

**Hampton Roads Transportation Accountability Commission  
And  
Hampton Roads Transportation Planning Organization**

**Concurrent Board Meetings – December 13, 2018**

The Regional Board Room, 723 Woodlake Drive, Chesapeake, Virginia

**Concurrent Meeting Composite AGENDA Chronology as Presented**

***Individual Applicable Entity Agenda Attached***

12:30 pm

1. HRTAC Board Call to Order
2. HRTAC Board Welcomes HRTPO Board to Joint Meeting
3. HRTPO Board Call to Order
4. HRTAC/HRTPO Approval of Agenda
5. Public Comment Period Including Comments by Secretary Valentine
5. HRBT Discussion Items
  - a. Decision Making Critical Path – *Robert Crum, HRTPO and Kevin Page, HRTAC*
  - b. Operational Analyses of Proposed High-Occupancy Toll (HOT) Lanes at the HRBT and High-Rise Bridge Projects – *VDOT Staff*
  - c. Update on HRTAC Plan of Finance and I-64 HRBT New Capacity Expansion Project – TIP Amendment – *HRTAC*
  - d. Operational analysis for a potential high occupancy toll lane (HOT) network throughout Hampton Roads – *VDOT Staff*
6. HRTPO Board Stands at Ease
7. HRTAC Action and Information Items
8. HRTAC Board Adjournment
9. HRTPO Board Called Back to Order
10. HRTPO Action Items

2:00 pm

11. HRTPO Board Adjournment

## Hampton Roads Transportation Accountability Commission

### Agenda as Presented

#### Regular Meeting December 13, 2018

***Held Concurrently with the Hampton Roads Transportation Planning Organization***

12:30 p.m. – 2:21 p.m.  
The Regional Board Room  
723 Woodlake Drive, Chesapeake, VA 23320

- 1. Call to Order**
- 2. Approval of Agenda**
- 3. Public Comment Period**
  - A. Public Comments**
  - B. Secretary Valentine's Comments**
- 4. Chair's Comments**
- 5. Consent Items**
  - *Recommended Action: Approval*
    - A. Minutes of the November 15, 2018 Regular Meeting (Attachment 5A)**
    - B. Amendment to Approved HRTAC FY2019 HRTAC Administrative Budget (Attachment 5B)**
- 6. Discussion Items – *Concurrent with the Hampton Roads Transportation Planning Organization***
  - *Recommended Action: Discussion or Approval as indicated below*
    - A. HRBT Decision Making Critical Path** – HRTPO Executive Director Crum and HRTAC Executive Director Kevin Page
    - B. Operational Analyses of Proposed High-Occupancy Toll (HOT) Lanes at the HRBT and High-Rise Bridge Projects** – VDOT Administrator Hall
    - C. Update on HRTAC Plan of Finance and I-64 HRBT New Capacity Expansion Project - TIP Amendment** – Finance Committee Chair Wagner, Executive Director Page, Counselors Inglima, Wall, and Ballou, Financial Advisors Miller and Shan

- D. **Operational analysis for a potential high occupancy toll lane (HOT) network throughout Hampton Roads** – VDOT Administrator Hall

## **7. Action and Discussion Items of the Commission**

- *Recommended Action: Discussion or Approval as indicated below*
- A. **I-64 HRBT New Capacity Expansion Project - Authorization of Chair to submit TIP Amendment Request to HRTPO (Attachment 7A)** – Executive Director Page
- B. **Amendment to the HRTAC Investment Policy (Attachment 7B)** – Executive Director Page

## **8. Information Items**

- A. **HRTAC Monthly Financial Report (Attachment 8A)** – Finance Committee Chair Senator Wagner
- B. **VDOT Project Updates (Attachment 8B)** – VDOT Hampton Roads Administrator Hall and HRBT Project Director Utterback
- C. **Next HRTAC Regular Meeting – March 21, 2019, 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: December 13, 2018**

**Re: November 15, 2018 Regular Meeting Minutes**

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**Recommendation:**

The Commission is asked to approve the Commission's November 15, 2018 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:** The Commission approves and adopts the minutes of the Commission's Regular Meeting on November 15, 2018.



**Hampton Roads Transportation  
Accountability Commission (HRTAC)  
Summary Minutes of the September 20, 2018 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              | Barry T. Porter                     |
| Linda T. Johnson, Vice Chair       | Thomas G. Shepperd                  |
| Kenneth Alexander                  | Elizabeth Psimas (in for John Rowe) |
| Joel Acree                         | Frank Rabil                         |
| John Cosgrove*                     | Donnie Tuck                         |
| Herbert Green (in for Eugene Hunt) | Frank Wagner                        |
| Chris Jones                        | Stephen Best (in for Rick West)     |
| Louis Jones                        | Thomas G. Shepperd                  |
| McKinley Price*                    | David Yancey                        |

**HRTAC Executive Director**

Kevin Page

**HRTAC Ex-Officio Members in Attendance:**

|                |            |
|----------------|------------|
| Stephen Brich* | Cathy Vick |
| John Malbon    |            |

**Other Participants:**

|                   |                     |
|-------------------|---------------------|
| Shannon Valentine | Randy Keaton*       |
| James Baker       | Neil Morgan*        |
| Bob Baldwin       | Patrick Roberts     |
| Brian DeProfio    | Cynthia Rohlf*      |
| Christopher Hall  | Doug Smith          |
| Dave Hansen*      | Scott Stevens*      |
| Tom Inglima       | James Utterback     |
| Michael Johnson   | J. Randall Wheeler* |
| Stephen Johnson*  | John Yorks          |

**HRTAC Voting Members Absent:**

|               |                    |
|---------------|--------------------|
| Paul Freiling | Christopher Stolle |
|---------------|--------------------|

**HRTAC Ex-Officio Members Absent:**

Jennifer Mitchell

\* Denotes Late Arrival or Early Departure

### **Others Recorded Attending:**

Britta Ayers, Bridgette Parker, Bryan Stilley, Jerri Wilson (NN); Amy Inman, Lauren Lowery, Morgan Whayland (NO); Sherri Neil (PO); Andrew Trivette (WM); Jim Calpin (Bank of America Merrill Lynch); Kevin Johnson, Kirsten Krug, Ron Marena, Chris McNichol (Citigroup Global Market); Jake Fink, Mike Snare, Awil Sharma (HNTB); Mary DiMartino (J.P. Morgan); Eric Ballou (Kaufman and Canoles); Nelson Bush, David Miller, Liang Shan (PFM); Barbara Nelson (Port of Virginia); Patrick Allen (RK &K); Chuck Wall (Troutman Sanders); Kevin Carroll (U.S. Coast Guard); Morteza Farajian, Tony Gibson, Robin Grier, Paula Miller (VDOT); Mark Burns (Wells Fargo Securities) Brett Spain (Willcox and Savage); Kelli Arledge, Nancy Collins, Mike Long, Tiffany Smith, Chris Vaigneur Sheila Wilson (HRPDC); Jennifer Hodnett (HRTAC); Rob Case, Rob Cofield, Shirley Core, Bob Crum, Mike Kimbrel, John Mihaly, Dale Stith (HRTPO)

### **Approval of Agenda**

Chair Michael Hipple introduced and thanked Shannon Valentine, Virginia Secretary of Transportation for attending the meeting. He indicated her presentation was in regards to the HRBT project and the proposed HOT network.

Mr. Herbert Green Moved to amend the agenda and move item 6B1, Secretary Valentine's remarks ahead of item 6A, HRTBT Expansion Project: P3 RFP Terms and Related Term Sheet and Agreements with HRTAC re: Funding including toll revenue, Ms. Linda Johnson seconded. The Motion Carried.

