Transportation Commission, Hampton Roads Transportation Accountability Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB 768.

Date: 3/20/2018

Document: G:\18-20\FIS 2018\SB896ER.docx

cc: Secretary of Transportation

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Hampton Roads Regional Fuels Tax Update

Department of Motor Vehicles

Richard D. Holcomb
DMV Commissioner

April 19, 2018



Current Process

- Began collecting MVFST in 2013
- Collect taxes on the distributor's price charged to retail locations, including
 - Price of product
 - State/Federal taxes and fees
 - Distributor charges, such as delivery fees
- Through FY17, disbursed \$129.9M for HR
- Audit process holds taxpayers accountable and ensures collections are accurate



2018 Legislation

- HB 768 (C. Jones)/SB 896 (Wagner)
- Converts MVFST to excise tax (cents-per-gallon tax)
- Sets price floor – statewide average wholesale price as of 2/20/2013 (\$3.36/gallon diesel; \$3.17/gallon gas & AF) + distributor's charge TBD
- Stakeholder meeting scheduled for 5/2/18



2018 Legislation

- Provision to allow DMV to share tax data with HRTAC executive director or designee
- Budget process continues
- HB 1539 (Hugo)/SB 856 (Saslaw) will not affect Hampton Roads



Implementation

- DMV working with current vendor to begin collections under the new law July 1
- Fully automated processes
- Minimal impact on filers – current filing methods to continue (ASCII, EDI, Web)
- Minimize vendor system changes and costs
- Taxpayers required to accurately report gallons



Implementation

- Commission and locality summary reports itemized by fuel type; tax rates will vary
- While the cents-per-gallon tax effective July 1, taxpayers have until September 20 to remit returns/taxes for July sales
- Department of Taxation FY19 forecast of \$21.9 accounts for two month delay; two months of revenue will be collected in June 2019



New System Development

- DMV contracted SICPA for development, maintenance, and ongoing support
- Target implementation December 2018
- Enhancements include:
 - Tax filers and Commissions have primary account holder to manage accounts
 - Return filing and payments made in real time
 - Ability to apply for and receive licenses electronically
 - Automated and email communications



Communications

- DMV has notified taxpayers of new system development
- Progress reports will be made through the current filing portal
- Bulletins and Webinars planned for education and training



Richard D. Holcomb

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Hampton Roads Transportation Accountability Commission

\$500,000,000 Senior Lien Revenue Bonds, Series 2018A

Report of the Independent Financial Advisor

Dated: February 14, 2018

PFM Financial
Advisors LLC

300 S. Orange Ave
Suite 1170
Orlando, FL 32801

407.648.2208
pfm.com



Table of Contents

- I. Transaction Summary
- II. Final Cash Flow Numbers
- III. Ratings Letter and Report
- IV. Closing Memorandum
- V. Distribution List



I. Transaction Summary



Introduction

- ◆ On September 21, 2017, the Commission endorsed a written Debt Management Plan to guide the implementation of its debt program for the Six-Year Funding Plan through FY 2023 and to extend the plan through the HRBT Project's expected completion in FY 2024.
- ◆ The Debt Management Plan calls for an accelerated debt issuance schedule to take advantage of low interest rates and to introduce an phased manageable annual issuing schedule through FY 2024 that attracts investors' attention.
- ◆ The Series 2018A Bonds are the Commission's inaugural bond sale. They are to fund Interstate 64 Peninsula Widening (Segments I, II and III), I-64 / I-264 Interchange Improvements (Phases I and II), and I-64 Southside Widening & High Rise Bridge (Phase I).



Summary of the Series 2018A Bonds

◆ Summary:

- \$500,000,000 Senior Lien Revenue Bonds, Series 2018A were sold via negotiated sale on January 30, 2018
- The book running senior managing underwriter was Wells Fargo Securities. BofA Merrill Lynch and J.P. Morgan are co-managers.

◆ Purpose of Issue:

- To finance the costs of certain transportation projects in Hampton Roads
- Pay costs of issuance for the Series 2018A Bonds

◆ Structure:

- The 2018A were structured for a final maturity in 2057 (40-year bonds)
- Of the \$500 million in par amount, \$93 million matures from 2025 to 2038 and \$407 million matures from 2039 to 2057
- The amortization ranges across the entire yield curve and is back-loaded in order to capture currently low interest rates in the long-end of the yield curve



Summary of the Series 2018A Bonds – Continued

- ◆ Ratings:

- S&P: "AA"
- Fitch: "AA+"

- ◆ Optional Redemption:

- The Series 2018A Bonds maturing on and after July 1, 2028 are subject to optional redemption on and after January 1, 2028 in whole or in part, at par plus accrued interest.

- ◆ Payments:

- Principal paid annually on July 1, in the years 2025 through 2057
- Interest paid semi-annually on January 1 and July 1, commencing July 1, 2018



Summary of Credit Ratings – S&P Ratings Services

- ◆ S&P Ratings Services assigned a “AA” rating based on the following credit factors:
 - Deep and diverse regional economy of HRTAC’s member municipalities and good wealth and income levels in the Hampton Roads metropolitan statistical area
 - Historically good stability and resilience to economic downturns among pledged revenues
 - Strong projected MADS coverage on senior-lien debt of at least 2x based on fiscal 2017 pledges revenues after accounting for future parity debt issuance
 - The General Assembly has demonstrated commitment to transportation projects in the state with the passage of HB 2313



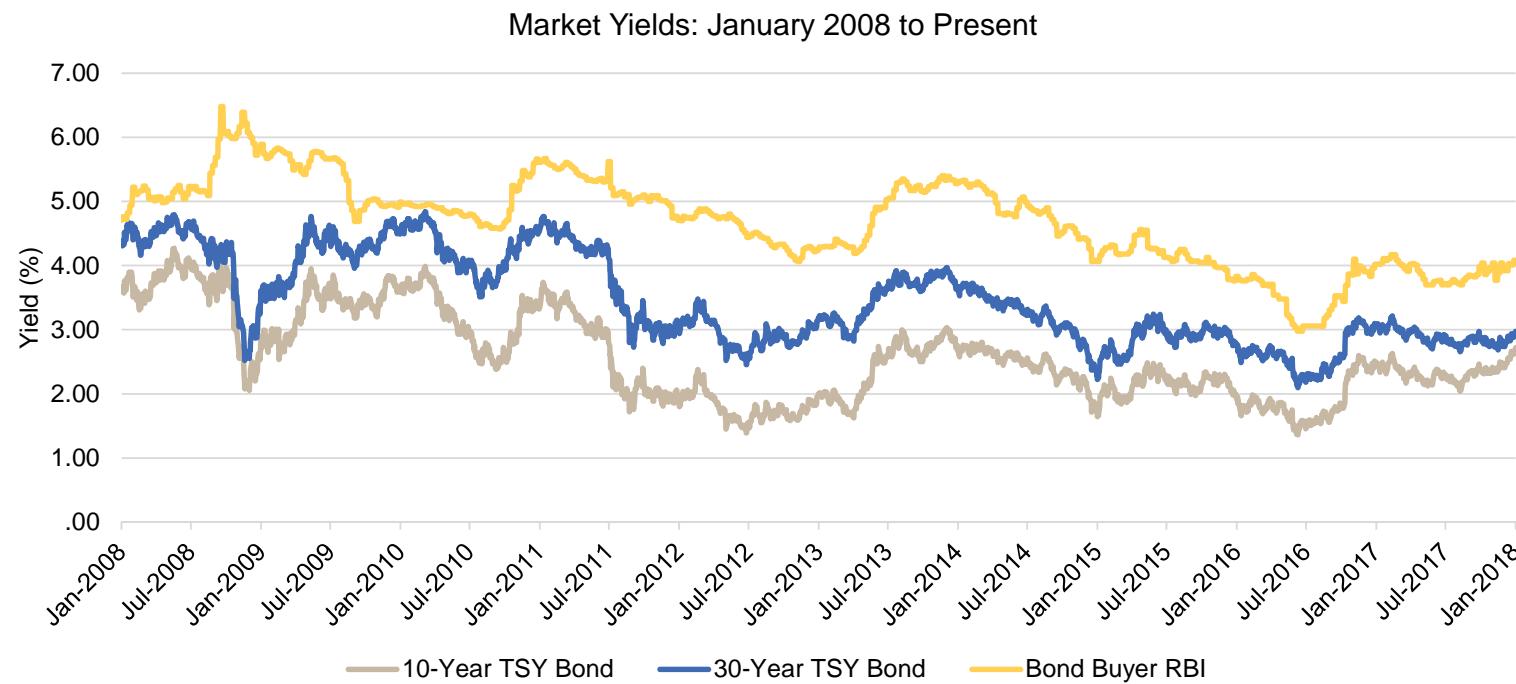
Summary of Credit Ratings – Fitch Ratings