### **Public Comment Period (limit 5 minutes per individual)**

No members of the public addressed the Hampton Roads Transportation Accountability Commission

### **Chair Comments**

Chair Hipple identified continued progress on HRTF funded projects and thanked Senator Wagner, Delegate Jones, Mayor Alexander, and Mayor Tuck for agreeing to serve with Chair Hipple on the HRBT Funding Agreement Advisory Committee.

HRTAC Executive Director, Kevin Page, noted the additional meeting in November so the Commission could be kept up to date on the HRBT project.

### **Consent Items**

- A. Minutes of June 21, 2018 HRTAC Annual Organizational Meeting**
- B. Fiscal Year 2018 Annual Report to the Joint Commission on Transportation Accountability relating to the Hampton Roads Transportation Fund**
- C. Meeting Schedule for Remainder of 2018**
- D. Authorizations relating to HRTAC Chief Financial Officer**
- E. De-Allocation of HRTAC Project Funds Returned by VDOT – HRTAC Adopted FY2016-FY2024 Funding Plan Adjustment**
- F. Amendment to the Approved HRTAC FY2016-FY2024 Funding Plan-HRCS Preferred Alternative Refinement to Support Geotechnical, Survey,**

## **Administration and Staff Augmentation Phase (UPC 110577) Request for Public Hearing and Letter of No Prejudice to Proceed**

Mr. Thomas Shepperd Moved to approve the consent agenda items; seconded by Ms. Linda Johnson. The Motion Carried.

### **Action Items (per reordered agenda)**

#### **A1. Hampton Roads HOT Network Overview**

Mr. James Utterback, VDOT HRBT Project Director, reviewed the total lane miles and interchanges and new facility included in the HRBT Expansion project. He outlined the project activities which included NEPA SEIS Re-Evaluation, design public hearings and agency coordination.

He stated VDOT had the authority to pursue a design build under the Public Private Transportation Act (PPTA) or the Virginia Public Procurement Act (VPPA) and reminded the Commission the HRBT is not a typical project and the benefits of the project being built using a PPTA process.

He reviewed the key policy considerations and noted due to the technical complexity of the project, the proposal scoring would be weighted for 60% price and 40% technical. Additional policy considerations indicated were Alternative Technical Concepts (ATCs), managing the financial exposure until the issuance of key permits, and minimization of construction impact and duration.

Mr. Utterback reviewed the major business terms of the project and outlined the procurement milestones.

Commission members reiterated the need for limited to proceed clause and a not to exceed price of the project.

Virginia Secretary of Transportation, Shannon Valentine, discussed the Hampton Roads Express Lanes Network and indicated the 4 segments would reduce congestion, prioritize safety, deliver reliability, provide choices to citizens and moved the highest number of people through the corridor for the lowest price.

She stated two studies were being performed and highlighted the Commonwealth was examining how efficiently and cost effectively toll revenues could be managed. She reassured the Commission the P3 process was being followed and public input has been included in the project.

Secretary Valentine noted the importance of the trestles to be included in the scope of the project and the project achieves economies of scale previously not available. She noted the age of the structures and indicated the future impacts it could have on the facility.

Commission members reminded the Secretary, the legal uses for the Hampton Roads Transportation Fund (HRTF) and the lack of success rate for the High Occupancy Vehicle (HOV) lanes in the region.

Secretary Valentine noted Traffic and Revenue (T&R) studies were to be completed by the end of November, which would provide valuable data for tolling decisions.

Commission members indicated previous versions of the express lanes network did not include segment 4 and questioned its viability. Additionally, members stated the Hampton Roads Transportation Planning Organization (HRTPO) needed to be briefed to ensure all legal components of the project were met.

Commission discussion ensued in regards to the property rights around Hampton University and the potential designs of the project.

Secretary Valentine assured the Commission that the Commonwealth was a partner on this project and that all information would be shared with the Commission to guarantee the best decisions for the citizens of the Region were made.

**A2. HRBT Expansion Project: P3 RFP Terms and Related Term Sheet and Agreements with HRTAC re: Funding, Including Toll Revenue (Closed Session, as Needed)**

HRTAC Legal Counsel, Thomas Inglima, indicated that VDOT is trying to maximize the negotiating outcome with bidders and there is also a confidentiality agreement between VDOT and the Commission, so he advised the Commission to go into closed session.

Closed Session Motion:

Mr. Thomas Shepperd Moved that a closed session be held for discussions regarding the request for proposals for the Hampton Roads Bridge Tunnel project and the agreements being developed to fund and construct the project, in accordance with (1) Virginia Code Section 2.2-3711(A)(29) for the purpose of discussion of the award of a public contract involving the expenditure of public funds and discussion of the terms and scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, and (2) Virginia Code Section 2.2-3711(A)(8) for the purpose of consulting with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.

Mr. Donnie Tuck seconded the Motion and Chair Hipple, hearing no further discussion, called for a voice vote. The Motion Carried.

The closed session commenced at 1:30 p.m. and ended at 2:30 p.m. When the open session recommenced, Mr. Thomas Shepherd read the following certification to be adopted:

The Hampton Roads Transportation Accountability Commission hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements and the Virginia Freedom of Information Act, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened, were heard, discussed, or considered in the closed meeting just concluded.

Chair Hipple initiated a roll call vote:

|                          |   |
|--------------------------|---|
| McKinley L. Price        | Y |
| Stephen Best Sr.         | Y |
| Donnie Tuck              | Y |
| Joel C. Acree            | Y |
| Michael J. Hipple        | Y |
| Kenneth C. Alexander     | Y |
| Herbert Green Jr.        | Y |
| Elizabeth Psimas         | Y |
| Barry Porter             | Y |
| Linda T. Johnson         | Y |
| Louis Jones              | Y |
| Thomas G. Shepperd       | Y |
| Senator John A. Cosgrove | Y |
| Senator Frank W. Wagner  | Y |
| Delegate S. Chris Jones  | Y |
| Delegate David Yancey    | Y |
| Cathy Vick               | Y |

Messrs. Randy Keaton, Scott Stevens, Dough Smith, J. Randall Wheeler, Dave Hansen, Neil Morgan, Stephen Johnson and Stephen Brich left.

Dr. McKinley Price, Senator John Cosgrove, and CTB Representative John Malbon left.

## **B2      Hampton Roads HOT Network Request re: Toll Revenue Study**

HRTAC Finance Chair, Senator Wagner, reiterated the need for the toll revenues to be returned to Hampton Roads due to the insufficient revenues at the State level and the HRTF. He indicated the citizens were always going to be offered a free alternative to tolls and indicated the completion of the studies will assist the Commission in making further decisions.

Mr. Stephen Best Moved to authorize the Chair to request that VDOT modify its investment grade, toll-based traffic and revenue study of the Hampton Roads Express Lane Network to take into account two scenarios: (1) A scenario where on a 24/7 basis all users of the "HOT" Managed Lanes for the HRBT water crossing are charged for use of those lanes, and (2) A scenario where during off peak hours all users of the "HOT" Managed Lanes for the

HRBT water crossing are charged for use of those lanes, such that HOV-2 and HOV-3 free use would be limited to peak hours, Seconded by Mr. Joel Acree. The Motion Carried.

**C. Debt Management Plan – Authorization of TIFIA Loan Application for Existing Projects**

HRTAC Executive Director, Kevin Page, reminded the Commission that TIFIA was a federal loan program and HRTAC projects do qualify for funding monies. He indicated the loan monies did not have to be used immediately, however, the interest rate would be locked in allowing for cost savings. He stated the Finance Committee recommended seeking a loan for \$450 Million and noted that the loan application amount was \$250,000.

Commission members acknowledged the uptick of treasury interest rates and the importance of the cost savings associated with a lower interest rate.

Mr. Barry Porter Moved to authorized advancement of the TIFIA Loan Application for the Commission's existing projects and authorize the Executive Director to work within the Commission's Adopted Annual Administrative and Project Development Budget to advance payment of the TIFIA Loan Application and pay TIFIA legal and processing fees, Seconded by Ms. Linda Johnson. The Motion Carried.

**Information Items**

**A. HRTAC Monthly Financial Report**

Senator Wagner reviewed the HRTF Financial Report included in the agenda packet.

**B. VDOT/HRTAC Project Updates**

Mr. Christopher Hall, Hampton Roads District Administrator reviewed the progress of the projects and studies currently under construction in regards to budget and schedule

**Next Meeting**

The HRTAC Regular Meeting will be held on November 15, 2018 at 9:00 a.m. in the Regional Building Board Rooms, 723 Woodlake Drive, Chesapeake VA.

**Adjournment**

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 2:43 p.m.



Michael J. Hipple  
HRTAC Chair

**Agenda Item 5B**  
**Consent Item**

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

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

**Date: December 13, 2018**

**Re: Amendment to Approved HRTAC FY2019 HRTAC Administrative Budget**

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**Recommendation:**

The Finance Committee recommends that the Commission approve the changes to the FY2019 Budget reflected in the attached Budget (the "Proposed Amendment to the Approved FY2019 Administrative Budget").

**Background:**

At its November 15, 2018 meeting, the Commission endorsed the Staff request for an additional \$1,983,000 of eligible HRTAC controlled funds and authorized the Finance Committee Chair to conduct a public hearing on the Amendment to the Approved HRTAC FY2019 HRTAC Administrative Budget. On Monday, December 10, 2018 at 9:30 a.m., a public hearing was held. Any public comments received were shared with the Finance Committee at its December 10, 2018 meeting prior to its consideration and recommendation for approval to the Commission. The Commissioners will be briefed on any public comments received at the Commission meeting.

**Fiscal Impact:**

There is a \$1,983,000 fiscal impact in relation to this Action Item.

**Suggested Motion:**

**Motion:** In consideration of the Finance Committee recommendation, the Commission approves the Staff request for an additional \$1,983,000 of eligible HRTAC controlled funds for the FY2019 Administrative Budget.





### Proposed Amendment to the Approved FY2019 Administrative Budget

| CATEGORY                          | FY2019 Approved        |                                |                                     | Proposed Adjustment | FY2019 Proposed Amended Budget |                               |                                    |
|-----------------------------------|------------------------|--------------------------------|-------------------------------------|---------------------|--------------------------------|-------------------------------|------------------------------------|
|                                   | FY2019 Approved Budget | FY2019 Approved Administrative | FY2019 Approved Project Development |                     | FY2019 Amended Budget          | FY2019 Amended Administrative | FY2019 Amended Project Development |
| REVENUES                          |                        |                                |                                     |                     |                                |                               |                                    |
| HRTF Support*                     | \$ -                   | \$ -                           | \$ -                                |                     | \$ -                           | \$ -                          | \$ -                               |
| Interest/Investment Income        | \$ 2,464,512           | \$ 1,334,512                   | \$ 1,130,000                        |                     | \$ 4,447,512                   | \$ 1,342,512                  | \$ 3,105,000                       |
| TOTAL REVENUE                     | \$ 2,464,512           | \$ 1,334,512                   | \$ 1,130,000                        |                     | \$ 4,447,512                   | \$ 1,342,512                  | \$ 3,105,000                       |
| EXPENDITURES                      |                        |                                |                                     |                     |                                |                               |                                    |
| PERSONNEL**                       |                        |                                |                                     |                     |                                |                               |                                    |
| HRTAC Staff                       | \$ 524,512             | \$ 524,512                     | \$ -                                |                     | \$ 524,512                     | \$ 524,512                    | \$ -                               |
| HRTPO/HRPDC Support Staff**       | \$ 120,000             | \$ 120,000                     | \$ -                                |                     | \$ 120,000                     | \$ 120,000                    | \$ -                               |
| SUBTOTAL PERSONNEL                | \$ 644,512             | \$ 644,512                     | \$ -                                |                     | \$ 644,512                     | \$ 644,512                    | \$ -                               |
| PROFESSIONAL SERVICES             |                        |                                |                                     |                     |                                |                               |                                    |
| Audit                             | 24,000                 | 24,000                         | \$ -                                |                     | 24,000                         | 24,000                        | \$ -                               |
| Bank Fees & Investment Services   | 300,000                | 300,000                        | \$ -                                |                     | 300,000                        | 300,000                       | \$ -                               |
| Legal                             | 625,000                | 300,000                        | 325,000                             | \$ 275,000          | 900,000                        | 300,000                       | \$ 600,000                         |
| Financial Advisors                | 600,000                | \$ -                           | 600,000                             |                     | 600,000                        | \$ -                          | \$ 600,000                         |
| Insurance - D&O/Liability         | 4,000                  | 4,000                          | \$ -                                |                     | 4,000                          | 4,000                         | \$ -                               |
| Recruiting                        | 2,000                  | 2,000                          | \$ -                                |                     | 2,000                          | 2,000                         | \$ -                               |
| Bond Issuance Expense/TIFIA       | 200,000                | \$ -                           | 200,000                             | \$ 1,700,000        | 1,900,000                      | \$ -                          | \$ 1,900,000                       |
| SUBTOTAL PROFESSIONAL SERVICES    | \$ 1,755,000           | \$ 630,000                     | \$ 1,125,000                        |                     | \$ 3,730,000                   | \$ 630,000                    | \$ 3,100,000                       |
| TECHNOLOGY/COMMUNICATION**        |                        |                                |                                     |                     |                                |                               |                                    |
| IT/Communications                 | 5,000                  | 5,000                          | \$ -                                |                     | 5,000                          | 5,000                         | \$ -                               |
| LAN system/ Cloud                 | 10,000                 | 10,000                         | \$ -                                | \$ 8,000            | 18,000                         | 18,000                        | \$ -                               |
| Website Consultant                | 2,000                  | 2,000                          | \$ -                                |                     | 2,000                          | 2,000                         | \$ -                               |
| SUBTOTAL TECHNOLOGY/COMMUNICATION | \$ 17,000              | \$ 17,000                      | \$ -                                |                     | \$ 25,000                      | \$ 25,000                     | \$ -                               |
| ADMINISTRATIVE **                 |                        |                                |                                     |                     |                                |                               |                                    |
| Public Notices/Advertising        | 3,000                  | 3,000                          | \$ -                                |                     | 3,000                          | 3,000                         | \$ -                               |
| Office Space                      | 12,000                 | 12,000                         | \$ -                                |                     | 12,000                         | 12,000                        | \$ -                               |
| Office Supplies**                 | 4,000                  | 3,000                          | 1,000                               |                     | 4,000                          | 3,000                         | \$ 1,000                           |
| Furniture                         | 500                    | 500                            | \$ -                                |                     | 500                            | 500                           | \$ -                               |
| Printing/Copying**                | 7,000                  | 3,000                          | 4,000                               |                     | 7,000                          | 3,000                         | \$ 4,000                           |
| Dues/Subscriptions                | 1,000                  | 1,000                          | \$ -                                |                     | 1,000                          | 1,000                         | \$ -                               |
| Travel                            | 8,000                  | 8,000                          | \$ -                                |                     | 8,000                          | 8,000                         | \$ -                               |
| Meeting Expenses**                | 7,000                  | 7,000                          | \$ -                                |                     | 7,000                          | 7,000                         | \$ -                               |
| Postage**                         | 500                    | 500                            | \$ -                                |                     | 500                            | 500                           | \$ -                               |
| Professional Development          | 5,000                  | 5,000                          | \$ -                                |                     | 5,000                          | 5,000                         | \$ -                               |
| SUBTOTAL ADMINISTRATIVE           | \$ 48,000              | \$ 43,000                      | \$ 5,000                            |                     | \$ 48,000                      | \$ 43,000                     | \$ 5,000                           |
| TOTAL EXPENDITURES                | \$ 2,464,512           | \$ 1,334,512                   | \$ 1,130,000                        | \$ 1,983,000        | \$ 4,447,512                   | \$ 1,342,512                  | \$ 3,105,000                       |
|                                   | FY2019 Approved        |                                |                                     | Proposed Adjustment | FY2019 Proposed Amended Budget |                               |                                    |