- ◆ Fitch Ratings assigned a “AA+” rating based on the following credit factors:
 - Pledged HRTAC revenue streams exhibit high level of resilience against historical revenue losses and modeled stresses
 - Expected slow growth in HRTAC revenues as gains in sales tax revenues are tempered by continued weakness in fuels taxes
 - HRTAC’s receipt of the pledged revenue is subject to appropriation by the commonwealth’s general assembly, capping the revenue bond rating on this obligation at one notch below the commonwealth’s Issuer Default Rating
 - Presence of the U.S. Navy headquarters will help create long-term economic stability



Market Conditions for Sale – Historical Yields

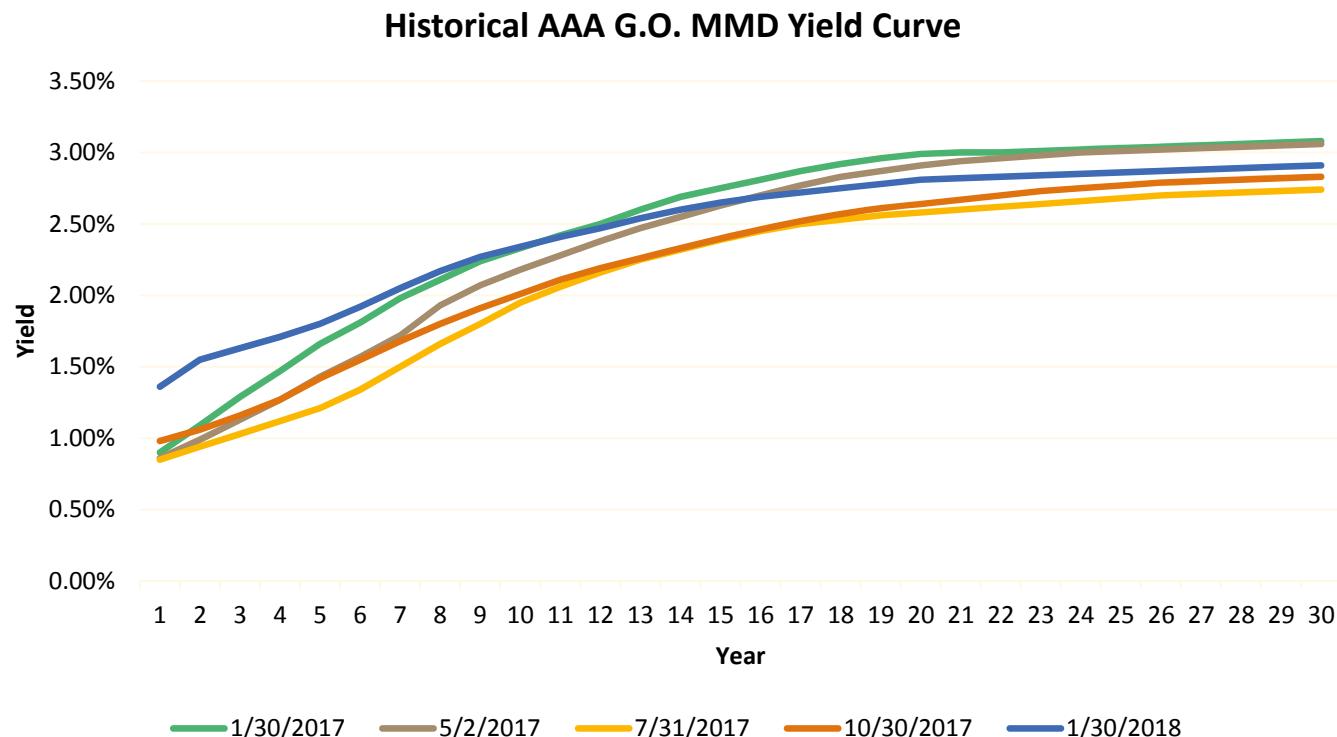
- ◆ The following graph shows the 10 year history of the 10 and 30 year US treasury bonds, along with the Bond Buyer RBI
- ◆ Interest rates steadily declined in the years leading up to the November 2016 election. In late 2016 following the election, interest rates temporarily trended up before reversing course in early 2017. On the sale date of 2018A Bonds (January 30, 2018) interest rates remained below historical averages.





Market Conditions for Sale – Yield Curve

- The chart below shows the progression of the “AAA” MMD index on a quarterly basis since January 2017. The “AAA” MMD index is a proxy for tax exempt interest rates on the highest rated (“AAA”) municipal bonds.
- Tax exempt rates were at historic lows prior to the November 2016 election. Following the election, interest rates started trending upward before reversing course leading up to the sale date of the 2018A Bonds.





Pricing of the Series 2018A Bonds – PFM Pricing Group Preliminary Scale

- ◆ Prior to entering into a pricing discussion with Wells Fargo, PFM developed independent pricing scales based on 5% coupons and alternative coupons. These scales were the starting point for the pricing negotiations.

PFM Pricing Group Scale - 5% Coupons					PFM Pricing Group Scale - Alternative Coupons					Interpolated MMD 1/24/2018
Maturity	Principal	Coupon	Yield	Spread to MMD	Maturity	Principal	Coupon	Yield	Spread to MMD	
7/1/2025	\$4,630	5.00%	2.13%	16 bps	7/1/2025	\$4,630	5.00%	2.13%	16 bps	1.97%
7/1/2026	4,860	5.00%	2.26%	18 bps	7/1/2026	4,860	5.00%	2.26%	18 bps	2.08%
7/1/2027	5,105	5.00%	2.37%	20 bps	7/1/2027	5,105	5.00%	2.37%	20 bps	2.17%
7/1/2028	5,360	5.00%	2.46%	22 bps	7/1/2028	5,360	5.00%	2.46%	22 bps	2.24%
7/1/2029	5,630	5.00%	2.54%	24 bps	7/1/2029	5,630	5.00%	2.54%	24 bps	2.30%
7/1/2030	5,910	5.00%	2.60%	24 bps	7/1/2030	5,910	5.00%	2.61%	25 bps	2.36%
7/1/2031	6,205	5.00%	2.68%	26 bps	7/1/2031	6,205	5.00%	2.68%	26 bps	2.42%
7/1/2032	6,515	5.00%	2.73%	26 bps	7/1/2032	6,515	5.00%	2.73%	26 bps	2.47%
7/1/2033	6,840	5.00%	2.78%	26 bps	7/1/2033	6,840	5.00%	2.78%	26 bps	2.52%
7/1/2034	7,185	5.00%	2.81%	26 bps	7/1/2034	7,185	5.00%	2.81%	26 bps	2.55%
7/1/2035	7,545	5.00%	2.85%	26 bps	7/1/2035	7,545	5.00%	2.85%	26 bps	2.59%
7/1/2036	7,920	5.00%	2.88%	26 bps	7/1/2036	7,920	5.00%	2.88%	26 bps	2.62%
7/1/2037	8,315	5.00%	2.91%	26 bps	7/1/2037	8,315	4.00%	3.21%	56 bps	2.65%
7/1/2038	8,730	5.00%	2.94%	26 bps	7/1/2038	8,730	4.00%	3.24%	56 bps	2.68%
7/1/2039	9,170				7/1/2039	9,170				2.69%
7/1/2040	9,625				7/1/2040	9,625				2.70%
7/1/2041	10,110				7/1/2041	10,110				2.71%
7/1/2042	10,615				7/1/2042	10,615				2.72%
7/1/2043	11,145	5.00%	3.09%	28 bps	7/1/2043	11,145	4.00%	3.31%	58 bps	2.73%
7/1/2044	11,700				7/1/2044	11,700				2.74%
7/1/2045	12,170				7/1/2045	12,170				2.75%
7/1/2046	12,655				7/1/2046	12,655				2.76%
7/1/2047	13,165				7/1/2047	13,165				2.77%
7/1/2048	24,560	5.00%	3.18%	32 bps	7/1/2048	24,560	5.25%	3.03%	25 bps	2.78%
7/1/2049	25,785				7/1/2049	25,785				2.78%
7/1/2050	27,075				7/1/2050	27,075				2.78%
7/1/2051	28,430				7/1/2051	28,430				2.78%
7/1/2052	29,850	5.00%	3.24%	38 bps	7/1/2052	29,850	4.00%	3.56%	78 bps	2.78%
7/1/2053	31,345				7/1/2053	31,345				2.78%
7/1/2054	32,910				7/1/2054	32,910				2.78%
7/1/2055	34,555				7/1/2055	34,555				2.78%
7/1/2056	36,285				7/1/2056	36,285				2.78%
7/1/2057	38,100	5.00%	3.21%	35 bps	7/1/2057	38,100	5.25%	3.13%	35 bps	2.78%
	\$500,000					\$500,000				



Pricing of the Series 2018A Bonds – Initial Scale

- In the days leading up to the sale, the general municipal bond market experienced volatility and benchmark yields rose by 7 – 11 basis points
- After discussions with the HRTAC, PFM, and Wells Fargo, an initial scale was developed in order to enter the market for the pricing of the 2018A Bonds on January 30, 2018. The table to the right shows the initial interest rates, the spreads to the MMD index, and the difference between PFM's preliminary Scales and the initial pricing.

HRTAC Series 2018A - Initial Pricing					Interpolated MMD 1/29/2018	Difference between Initial & PFM Spread
Maturity	Principal	Coupon	Yield	Spread to MMD		
7/1/2025	\$4,630	5.00%	2.22%	17 bps	2.05%	1 bps
7/1/2026	4,860	5.00%	2.36%	19 bps	2.17%	1 bps
7/1/2027	5,105	5.00%	2.47%	21 bps	2.26%	1 bps
7/1/2028	5,360	5.00%	2.56%	23 bps	2.33%	1 bps
7/1/2029	5,630	5.00%	2.66%	27 bps	2.39%	3 bps
7/1/2030	5,910	5.00%	2.74%	29 bps	2.45%	5 bps
7/1/2031	6,205	5.00%	2.81%	30 bps	2.51%	4 bps
7/1/2032	6,515	5.00%	2.85%	30 bps	2.55%	4 bps
7/1/2033	6,840	5.00%	2.90%	30 bps	2.60%	4 bps
7/1/2034	7,185	5.00%	2.94%	30 bps	2.64%	4 bps
7/1/2035	7,545	5.00%	2.97%	30 bps	2.67%	4 bps
7/1/2036	7,920	5.00%	3.00%	30 bps	2.70%	4 bps
7/1/2037	8,315	5.00%	3.03%	30 bps	2.73%	4 bps
7/1/2038	8,730	5.00%	3.06%	30 bps	2.76%	4 bps
7/1/2039(*)	9,170				2.77%	
7/1/2040(*)	9,625				2.78%	
7/1/2041(*)	10,110				2.79%	
7/1/2042(*)	10,615				2.80%	
7/1/2043(T)	11,145	5.00%	3.13%	32 bps	2.81%	4 bps
7/1/2044(*)	11,700				2.82%	
7/1/2045(*)	12,170				2.83%	
7/1/2046(*)	12,655				2.84%	
7/1/2047(*)	13,165				2.85%	
7/1/2048(T)	24,560	5.00%	3.21%	35 bps	2.86%	3 bps
7/1/2049(*)	25,785				2.86%	
7/1/2050(*)	27,075				2.86%	
7/1/2051(*)	28,430				2.86%	
7/1/2052(T)	29,850	5.00%	3.31%	45 bps	2.86%	7 bps
7/1/2053(*)	31,345				2.86%	
7/1/2054(*)	32,910				2.86%	
7/1/2055(*)	34,555				2.86%	
7/1/2056(*)	36,285				2.86%	
7/1/2057(T)	38,100	5.25%	3.31%	45 bps	2.86%	10 bps**
		\$500,000				

* = Sinking Fund;

** = Coupon change

T = Term Bond



Pricing of the Series 2018A Bonds – Order Summary

- Based on the initial interest rate scale outlined on the prior page, orders were received which are summarized below. In some cases, the Commission's bonds were as much as 8x oversubscribed, indicating strong demand from investors. The only two maturities that held a balance, were the 2052 and 2057 term bonds. The following page outlines the recommended changes to the interest rate scale in order for Wells Fargo to underwrite the 2018A Bonds.

\$500,000,000 Hampton Roads Transportation Accountability Commission Series 2018A							
Maturity	Coupon	# Orders	# Full Orders	Par Amount (\$000's)	Total Orders (\$000's)	Total Balance (\$000's)	% Subscription
7/1/2025	5.00%	20	6	\$4,630	\$35,680	(31,050)	770.63%
7/1/2026	5.00%	16	7	4,860	40,050	(35,190)	824.07%
7/1/2027	5.00%	14	5	5,105	30,060	(24,955)	588.83%
7/1/2028	5.00%	17	6	5,360	39,990	(34,630)	746.08%
7/1/2029	5.00%	5	4	5,630	22,730	(17,100)	403.73%
7/1/2030	5.00%	11	4	5,910	32,050	(26,140)	542.30%
7/1/2031	5.00%	13	4	6,205	39,145	(32,940)	630.86%
7/1/2032	5.00%	12	3	6,515	32,400	(25,885)	497.31%
7/1/2033	5.00%	13	4	6,840	40,875	(34,035)	597.59%
7/1/2034	5.00%	11	1	7,185	22,490	(15,305)	313.01%
7/1/2035	5.00%	4	0	7,545	9,055	(1,510)	120.01%
7/1/2036	5.00%	7	2	7,920	22,020	(14,100)	278.03%
7/1/2037	5.00%	17	3	8,315	31,210	(22,895)	375.35%
7/1/2038	5.00%	10	3	8,730	40,855	(32,125)	467.98%
7/1/2043	5.00%	6	0	50,665	74,000	(23,335)	146.06%
7/1/2048	5.00%	15	0	74,250	121,000	(46,750)	162.96%
7/1/2052	5.00%	6	0	111,140	94,150	16,990	84.71%
7/1/2057	5.25%	6	0	173,195	26,000	147,195	15.01%
Total:		203	52	\$500,000	\$753,760	(\$253,760)	150.75%



Pricing of the Series 2018A Bonds – Final Scale

- Following the order period, many of the maturities had significant oversubscription while the final two term bonds were undersubscription (see page 13 for summary)
- As a result of the orders received, and after discussion with the Commission and PFM, Wells Fargo recommended a decrease in the *yield* on the 2025 through 2034 maturities from 2 bps to 8 bps due to investor demand
- In order to better attract investors on the later maturities, Wells Fargo recommended an increase of 1 bp on the *yield* of the 2043 Term Bond and 2 bps on the 2052 Term Bond. Additionally, the 2057 Term Bond was changed from a 5.25% coupon to 5.50%
- Excluding the MMD increase from the 29th to the 30th from the aforementioned yield adjustments, the *spreads* were actually compressed more.

HRTAC Series 2018A - Final Pricing					Interpolated MMD 1/30/2018	Difference between Initial & Final Yield	Difference between Initial & Final Spread
Maturity	Principal	Coupon	Yield	Spread to MMD			
7/1/2025	\$4,745	5.00%	2.15%	6 bps	2.09%	-7 bps	-11 bps
7/1/2026	4,985	5.00%	2.28%	7 bps	2.21%	-8 bps	-12 bps
7/1/2027	5,235	5.00%	2.41%	10 bps	2.31%	-6 bps	-11 bps
7/1/2028	5,495	5.00%	2.49%	11 bps	2.38%	-7 bps	-12 bps
7/1/2029	5,770	5.00%	2.62%	18 bps	2.44%	-4 bps	-9 bps
7/1/2030	6,060	5.00%	2.69%	19 bps	2.50%	-5 bps	-10 bps
7/1/2031	6,360	5.00%	2.76%	20 bps	2.56%	-5 bps	-10 bps
7/1/2032	6,680	5.00%	2.82%	22 bps	2.60%	-3 bps	-8 bps
7/1/2033	7,015	5.00%	2.87%	22 bps	2.65%	-3 bps	-8 bps
7/1/2034	7,365	5.00%	2.92%	23 bps	2.69%	-2 bps	-7 bps
7/1/2035	7,735	5.00%	2.97%	25 bps	2.72%	0 bps	-5 bps
7/1/2036	8,120	5.00%	3.00%	25 bps	2.75%	0 bps	-5 bps
7/1/2037	8,525	5.00%	3.03%	25 bps	2.78%	0 bps	-5 bps
7/1/2038	8,950	5.00%	3.06%	25 bps	2.81%	0 bps	-5 bps
7/1/2039(*)	9,400				2.82%		
7/1/2040(*)	9,870				2.83%		
7/1/2041(*)	10,360				2.84%		
7/1/2042(*)	10,880				2.85%		
7/1/2043(T)	11,425	5.00%	3.14%	28 bps	2.86%	1 bps	-4 bps
7/1/2044(*)	11,995				2.87%		
7/1/2045(*)	12,595				2.88%		
7/1/2046(*)	13,225				2.89%		
7/1/2047(*)	13,885				2.90%		
7/1/2048(T)	23,980	5.00%	3.21%	30 bps	2.91%	0 bps	-5 bps
7/1/2049(*)	25,180				2.91%		
7/1/2050(*)	26,440				2.91%		
7/1/2051(*)	27,760				2.91%		
7/1/2052(T)	29,150	5.00%	3.33%	42 bps	2.91%	2 bps	-3 bps
7/1/2053(*)	30,605				2.91%		
7/1/2054(*)	32,290				2.91%		
7/1/2055(*)	34,065				2.91%		
7/1/2056(*)	35,940				2.91%		
7/1/2057(T)	37,915	5.50%	3.31%	40 bps	2.91%	Coupon	-5 bps**
		\$500,000					

* = Sinking Fund

** = Coupon Change

T = Term
Bond



Pricing of the Series 2018A Bonds – Top Ten Investors

- ◆ The table below lists the top ten accounts that submitted orders for the Commission's Bonds during the order period