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

\*\*Includes items to be reimbursed to HRPDC/HRTPO



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

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

**Date: December 13, 2018**

**Re: I-64 HRBT New Capacity Expansion Project - Authorization of Chair to submit TIP Amendment Request to HRTPO**

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**SUMMARY:**

As directed by the Chairs of the HRTPO and HRTAC, the Boards are meeting concurrently to receive and discuss information pertaining to the I-64 Hampton Roads Bridge-Tunnel (HRBT) Expansion Project, tolling, Operational Analysis, HRBT project funding plans and a proposed amendment to the Transportation Improvement Program to include the HRBT project.

Mr. Robert Crum, HRTPO Executive Director, Mr. Kevin Page, HRTAC Executive Director, and VDOT Staff, will brief the HRTAC and HRTPO Boards on these items.

Provided for read ahead material is a copy of a presentation that was given to the Finance Committee and HRBT Funding Agreement Advisory Committee together with three letters between the Secretary of Transportation and HRTAC's members, Delegate Jones and Senator Wagner, referenced therein.

**BACKGROUND:**

To assist the HRTAC and HRTPO Boards in these deliberations, the following information will be presented:

- a. HRTPO and HRTAC staff will present a critical decision making path for the next six months related to the I-64 HRBT Expansion Project.
- b. VDOT staff will provide a report on operational analyses of the proposed High Occupancy Toll (HOT) lanes at the HRBT and High-Rise Bridge projects.
- c. HRTAC members will discuss an update on the HRTAC Plan of Finance and the I-64 HRBT New Capacity Expansion Project, including a proposed amendment to the HRTPO TIP.
- d. VDOT staff will provide a report on an operational analysis to be conducted on a potential HOT Express Lanes Network throughout Hampton Roads.

Following these briefings, the HRTAC and HRTPO Boards are requested to discuss their positions on the funding approach for the replacement of the existing HRBT trestles that are not part of the capacity expansion project and the HRTAC Funding Plan for the new capacity at HRBT.



# Hampton Roads Bridge Tunnel Critical Decision Making Path



December 2018-July 2019

- HRTPO/HRTAC Briefed by VDOT on Operational Analysis for Water Crossings (HRBT & High-Rise Bridge) *December 13, 2018*
- Existing Trestle Financing Decision (UPDATE)
- HRBT New Capacity Funding (UPDATE)
- Tolling (UPDATE)
- HRTPO TIP Amendment for HRBT?
- SMART SCALE Funding Decision for HRBT Project (\$200M) *January 2019-June 2019*
- Technical Proposals due to VDOT *January 15, 2019*
- Price Proposals due to VDOT *February 8, 2019*
- CTB Briefing *February 19, 2019*
- HRTAC Approval of HRBT Related Agreements *March 21, 2019*
- VDOT Signs Agreement & Issues Notice to Proceed *March 31, 2019*
- BUILD Grant (Federal) Application (\$25M) *TBD*
- Full Express Lane System Operational Analysis Briefing to HRTAC/HRTPO *June 2019*
- HRTPO Policy Decision on Full Express Lane System *July 2019*





# CURRENT AND PROPOSED HOT FACILITIES UPDATE

Hampton Roads VA

Christopher Hall

December 13, 2018



# ExpressLanes Performance-reversible (Segment 1)

## Revenue

- Average toll rates since January 2018 Express
  - EB Mon-Fri 2 p.m. to 6 p.m.: \$0.83
  - WB Mon-Fri 5 a.m. to 9 a.m.: \$0.71
- Estimated 1st Yr Gross Revenue ~ \$1.9M
  - First 11 Months, Actual Gross Revenue = \$ 1.74M
  - $(\$ 1.74/11) \times 12 \text{ months} = \$ 1.9M$

## Operational Efficiency

- 25% of total traffic volume is using this facility
  - Average of AM and PM Operations
  - Actual Traffic Counts , 42 Days Oct/Nov 2018



Operating Hours: WB 5am to 9am EB 2pm to 6pm

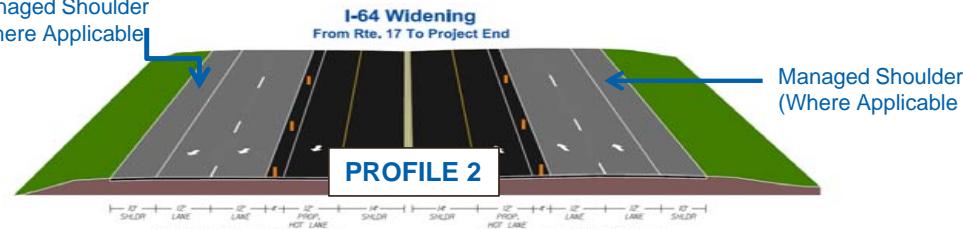
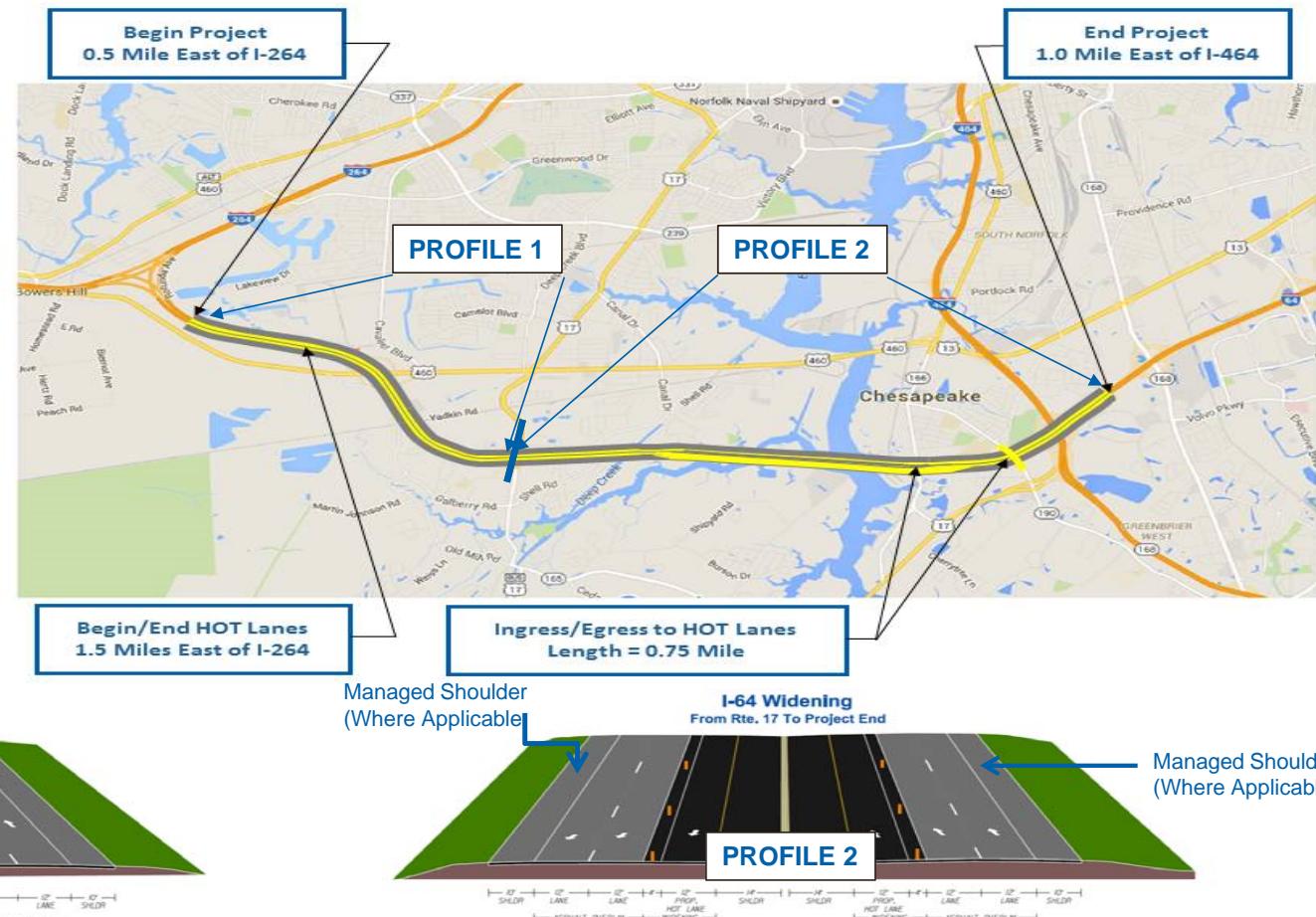
# I-64 Southside and High Rise Bridge (Segment 2A)

Currently designed to operate as a separate HOT facility

- HOT Lanes – Entry/Exit at Project East and West Ends
- Managed Shoulder from Rt. 17 to Great Bridge Blvd

## January 2017 Operational Traffic Analysis

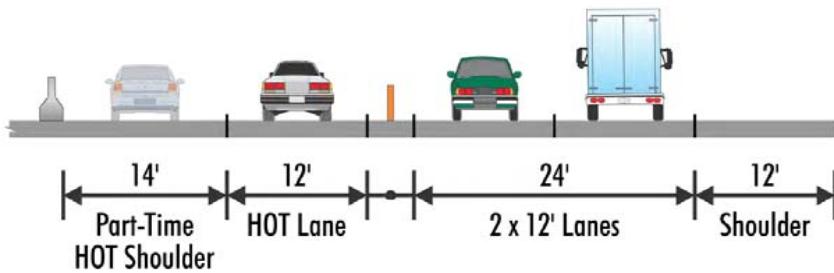
- 30% of Total Traffic Volume Projected to Use HOT Lanes at Peak Periods
- Initial GP Lane Time Savings: EB (6.9 Min), WB (4.0 Min)



# Hampton Roads Bridge Tunnel (Segment 3 – HOT)

## Projected Performance:

- HOT Lanes Operate Effectively with projected, Throughput Improvement (2040 projection)
  - Projected HOT Lane Usage (EB AM 38%, PM 31% / WB AM 26%, PM 42%)
  - GP Lane Time Savings (EB AM 27min, PM 28min / WB AM 14min, PM 23min)
- HOT Lanes – Entry/Exit at Project East and West Ends
- Part Time HOT Shoulder (Capacity Increase)





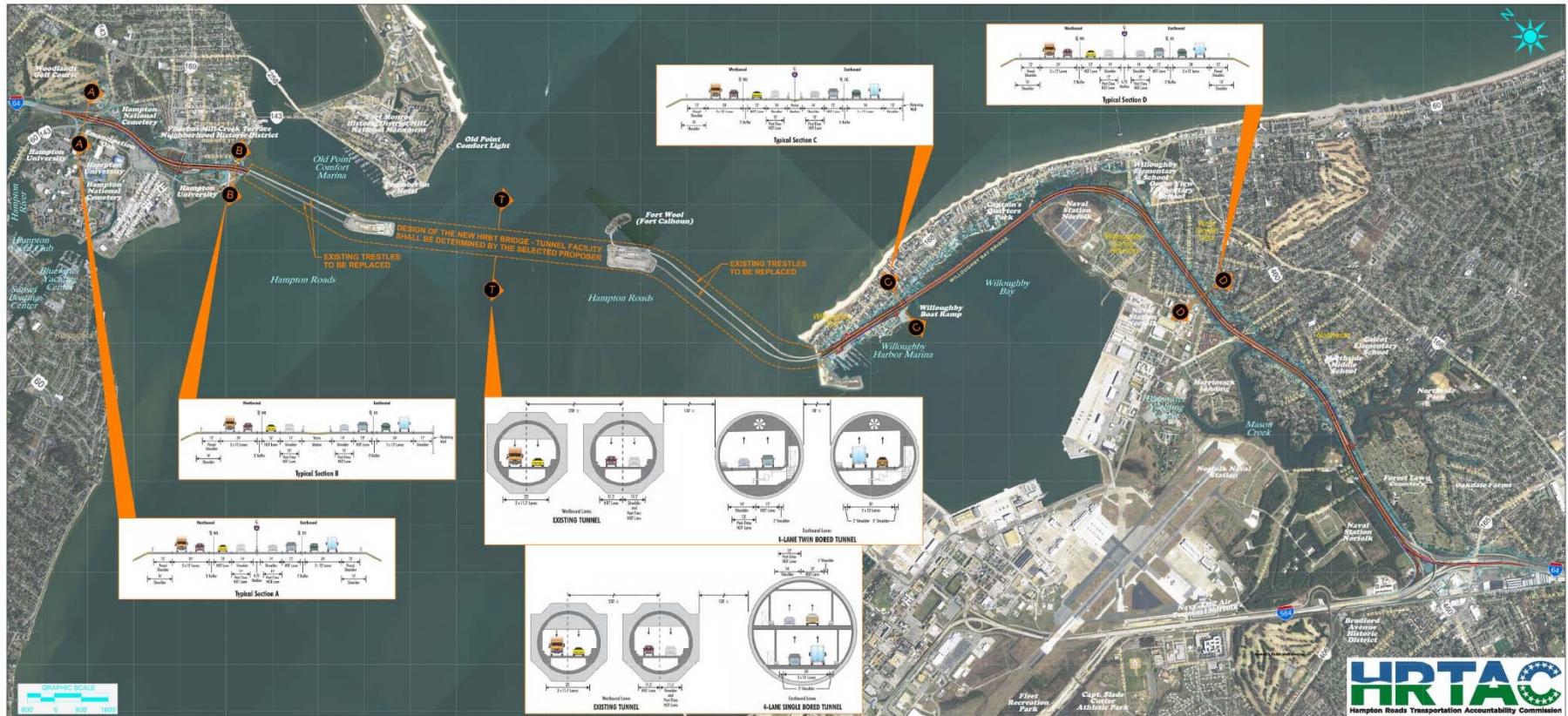
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## Briefing to HRTAC re: HRBT Expansion Project Cost Estimates, Funding Mechanisms, and Next Steps