Top Ten Investors				
Accounts	# Orders	# Full Orders	Total Orders (M)	% Par
Lord Abbett	12	9	\$68,285	13.7%
Eaton Vance - TABS	33	6	\$56,810	11.4%
Wells Fargo Principal Investing	1	0	\$50,000	10.0%
Goldman Sachs Asset Management	14	5	\$41,635	8.3%
Franking Advisors Inc Suballoc.	2	0	\$40,000	8.0%
JP Morgan Asset Management	10	6	\$36,600	7.3%
Piper Jaffray & Co	4	4	\$26,745	5.3%
Susquehanna Capital Group	1	0	\$25,000	5.0%
Nuveen Asset Management	3	0	\$23,500	4.7%
RBC Capital Markets	4	1	\$22,205	4.4%



Sources and Uses of Funds

Sources:

Bond Proceeds:

Par Amount	500,000,000.00
Premium	83,270,072.85
	583,270,072.85

Uses:

Project Fund Deposits:

Project Fund	582,098,045.85
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Delivery Date Expenses:

Cost of Issuance	345,000.00
Underwriter's Discount	827,027.00
	1,172,027.00
	583,270,072.85



HAMPTON ROADS TRANSPORTATION FUND

FINANCIAL REPORT

FY2014 – FY2018

As of February 28, 2018

Attached are the February 2018 financial reports. Based on the various reports received to date, the HRTAC staff has analyzed the data and prepared the attached reports and summaries:

Revenues

Total Gross Revenues (Inception to February 28, 2018): \$ 1,322,849,707

- State Sales and Use Tax : 580,261,374
- Local Fuels Tax : 149,399,312
- Interest : 2,148,961
- Investment Income: 7,769,987
- Bond Proceeds: 583,270,073

Expenditures

Total Expenditures (Inception to February 28, 2018): \$212,669,425

- Project Construction: 204,921,428
- Total DMV and Dept. of Tax Administrative Fees: 598,214
- Investment Fees: 815,945
- Bond Expenses: 3,505,396
- Operating Expenses: 2,828,442

Cash Balance

Ending Cash Balance: \$1,110,180,282

Encumbered Balance

Balance of Encumbered (through FY2022): \$1,026,006,668

Allocation: 1,230,928,095

- Less Construction Expenditures: 204,921,427

Hampton Roads Transportation Accountability Commission ("HRTAC") Portfolio Summary as of February 28, 2018				
Account	Balance at Cost	Balance at Market	Yield at Cost	Yield at Market
PFM Managed - Core Portfolio	\$125,481,268.91	\$123,782,647.55	1.42%	2.28%
PFM Managed - Enhanced Cash Portfolio	\$200,695,631.13	\$199,517,700.60	1.45%	2.11%
Union Checking	\$1,000,000.00	\$1,000,000.00	0.00%	0.00%
Union Sweep	\$9,784,183.50	\$9,784,183.50	0.05%	0.05%
Union Money Market	\$15,139,238.21	\$15,139,238.21	0.09%	0.09%
LGIP¹	\$350,136,423.67	\$350,136,423.67	1.52%	1.52%
SNAP²	\$399,179,339.67	\$399,179,339.67	1.60%	1.60%
Total	\$1,101,416,085.09	\$1,098,539,533.20		

¹ Current LGIP yield source: www.trs.virginia.gov/cash/lgip.

² Current SNAP yield source: www.vasnap.com/current-rates.

Hampton Roads Transportation Accountability Commission
Interest and Investment Income
Inception - February 2018

	FY2014	FY2015	FY2016	FY2017	FY2018	Total
HRTF Interest Income	363,855	1,243,218	272,261	291,738	193,149	2,364,220
HRTF Investment Income	<u>-</u>	<u>153,050</u>	<u>3,993,773</u>	<u>980,870</u>	<u>2,427,034</u>	<u>7,554,727</u>
Total	363,855	1,396,268	4,266,033	1,272,608	2,620,183	9,918,947

Hampton Roads Transportation Fund (HRTF)
Total of Sales & Use and Fuels Taxes
Summary

	Gross Revenue					Expenditures							Cummulative Balance 7/1/13 - 02/28/17	
	Sales & Use Tax			Investment		Dept of Tax			Investment		Operating			
	Sales & Use Tax	Fuel Tax	Interest	Income	Total	Construction	Admin Fee	Fees	Bond Expenses	Expenses	Total			
<i>July 2013 - February 2017</i>	\$ 446,215,140	\$ 121,458,844	\$ 1,873,347	\$ 4,108,801	\$ 573,656,132	\$ 69,117,386	\$ 598,214	\$ 557,144		\$ 1,938,858	\$ 72,211,601		\$ 501,444,531	
<i>March 2017</i>	9,571,456	1,914,230	13,639	166,311	11,665,635	9,455,183	-	27,055		58,773	9,541,010		503,569,156	
<i>April 2017</i>	11,096,726	1,897,011	34,333	460,440	13,488,510	12,363,557	-	18,411		34,920	12,416,888		504,640,778	
<i>May 2017</i>	11,163,834	2,188,487	7,285	467,771	13,827,377	3,394,550	-	19,046		85,117	3,498,714		514,969,441	
<i>June 2017</i>	17,803,673	2,508,420	27,208	139,630	20,478,931	16,962,152	-	26,493		69,409	17,058,054		518,390,318	
<i>July 2017</i>	5,576,511	2,112,352	9,551	807,469	8,505,882	-	-	19,077		74,772	93,849		526,802,352	
<i>August 2017</i>	11,741,262	2,225,581	12,129	541,206	14,520,177	-	-	19,092		41,983	61,075		541,261,454	
<i>September 2017</i>	11,584,493	2,149,365	17,494	126,412	13,877,763	4,877,831	-	26,565		110,061	5,014,457		550,124,760	
<i>October 2017</i>	10,955,037	3,223,638	55,802	225,426	14,459,903	14,687,445	-	19,120		47,771	14,754,335		549,830,328	
<i>November 2017</i>	10,978,313	2,868,507	8,364	(112,532)	13,742,652	25,681,280	-	18,516		158,400	25,858,197		537,714,783	
<i>December 2017</i>	11,160,940	2,595,554	13,000	344,512	14,114,006	17,625,556	-	27,217	30,000	62,929	17,745,702		534,083,086	
<i>January 2018</i>	13,136,088	1,911,499	50,649	21,604	15,119,840	16,833,224	-	19,180	175,000	73,543	17,100,947		532,101,980	
<i>February 2018</i>	9,277,902	2,345,825	26,162	472,937	12,122,826	13,923,265	-	19,030	3,300,396	71,907	17,314,598		526,910,209	
<i>Bond Proceeds</i>					583,270,073								- 1,110,180,282	
Total 12 Months	\$ 134,046,234	\$ 27,940,468	\$ 275,614	\$ 3,661,185	\$ 749,193,574	135,804,042	\$ -	\$ 258,801	\$ 3,505,396	\$ 889,584	\$ 140,457,823			
<i>Grand Totals</i>	<u>580,261,374</u>	<u>149,399,312</u>	<u>2,148,961</u>	<u>7,769,987</u>	<u>1,322,849,707</u>	<u>204,921,428</u>	<u>598,214</u>	<u>815,945</u>	<u>3,505,396</u>	<u>2,828,442</u>	<u>212,669,425</u>			
<i>Less Balance of Encumbered (through FY2022)</i>													\$ (1,026,006,668)	
<i>Total Net Available</i>													84,173,614	