December 13, 2018

# Project Limits - Typical Sections

## HRBT Expansion Project



Hampton Roads Bridge-Tunnel Preferred Alternative

# HRTAC's Capacity Under its Current Funding Plan

To Fund Base Scope Project Costs

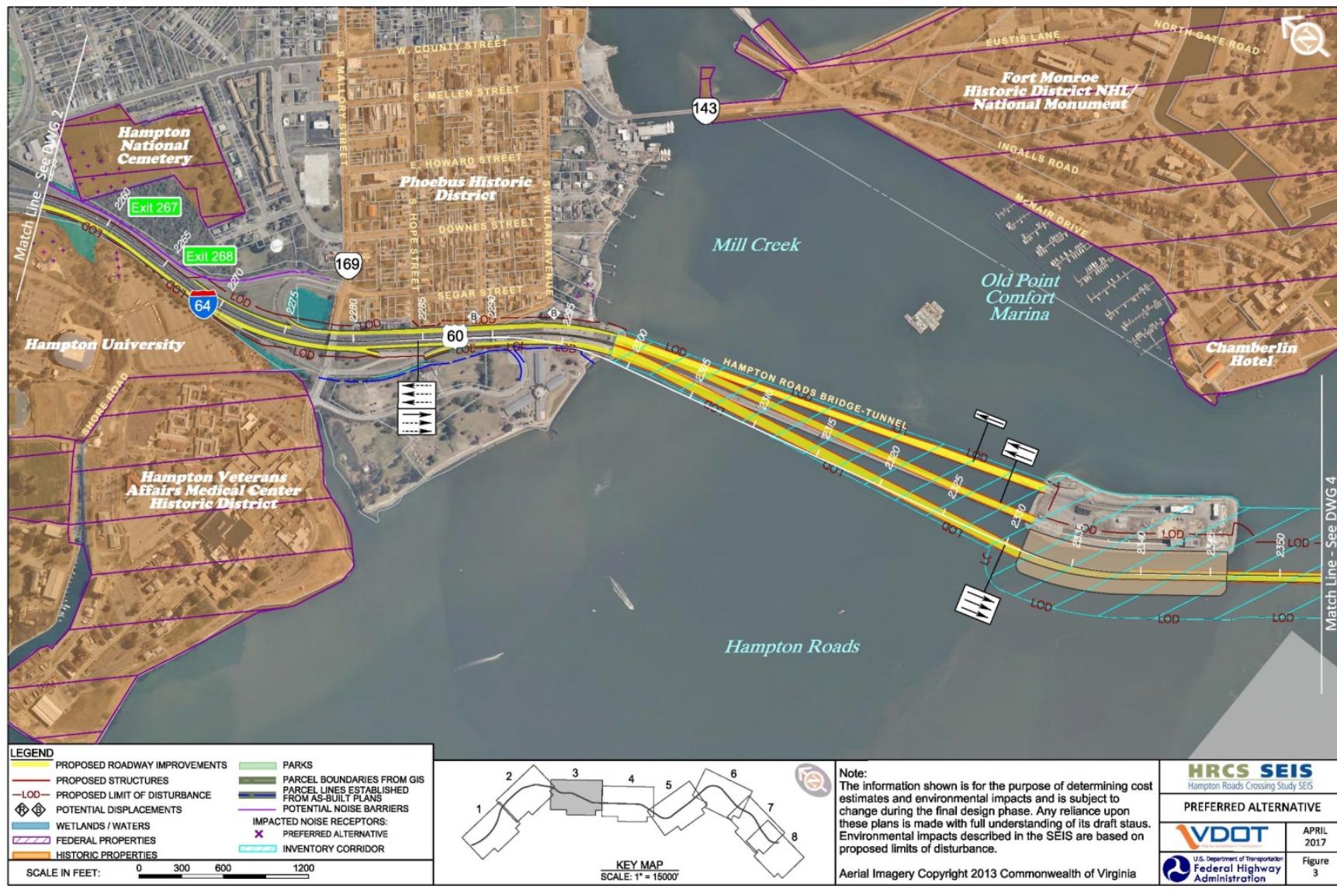
Excluding (i) South Trestles and (ii) Owner's Costs Associated Therewith

| <u>Source</u>       | <u>Amount</u>          |
|---------------------|------------------------|
| HRTF Debt           | \$2,428M - \$2,472M    |
| HRTF Pay-Go         | \$736M - \$765M        |
| Toll Revenue Debt   | \$325M - \$390M        |
| Toll Revenue Pay-Go | \$0M - \$8M            |
| Smart Scale Funds   | TBD                    |
|                     | <b>Total: \$3,562M</b> |