HRTF Revenue

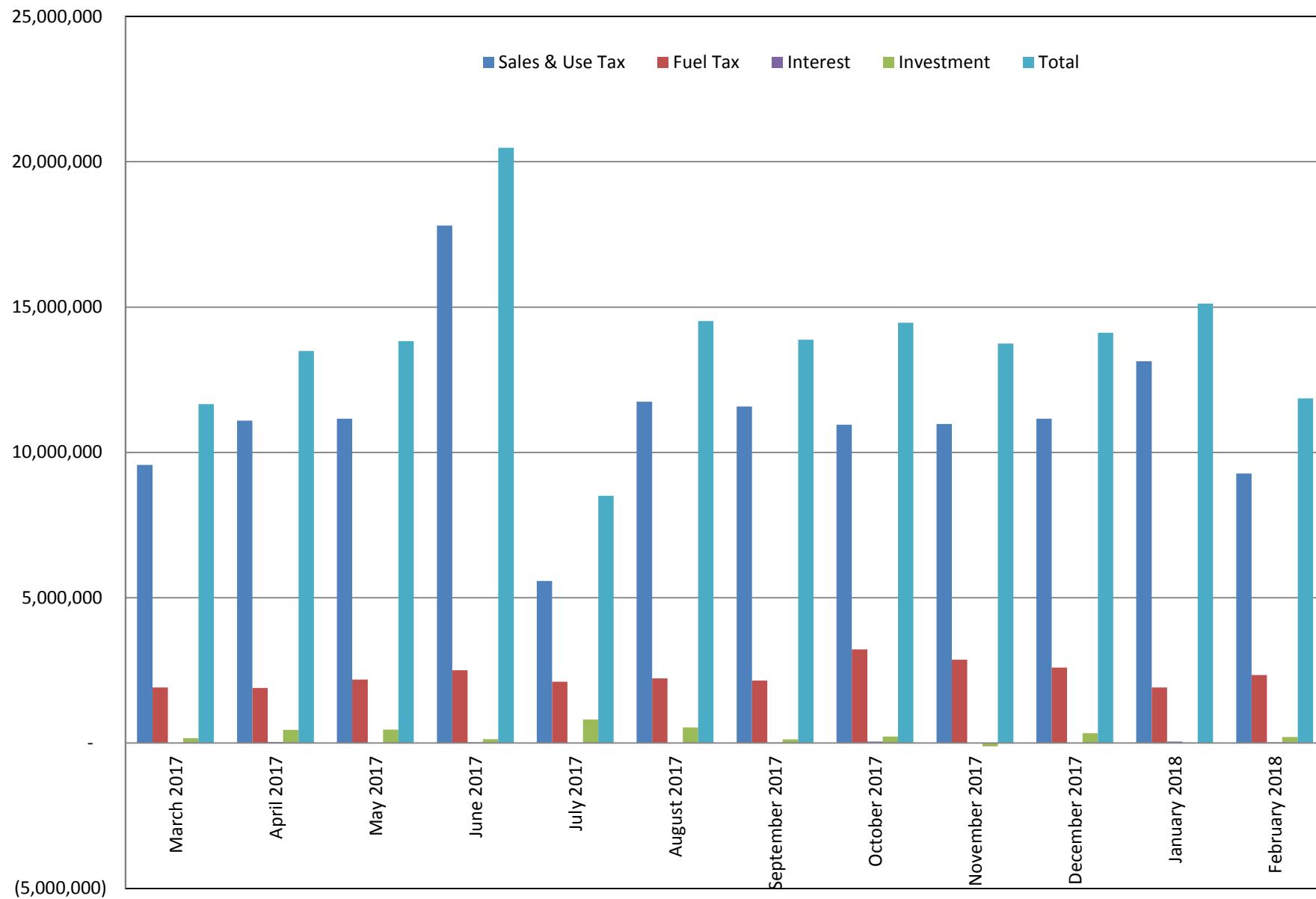


Table 1 - Total HRTF Revenues

Hampton Roads Transportation Fund (HRTF)

*Total of Sales & Use and Fuels Taxes**Fiscal Year 2018*

Locality	Total FY2014 - FY 2017	Previous FY2018	February 2018	Total YTD FY2018	Total
<i>Chesapeake</i>	\$ 114,985,401	\$ 17,344,147	\$ 2,344,333	\$ 19,688,480	\$ 134,673,882
<i>Franklin</i>	5,369,194	901,909	116,884	1,018,792	6,387,987
<i>Hampton</i>	46,180,660	6,736,675	880,124	7,616,799	53,797,459
<i>Isle of Wight</i>	9,950,877	1,518,684	202,737	1,721,422	11,672,299
<i>James City</i>	28,587,671	4,425,160	401,481	4,826,641	33,414,313
<i>Newport News</i>	66,706,250	9,587,547	1,323,352	10,910,900	77,617,150
<i>Norfolk</i>	86,298,842	12,789,282	1,591,334	14,380,616	100,679,458
<i>Poquoson</i>	1,563,499	187,599	25,601	213,200	1,776,700
<i>Portsmouth</i>	21,954,713	2,924,981	430,728	3,355,709	25,310,423
<i>Southampton</i>	2,953,969	431,136	56,433	487,569	3,441,538
<i>Suffolk</i>	29,658,369	4,310,942	639,097	4,950,039	34,608,408
<i>Virginia Beach</i>	169,080,447	24,696,807	2,946,865	27,643,672	196,724,119
<i>Williamsburg</i>	13,827,614	2,130,516	215,120	2,345,636	16,173,250
<i>York</i>	28,700,309	4,233,753	449,637	4,683,390	33,383,700
Total	625,817,818	92,219,141	11,623,727	103,842,868	729,660,686
Interest	1,955,812	166,987	26,162	193,149	2,148,961
Investment Income (Sterling&PFMAM/ Union/LGIP/SNAP)	5,342,953	1,954,097	472,937	2,427,034	7,769,987
Bond Proceeds	-	-	583,270,073	583,270,073	583,270,073
Total Revenues	633,116,583	94,340,224	595,392,899	689,733,123	1,322,849,707
Construction	(111,292,828)	(79,705,335)	(13,923,265)	(93,628,600)	(204,921,428)
DMV and Dept of Tax Admin Fees	(598,214)	-	-	-	(598,214)
Investment Fees (Sterling&PFMAM)	(648,149)	(148,767)	(19,030)	(167,797)	(815,945)
Bond Expenses	-	(205,000)	(3,300,396)	(3,505,396)	(3,505,396)
Operating Expense	(2,187,077)	(569,459)	(71,906.79)	(641,366)	(2,828,442)
Cash Balance	518,390,316	13,711,664	578,078,302	591,789,965	1,110,180,282
Less Balance of Encumbered					(1,026,006,668)
Net Available Cash					84,173,614
Updated Forecast	658,745,037	84,391,826	11,193,151	95,584,977	754,330,014
Total Revenue - Forecast	(30,971,407)	7,827,315	430,576	8,257,891	(22,713,516)

Table 1A - State Sales & Use Tax

Hampton Roads Transportation Fund (HRTF)

State Sales & Use Tax

Fiscal Year 2018

Locality	Total FY2014 - FY 2017	Previous FY2018	February 2018	Total YTD FY2018	Total
<i>Chesapeake</i>	\$ 89,270,404	\$ 13,583,000	\$ 1,763,710	\$ 15,346,710	\$ 104,617,114
<i>Franklin</i>	3,804,591	549,800	82,799	632,598	4,437,189
<i>Hampton</i>	35,655,491	4,901,600	655,921	5,557,521	41,213,012
<i>Isle of Wight</i>	5,731,108	824,619	115,849	940,468	6,671,576
<i>James City</i>	25,149,785	3,939,905	348,068	4,287,973	29,437,758
<i>Newport News</i>	54,119,914	8,249,588	1,132,733	9,382,321	63,502,235
<i>Norfolk</i>	72,166,247	10,995,264	1,384,557	12,379,821	84,546,068
<i>Poquoson</i>	1,178,660	177,057	24,483	201,541	1,380,201
<i>Portsmouth</i>	15,986,660	2,237,634	320,263	2,557,898	18,544,558
<i>Southampton</i>	1,317,996	233,498	26,517	260,015	1,578,011
<i>Suffolk</i>	20,605,661	3,226,970	446,873	3,673,843	24,279,504
<i>Virginia Beach</i>	137,449,742	21,186,309	2,479,665	23,665,974	161,115,716
<i>Williamsburg</i>	10,990,948	1,626,214	163,334	1,789,548	12,780,496
<i>York</i>	22,423,620	3,401,186	333,130	3,734,316	26,157,936
Total	\$ 495,850,828	\$ 75,132,644	\$ 9,277,902	\$ 84,410,546	\$ 580,261,374
Updated Forecast	493,271,042	71,012,996	9,097,479	80,110,475	573,381,517
Diff(under)/over	2,579,786	4,119,648	180,423	4,300,071	6,879,857

Table 1B - Local Fuels Tax

Hampton Roads Transportation Fund (HRTF)

Local Fuels Tax

Fiscal Year 2018

Locality	Total FY2014 - FY 2017	Previous FY2018	February 2018	Total YTD FY2018	Total
<i>Chesapeake</i>	\$ 25,714,997	\$ 3,761,147	\$ 580,623	\$ 4,341,770	\$ 30,056,768
<i>Franklin</i>	1,564,603	352,109	34,085	386,194	1,950,797
<i>Hampton</i>	10,525,169	1,835,075	224,202	2,059,278	12,584,447
<i>Isle of Wight</i>	4,219,769	694,065	86,888	780,953	5,000,723
<i>James City</i>	3,437,887	485,255	53,413	538,669	3,976,555
<i>Newport News</i>	12,586,337	1,337,959	190,619	1,528,578	14,114,915
<i>Norfolk</i>	14,132,595	1,794,018	206,777	2,000,795	16,133,390
<i>Poquoson</i>	384,838	10,542	1,118	11,659	396,498
<i>Portsmouth</i>	5,968,053	687,346	110,465	797,811	6,765,865
<i>Southampton</i>	1,635,974	197,638	29,916	227,554	1,863,527
<i>Suffolk</i>	9,052,708	1,083,973	192,224	1,276,197	10,328,905
<i>Virginia Beach</i>	31,630,704	3,510,498	467,201	3,977,699	35,608,403
<i>Williamsburg</i>	2,836,667	504,302	51,786	556,088	3,392,755
<i>York</i>	6,276,689	832,567	116,508	949,075	7,225,764
Total	129,966,991	\$ 17,086,495	\$ 2,345,825	\$ 19,432,320	\$149,399,312
Updated Forecast	164,600,002	13,378,830	2,095,672	15,474,502	180,074,504
Diff(under)/over	(34,633,011)	3,707,665	250,153	3,957,818	(30,675,193)