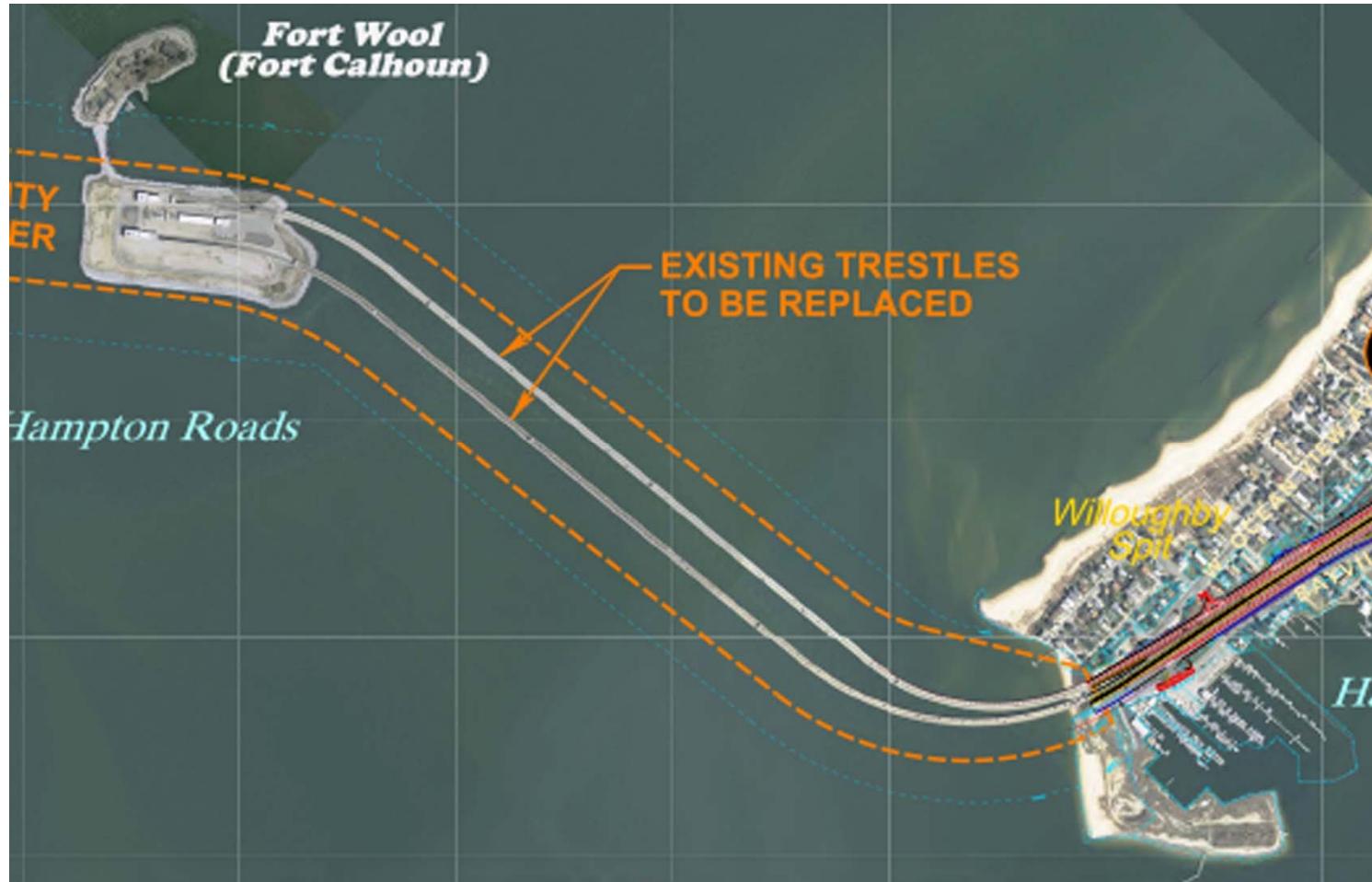
## Assumptions

- Source amounts vary based on different toll revenue projections
- HRBT and HRB toll revenues only – maximum *throughput* model
- HRTF - VDOT 6-Year revenue projection then historical trend line
- Pending \$200M Smart Scale application; award will reduce HRTF funds
- HRTAC funding capacity is based on assumptions regarding HRTF revenue growth, interest rates, credit ratings, and other subject to change variables

# North Trestles



## South Trestles\*\*



\*\*The discussion of the trestles at issue has been refined to mean the trestles supporting the bridges between the Norfolk mainland and the south island of the HRBT complex (the “South Trestles”) because the SEIS and VDOT’s project scope have assumed the other trestles (those from the north island to Hampton) would have to be replaced as part of the new capacity construction

## Current Cost Projections re: HRBT Project\*

|   |                        |
|---|------------------------|
| 1. Preliminary Work                                       | \$30,000,000           |
| <hr/>   |                        |
| 1. Base Scope – Design Build Contract as Proposed by VDOT |                        |
| New Capacity Construction                                 | \$2,725,000,000        |
| South Trestles  | <u>375,000,000</u>     |
|   | \$3,100,000,000        |
| 2. No Excuses Incentive (if earned)                       | \$90,000,000           |
| 3. “Owners Cost” (PE and CEI)                             | \$122,000,000          |
| 4. <u>Contingency</u>                                     | <u>\$335,000,000</u>   |
| Total Base Scope as Proposed by VDOT                      | <b>\$3,662,000,000</b> |

\*All amounts are Year of Expenditure – Provided by VDOT 10/4/2018

Project Budget includes Stipend to Unsuccessful Offeror \$4,000,000

# Investment Grade Traffic and Revenue Study Update

- In December 2018, CDM Smith developed six tolling scenarios in an investment-grade T&R study of the Hampton Roads Express Lane Network.
  - Scenario 1: system tolling; toll all vehicles at all time
  - Scenario 2: system tolling; HOV 2+ free at peak hours
  - Scenario 3: system tolling; HOV 3+ free at peak hours
  - Scenario 4: reduced tolling scope; toll all vehicles at all time
  - Scenario 5: reduced tolling scope; HOV 2+ free at peak hours
  - Scenario 6: reduced tolling scope; HOV 3+ free at peak hours

| Toll Scenario | Tolled Users | Free Hours         | Tolled Segments                                 |
|---------------|--------------|--------------------|---|
| 1             | All          | None               | I-64 from HRBT through Bower's Hill             |
| 2             | HOV-2+       | 6am-8am<br>4pm-6pm |   |
|               | SOV          | None               |   |
| 3             | HOV-3+       | 6am-8am<br>4pm-6pm |   |
|               | SOV          | None               |   |
| 4             | All          | None               | HRBT, Existing I-64 Express Lanes, and HRB only |
| 5             | HOV-2+       | 6am-8am<br>4pm-6pm |   |
|               | SOV          | None               |   |
| 6             | HOV-3+       | 6am-8am<br>4pm-6pm |   |
|               | SOV          | None               |   |

# Traffic and Revenue Scenarios – Tolling Scope

## Scenario 1-3: System Toll



## Scenario 4-6: Reduced Tolling Scope



Only HRBT and HRB Toll Revenues Considered for HRTAC's Toll Financing

# Traffic and Revenue Study Results

HRB Revenues (in 2018 \$000s)

| Scenario | 2030    | 2040    | 2050    | 2060    |
|----------|---------|---------|---------|---------|
| 1        | \$4,399 | \$4,313 | \$4,930 | \$5,550 |
| 2        | \$4,213 | \$4,131 | \$4,721 | \$5,317 |
| 3        | \$4,304 | \$4,262 | \$4,870 | \$5,480 |
| 4        | \$4,524 | \$4,462 | \$5,099 | \$5,739 |
| 5        | \$4,237 | \$4,296 | \$4,911 | \$5,531 |
| 6        | \$4,436 | \$4,415 | \$5,046 | \$5,683 |

HRBT Revenues (in 2018 \$000s)

| Scenario | 2030     | 2040     | 2050     | 2060     |
|----------|----------|----------|----------|----------|
| 1        | \$18,307 | \$31,987 | \$46,299 | \$64,296 |
| 2        | \$17,970 | \$30,917 | \$44,750 | \$62,142 |
| 3        | \$18,249 | \$31,858 | \$46,113 | \$64,035 |
| 4        | \$18,702 | \$32,489 | \$47,002 | \$65,248 |
| 5        | \$18,339 | \$31,382 | \$45,400 | \$63,025 |
| 6        | \$18,620 | \$32,212 | \$46,602 | \$64,694 |

- Based on traffic throughput maximization – Study by CDM Smith 12/2018
- Minimum toll rate required: \$0.50 in 2018 dollars
- No maximum toll rate limit in order to ensure safe and reliable trips; highest rates calculated in the Study (in 2018 dollars): HRBT - \$4.99 EB/\$7.53 WB in 2030; HRB - \$1.20
- Uninflated revenues in 2018 dollars were provided in the Study; 2.5% inflation rate assumption applied in financial plans
- The toll revenue results are similar across all the six scenarios; there is no relatively material impact on toll financing/funding capacity included in HRTAC's funding plan

## Status of Funding re: (South) Trestles

- HRTAC and VDOT have engaged in discussions regarding the funding of the trestles, but have been unable to identify a solution
- VDOT expressed a desire to reimburse HRTAC for the cost of the work from the Hampton Roads region's share of the State of Good Repair Program
- HRTAC expressed an openness to that approach if it could be done in a manner that wouldn't adversely affect HRTAC (for example, a financing in which HRTAC would act as a mere conduit for VDOT's repayment of the debt)
- Unfortunately, the proposals that have been considered to date would adversely affect HRTAC by causing HRTAC to incur a considerable share of the costs of the financing and/or by diverting toll revenues to such use (for example, the diverted toll revenues could not be leveraged for HRTAC's future construction projects)
- HRTAC and VDOT are continuing to work together to identify a potential solution

## Next Steps – TIP Amendment Request

- To keep the project moving forward, the HRTPO must provide FHWA an amendment to the HRTPO's Transportation Improvement Program (TIP) which includes the HRBT Expansion Project
- For a project to be in the TIP, it must be fiscally constrained with a financial plan demonstrating it can be implemented
- In light of the fact that the funding for the replacement of the South Trestles is unresolved, HRTAC staff recommends that HRTAC initiate the TIP amendment process by delivering a letter to the HRTPO which requests the amendment and validates the funding for the HRBT Expansion Project without replacement of the South Trestles
- Such a letter is consistent with HRTAC's existing, approved funding plan, and confirms the tolling assumptions, HRTAC toll receives all toll revenues – only water crossings tolled
- Under the final RFP, the South Trestles replacement work can be described as optional work which VDOT and HRTAC may sever from the contract if a funding solution is not identified in the coming months