Table 2 - Allocations

Hampton Roads Transportation Fund (HRTF)
Allocations
Fiscal Year 2018

Project	Total FY2014 - FY 2017	Previous FY2018	February 2018	Total YTD FY2018	Total
<i>I-64 Peninsula Widening</i>					
- UPC 104905 (Segment 1) -Construction	\$ 44,000,000	\$ -	\$ -	\$ -	\$ 44,000,000
- UPC 106665 (Segment 2) - PE & Construction	189,707,675	-	-	-	189,707,675
- UPC 106689 (Segment 3) - PE	10,000,000	-	-	-	10,000,000
- UPC 106689 (Segment 3) -ROW & Construction	156,376,066	-	-	-	156,376,066
<i>I-64/264 Interchange Improvement</i>					
- UPC 17630 - PE/ROW	54,592,576	-	-	-	54,592,576
- UPC 57048 - PE/ROW	15,071,063	-	-	-	15,071,063
- UPC 57048 - Construction of Phase 1	137,023,653	-	-	-	137,023,653
- UPC 17630/108041 - Construction of Phase 2	73,157,062	-	-	-	73,157,062
- UPC 106693 - PE - Phase 3	10,000,000	-	-	-	10,000,000
<i>Third Crossing - UPC 106724 - SEIS</i>	5,000,000	(5,000,000)	(5,000,000)	-	-
<i>Remaining Projects of Third Crossing- UPC 106724</i>	4,000,000	-	-	-	4,000,000
<i>HR Regional Connectors Study</i>	3,000,000	4,000,000	4,000,000	7,000,000	7,000,000
<i>HRCS - UPC 110577 - SEIS</i>	25,000,000	-	-	-	25,000,000
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - PE</i>	20,000,000	-	-	-	20,000,000
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - ROW & Construction</i>	480,000,000	-	-	-	480,000,000
<i>Route 460/58/13 Connector - UPC 106694 - PE</i>	5,000,000	-	-	-	5,000,000
Total	\$ 1,231,928,095	\$ (1,000,000)	\$ -	\$ (1,000,000)	\$ 1,230,928,095

Table 3 - Expenditures

Hampton Roads Transportation Fund (HRTF)
Expenditures
Fiscal Year 2018

Project	Total FY2014 - FY 2017	Previous FY2018	February 2017	Total YTD FY2018	Total
<i>I-64 Peninsula Widening</i>					
- UPC 104905 (Segment 1) -Construction	\$ 1,544,502	\$ -	\$ -	\$ -	\$ 1,544,502
- UPC 106665 (Segment 2) - PE & Construction	49,326,465	33,164,376	4,701,564	37,865,940	87,192,405
- UPC 106689 (Segment 3) - PE	-	4,017,541	126,632	4,144,172	4,144,172
- UPC 106689 (Segment 3) - ROW & Construction	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
- UPC 17630/108041 - PE/ROW	24,549,786	6,779,981	1,648,312	8,428,294	32,978,080
- UPC 57048 - PE/ROW	8,941,701	6,129,362	4,666,499	10,795,861	19,737,562
- UPC 57048 - Construction of Phase 1	17,353,214	22,357,605	-	22,357,605	39,710,818
- UPC 106693 - PE - Phase 3	-	-	-	-	-
<i>Third Crossing - UPC 106724 - SEIS</i>	-	-	-	-	-
<i>Remaining Projects of Third Crossing- UPC 106724</i>	-	-	-	-	-
<i>HR Regional Connectors Study</i>	-	57,913	-	57,913	57,913
<i>HRCS - UPC 110577 - SEIS</i>	-	6,217,840	1,278,236	7,496,075	7,496,075
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - PE</i>	9,577,159	980,719	1,502,021	2,482,740	12,059,899
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - ROW & Construction</i>	-	-	-	-	-
Total	\$ 111,292,827	\$ 79,705,335	\$ 13,923,265	\$ 93,628,600	\$ 204,921,427

I-64 Peninsula Widening- Segment I**Project Scope:**

From 0.50 miles east of Yorktown Road/Rte 238 (Exit 247) to 1.55 miles west of Jefferson Ave/Rte 143 (Exit 255) (6.5 miles)

- Additional 12' wide travel lanes and 12' wide shoulder lanes within the existing median space
- Repair and widening of 6 bridges and 2 major culverts
- Strengthened shoulder lane from Ft Eustis Blvd Interchange to Jefferson Avenue Interchange

Project Financial Summary:

<u>Project Budget (\$144,000,000):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 4,135,000	\$ 2,717,457	\$ (724,824)
○ RW \$ 5,901,490	\$ 32,494	\$ (5,866,490)
○ CN \$ 133,963,510	<u>\$ 108,310,146</u>	<u>\$ (3,648,315)</u>
	\$ 111,060,097	\$ (10,239,629)

Project Schedule:

Notice To Proceed (NTP)	March 2015
Project Completion	December 2017
Schedule Status	Completed

Project Status:

- Completion achieved on 01 December 2017

**Project Site (Looking West from Denbigh Blvd.)**

I-64 Peninsula Widening- Segment II**Project Scope:**

From MM 241.30, 1.05 miles west of Hummelsine Parkway/Rte 199 (Exit 242) to where the Segment I project ends at MM 248.35, 0.50 miles east of Yorktown Road/Rte 238 (Exit 247) (7.1 miles)

- Additional 12' wide travel lanes and 12' wide shoulder lanes within the existing median space
- Repair and widening of 9 bridges and 6 major culverts
- Reconstruction of existing roadway

Project Financial Summary:

<u>Project Budget (\$213,592,853):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 6,000,000	\$ 2,342,572	\$ 0
○ RW \$ 2,413,318	\$ 428,429	\$ (901,770)
○ CN \$ 205,179,535	<u>\$ 98,669,154</u>	<u>\$ (22,983,408)</u>
	\$ 101,440,155	\$ (23,885,178)

Project Schedule:

Notice To Proceed	February 2016
Project Completion	May 2019
Schedule Status	On Schedule

Project Status:

- Continued grading drainage basins and subgrade stabilization
- Continued installation of drainage pipe and structures throughout the median
- Started median barrier and median guardrail installation
- Resumed Phase 1 (median lanes) pavement construction



Latex Modified Concrete Overlay Placement I-64 EB over ramp to Rte. 143

I-64 Peninsula Widening- Segment III**Project Scope:**

From approximately 1.0 mile West of Rte 199 (Exit 234) to where the Segment II project ends at 1.05 miles west of Hummelsine Parkway/Rte 199 (Exit 242) (8.2 miles)

- Additional 12' wide travel lanes and 12' wide shoulder lanes within the existing median space
- Replacement of the two Queen's Creek bridges, repair and widening of 4 bridges, 3 major culverts
- Reconstruction of existing mainline roadway

Project Financial Summary:

<u>Project Budget (\$311,303,819):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 10,000,000	\$ 4,450,309	\$ 0
○ RW \$ 12,000,000	\$ 8,135	\$ 0
○ CN \$ 289,303,819	<u>\$ 3,181,635</u>	\$ 0
	\$ 7,640,079	

Project Schedule:

Notice To Proceed	January 2018
Project Completion	September 2021
Schedule Status	On-Schedule

Project Status:

- Field Surveys, utility designations, roadway and bridge borings are underway
- Coordination meetings have been held with Camp Peary and the National Park Service
- Scope Validation Period ends on May 2, 2018, Contractor to begin Interstate Maintenance in July 2018
- A Public Information Meeting is being planned for June



I-64/I-264- Phase I**Project Scope:**

From the I-64 Twin Bridges to the I-264/Newtown Road Interchange

- Widening westbound I-64 by adding a second exit lane from Twin Bridges to the I-64/I-264 interchange
- Introducing a new two lane Collector-Distributor (C-D) roadway from I-64 to the Newtown Road interchange
- Constructing a new two-lane flyover ramp from westbound I-64 tying into the existing eastbound I-264 C-D road

Project Financial Summary:

<u>Project Budget (\$158,730,023):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 10,135,307	\$ 10,135,307	\$ 0
○ RW \$ 11,571,063	\$ 12,723,864	\$ 1,077,832
○ CN \$ 137,023,653	<u>\$ 52,497,847</u>	\$ 0
	\$ 75,357,018	

Project Schedule:

Notice To Proceed	October 2016
Project Completion	October 2019
Schedule Status	On-Schedule

Project Status:

- Completing Retaining Wall M; I-64 WB approach to Curlew Avenue overpass
- Placing Precast Concrete and Steel Bridge Girders; Bridge B-603, Curlew Avenue to Kempsville Road
- Box Culvert 8-34 and Foundation for Retaining Wall Q, I-264 EB Newtown Road Exit 15A

**Retaining Wall M****Setting Precast Girders****Bridge Work B-603****Box Culvert 8-34 and Wall Q**

I-64/I-264- Phase II**Project Scope:**

From the I-264/Newtown Road Interchange to the I-264/Witchduck Road Interchange

- Extends the new C-D roadway from the Newtown Road interchange to the Witchduck Road interchange
- Reconfigure the Newtown Road and Witchduck Road interchange ramps south of I-264
- Constructing a new overpass that connects Greenwich Road south side of I-264 and Cleveland north of I-264

Project Financial Summary:

<u>Project Budget (\$194,503,887):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 14,082,810	\$ 14,050,553	\$ 0
○ RW \$ 54,392,666	\$ 34,720,965	\$ 0
○ CN \$ 126,028,411	<u>\$ 87,377</u>	\$ 0
	\$ 48,858, 895	

Project Schedule:

Award	December 2017
Notice to Proceed	February 2018
Projected Completion	September 2021
Schedule Status	On-Schedule

Project Status:

- Demolished 7-11 Newtown and Greenwich Road
- South Newtown Road construction access to support drilled shaft foundations, columns and sewer relocations
- Delineated wetlands throughout project

**Former Site 7-11 Newton Road and Greenwich Roads****Construction Entrance South Newtown Road**

I-64 Southside Widening and High Rise Bridge- Phase I

Project Scope:

From approximately the I-64/264/664 Interchange at Bowers Hill and extending to the I-64/464 Interchange in Chesapeake

- Widening from 4 to 6 lanes
- Constructing a new High Rise Bridge parallel to and to the South of the existing High Rise Bridge
- Addition of Shoulder Lanes between the Route 17 and I-464 interchanges

Project Financial Summary:

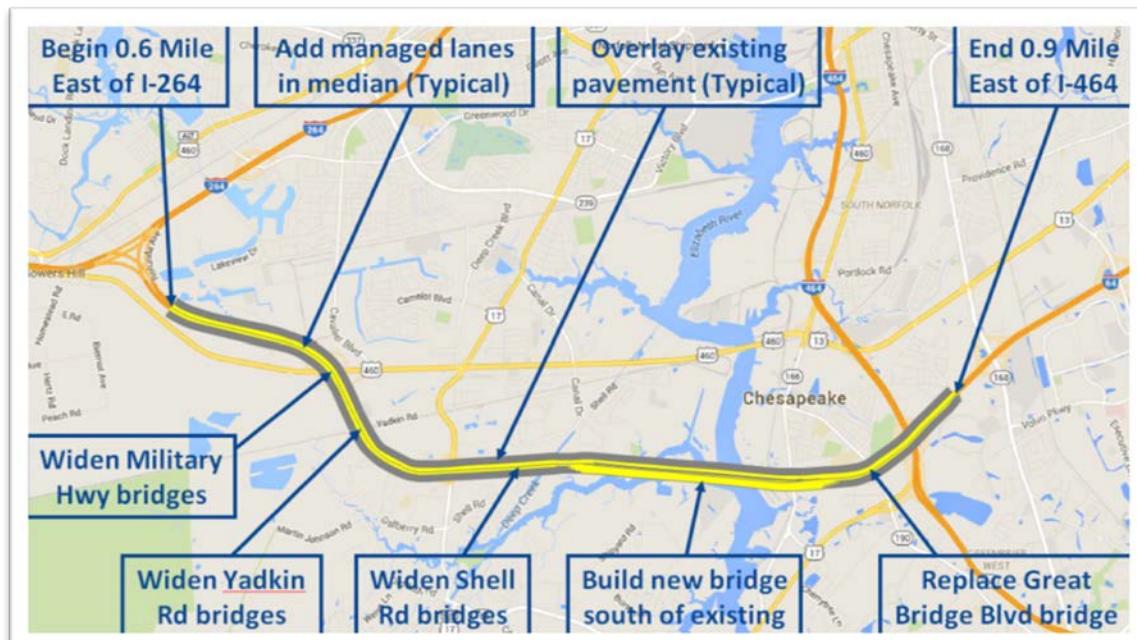
<u>Project Budget (\$524,613,765):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 12,200,000	\$ 12,138,046	\$ 0
○ RW \$ 18,726,000	\$ 58,603	\$ 0
○ CN \$ 493,687,765	<u>\$ 26,259,385</u>	\$ 0
	\$ 38,456,034	

Project Schedule:

Award	October 2017
Notice to Proceed	November 2017
Project Completion	July 2021
Schedule Status	On-Schedule

Project Status:

- Conducting coordination meetings with permitting agencies, railroad companies, and other stakeholders for permit and ROW acquisition
- Roadway, bridge and ROW design submittals by the Design-Builder are being received and reviewed by VDOT
- Field investigation work by the Design-Builder is complete except for the borings at the potential noise barrier locations which will be ongoing until 5/25/18
- The scope validation period ended on 3/16/18 and GPC has submitted their general notice of scope validation items



I-64 Hampton Roads Bridge-Tunnel Expansion

Refinement of Preferred Alternative

Project Scope:

Preliminary work for the I-64 corridor from I-664 to I-564, including the following activities for refinement of the Preferred Alternative and initial activities to develop the most appropriate procurement approach for expansion of the HRBT:

- Land survey, including photogrammetry, right-of-way verification, planimetric mapping, digital terrain modeling, and initial utility designation
- Wetlands survey/delineation to obtain preliminary Jurisdictional Determination
- Cultural resources/archaeological survey (land and marine)
- Hazardous materials investigations (land and marine)
- Geotechnical investigations (land and marine)
- Environmental permitting and agency coordination, including for in-channel geotechnical sampling
- Evaluation of disposal options for sediment dredge material and excavated boring material
- Procurement preparation, including industry outreach (Request for Information process, industry forum, meetings with potential proposers) and assessment of procurement- and delivery-method alternatives

Project Financial Summary:

<u>Project Budget (\$25,000,000):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$25,000,000	\$ 12,573,950	\$ 0
○ RW \$0	\$ 0	\$ 0
○ CN \$0	\$ 0	\$ 0
	\$ 12,573,950	

Project Schedule:

Request for Qualifications (RFQ)	December 2017
Request for Proposals (RFP)	Spring 2018
Project Award	Early 2019
Project Completion	2024
Schedule Status	On-Schedule

Project Status:

- Three Statements of Qualifications (SOQs) received from potential proposers on March 2
- Technical and administrative evaluation of SOQs in process for April shortlisting
- Field work for SEIS re-evaluation to incorporate HOT lanes started in early March
- Laboratory tests for landside soil borings complete; test holes for utilities started in early March
- Drafting of RFP commercial and technical provisions continues in development

Route 460/58/13 Connector

Study Scope:

Study from approximately the I-664/U.S. Route 58 Interchange and extending to the Business U.S. Route 460 and the Suffolk Northern Bypass (U.S. Route 13/58/460) Interchange:

- Improve existing roadway to interstate standards and address roadway deficiencies
- Improve accessibility to/from the SPSA Regional Landfill
- Improve accessibility to/from the Hampton Roads Executive Airport

Study Financial Summary:

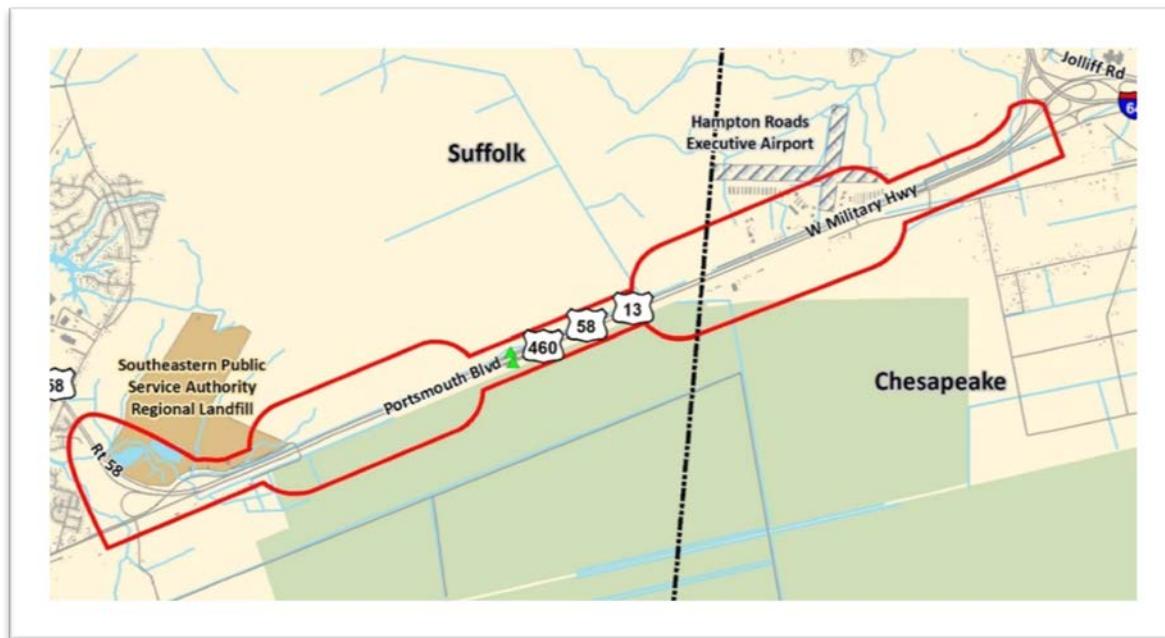
<u>Project Budget (\$5,000,000):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 5,000,000	\$ 441,114	\$ 0
○ RW \$ 0	\$ 0	\$ 0
○ CN \$ 0	<u>\$ 0</u>	\$ 0
	\$ 441,114	

Study Schedule:

Begin NEPA Process	June 2017
Study Completion	June 2020

Study Status:

- Concurrence received on range of alternatives to be carried forward for evaluation in Environmental Assessment (EA) in March 2018
- Field work to collect resource information within the study area is concluding
- Technical studies and EA documentation are underway



I-64/I-264- Phase III

Project Scope:

Study/design to improve the remaining I-64/I-264 movements

- Includes I-64 Eastbound (EB) movements to I-264
- Includes I-264 movements to I-64

Project Financial Summary:

<u>Project Budget (\$10,000,000):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 10,000,000	\$ 33,747	\$ 0
○ RW \$ 0	\$ 0	\$ 0
○ CN \$ 0	\$ 0	\$ 0
	\$ 33,747	

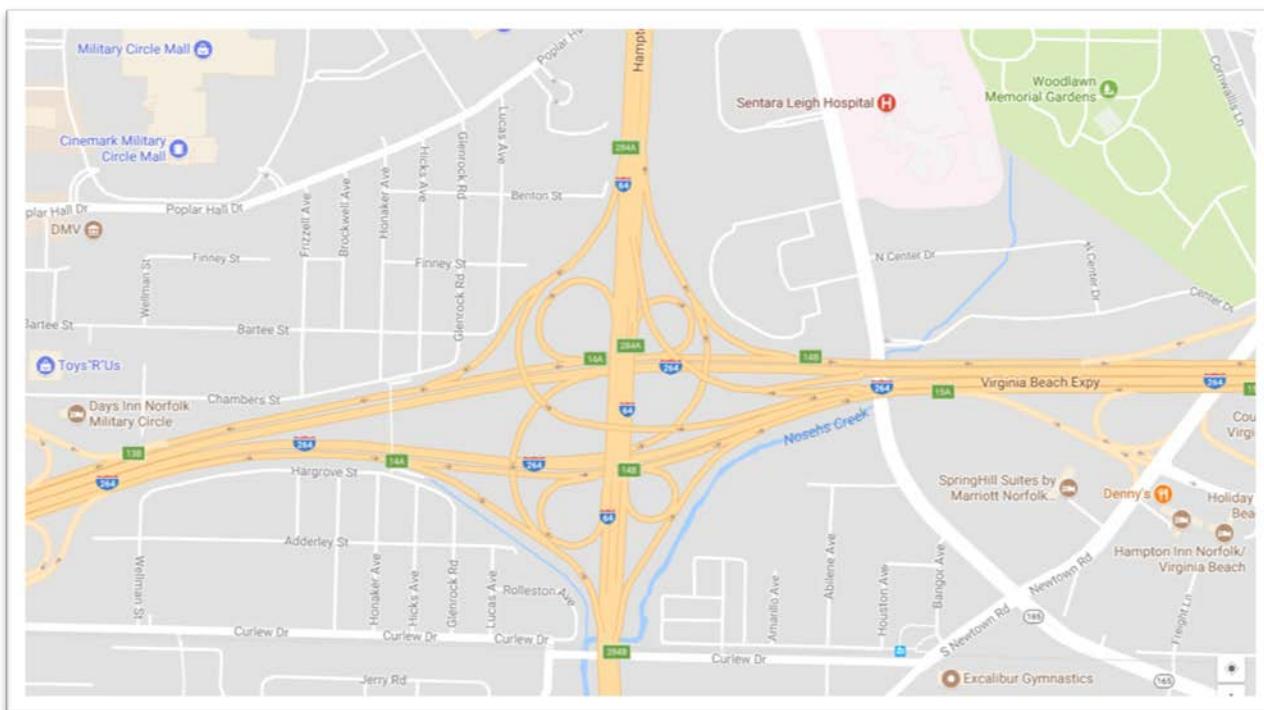
Project Schedule:

Release of Request for Proposals September 2017

Anticipated Consultant Contract April 2018

Project Status:

- Professional engineering services contract awarded to HNTB
- Project scoping meeting held on 1/30/18
- Contract negotiations underway, expected to be completed in April 2018



Bowers Hill Interchange

Study Scope:

Develop NEPA document and supporting studies for improvements to the I-64/I-264/I-664 Interchange and the Route 58/Route 460 Interchange (Bowers Hill).

Study Financial Summary:

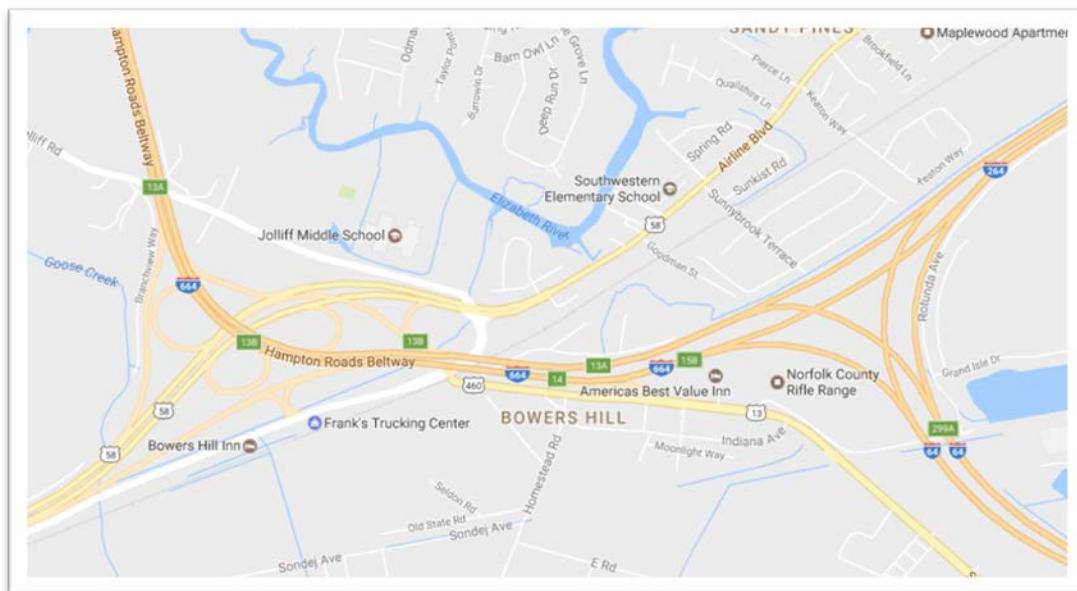
<u>Project Budget (\$4,000,000):</u>	<u>Funds Expended (as of 4/03/18):</u>	<u>Projected Cost Over/(Under):</u>
o PE \$4,000,000	\$ 15,413	\$ 0
o RW \$0	\$ 0	\$ 0
o CN \$0	\$ 0	\$ 0
	\$ 15,413	

Study Schedule:

Begin NEPA Process	October 2017
Completion	October 2019

Study Status:

- o Consultant support work is currently underway
- o The study team is targeting April as the first interaction with the Federal Agencies under the merged process. The initial coordination will be focused on introducing the study and working towards concurrence on methodologies.
- o Scoping letters sent out on March 12, 2018
- o Virtual Public Meeting being planned for mid-May 2018





**HRTAC Program Development
Monthly Executive Report
April 2018**

Hampton Roads District
1700 N. Main Street
Suffolk

Ft. Eustis Interchange

Project Scope:

Replace the I-64 Ft Eustis Interchange to mitigate congestion and improve safety.

Project Financial Summary: TBD

Project Schedule: TBD

Project Status: TBD

I-64 Southside Widening and High Rise Bridge- Phase II

Project Scope:

From approximately the I-64/464 Interchange in Chesapeake extending to the I-64/264/664 Interchange at Bowers Hill

- o Widening from 6 to 8 lanes
- o Replacing the existing High Rise Bridge
- o Rebuild the four Interchanges

Project Financial Summary: TBD

Project Schedule: TBD

Project Status: TBD