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# REGIONAL NETWORK OPERATIONAL ANALYSIS

Hampton Roads VA

Christopher Hall

December 13, 2018

# Regional HOT Network Study

## Key Facts:

- Existing HOT Projects in Study Area - Approved
  - 64 Express Lanes (reversible – in operation)
  - High Rise Bridge (under construction)
  - HRBT (in procurement)
- HRTPO Endorsement of I-64 Regional HOT Network
  - Study Limits (39.5 miles)
    - I-64 near Hampton Coliseum to Bowers Hill Interchange (I-664/I-264)
  - Operational Analysis – 2025 Horizon Year

# Regional HOT Network Analysis

## Scenario 1 – I-64 as *Planned/Approved*

- Segment 1 – HOT reversible (64 Express Lanes)
- Segment 2A – HOT bi-directional (I-64 Southside/High Rise Bridge)
- Segment 2B – HOV bi-directional (Chesapeake Express Lanes)
- Segment 3 – HOT bi-directional (HRBT)



# Regional HOT Network Analysis

## Scenario 2 – Regional HOT Network

- Segment 1 – HOT reversible (64 Express Lanes)
- Segment 2A – HOT bi-directional (I-64 Southside/High Rise Bridge)
- Segment 2B – HOT bi-directional (Chesapeake Express Lanes)
- Segment 3 – HOT bi-directional (HRBT)



# Regional HOT Network Analysis

## Key Objectives

- **Analysis of Operational interface between segments**
  - Identify operational challenges between segmented projects and as HOT Network
  - Clarify access and transition points
- **Evaluation of HOT Lane and General Purpose Lane performance**

**Agenda Item 7A**  
**Action Item**

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

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

**Date: December 13, 2018**

**Re: I-64 HRBT New Capacity Expansion Project - Authorization of Chair to submit TIP Amendment Request to HRTPO**

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**Recommendation:**

The Finance Committee recommends that the Commission approve the I-64 HRBT New Capacity Expansion Project Transportation Improvement Program (TIP) Amendment request and authorize the Chair to submit TIP Amendment Request to HRTPO.

**Background:**

At its December 10, 2018 meeting, the HRTAC Finance Committee and the HRTAC HRBT Funding Agreement Advisory Committee met, discussed, and recommended Commission move forward to request that the Hampton Roads Transportation Planning Organization (HRTPO) amend its FY 2018-2021 Transportation Improvement Program (TIP) to add UPC T21555 I-64 Hampton Roads Bridge-Tunnel Expansion - New Capacity.

The project details include the New Capacity expansion of the I-64 Hampton Roads Bridge - Tunnel (HRBT) with new capacity to allow for 8 lanes of capacity across the Hampton Roads Harbor and improve the I-64 corridor to provide 6 lanes of capacity from Settlers Landing Road interchange in Hampton to the I-564 interchange in Norfolk (9.1 miles).

Project funding by this request does not include funds for the replacement of the existing two trestle bridges between the South Island of the existing two tunnels and the Willoughby Shoreline (the "South Trestles"). Preliminary Engineering (PE), Right-of-Way, and Construction efforts will begin upon Contract and end in 2026. Costs of Project (New Capacity): PE - \$122,000,000; Right-of-Way - \$15,000,000, Construction - \$3,425,371,789 to bring to a total of \$3,562,371,789. The Commission is clear that the amounts listed above are presented on a not to exceed basis; based on VDOT's present cost estimates, the actual costs should be equal to or less than these amounts. HRTAC anticipates \$200,000,000 of Smart Scale funding that is not yet included in the constrained revenue estimate. The Funding Agreement between HRTAC and VDOT will, consistent with past practice, include a provision that floats down the HRTAC commitment as non-HRTAC sources of funding become available. Thus, in the event Smart Scale funding is awarded, the Commission will request an adjustment to the TIP for this project to reflect any adjustments to the funding allocations. The foregoing amounts are supported by HRTAC's existing, approved Funding Plan.



**Fiscal Impact:**

There is a maximum not to exceed \$3,562,371,789 fiscal impact in relation to this Action Item.

**Suggested Motion:**

**Motion:** The Commission approves Resolution 2018 - 02, in the form presented to the Commission, relating to an amendment of the HRTPO's Transportation Improvement Program (TIP) for the I-64 HRBT New Capacity Expansion Project.





## HRTAC RESOLUTION 2018-02

### **RESOLUTION AUTHORIZING CHAIR TO SUBMIT TIP AMENDMENT REQUEST TO THE HAMPTON ROADS TRANSPORTATION PLANNING ORGANIZATION RELATING TO THE I-64 HAMPTON ROADS BRIDGE-TUNNEL NEW CAPACITY EXPANSION PROJECT**

WHEREAS, on June 21, 2018, the Hampton Roads Transportation Accountability Commission (the “Commission”) amended its funding plan (the “Approved HRTAC Funding Plan”) to include funding for the I-64 Hampton Roads Bridge-Tunnel Expansion Project (the “HRBT Expansion Project”);

WHEREAS, the Virginia Department of Transportation (“VDOT”), subsequently issued a request for proposals (the “RFP”) and commenced other preliminary work;

WHEREAS, in order to advance the HRBT Expansion Project, the Hampton Roads Transportation Planning Organization (the “HRTPO”) must provide the Federal Highway Administration an amendment to the HRTPO’s Transportation Improvement Program (the “TIP”), relating to the HRBT Expansion Project;

WHEREAS, for a project to be in the TIP, it must be fiscally constrained with a financial plan demonstrating that it can be implemented;

WHEREAS, the most recent version of the draft RFP reflects a “Base Scope” which includes the replacement of the existing two trestle bridges between the south island of the existing two tunnels and the Willoughby (Norfolk) shoreline (such bridges, the “South Trestles” and such work, the “South Trestle Replacement Work”);

WHEREAS, the Commission’s Approved HRTAC Funding Plan does not include funds for the South Trestle Replacement Work;

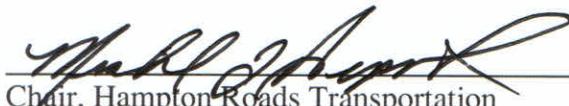
WHEREAS, the Commission’s Approved HRTAC Funding Plan assumes, among other things, that only the Hampton Roads Bridge-Tunnel and High Rise Bridge Water Crossings would be tolled and that HRTAC would receive all toll revenues from that tolling;

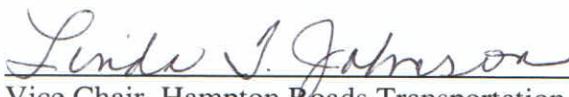
WHEREAS, the Commission has determined that it would be in the best interests of the Commission to authorize the Chair to execute and deliver to the HRTPO the TIP amendment request letter attached hereto as Exhibit A (the “TIP Amendment Request Letter”), which letter (i) requests that the HRTPO amend its FY 2018-2021 TIP to add UPC T21555 I-64 Hampton Roads Bridge-Tunnel Expansion – New Capacity, (ii) states the funding that could support the new capacity construction (which is funding is consistent, on a not to exceed basis, with the Approved HRTAC Funding Plan), and (iii) clarifies that such funding does not include funds for the South Trestle Replacement Work, which work was not contemplated at the time the Approved HRTAC Funding Plan was approved.

NOW, THEREFORE, BE IT RESOLVED BY THE HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION:

1. The TIP Amendment Request Letter is hereby authorized and approved and the Commission hereby authorizes the Chair or Vice Chair of the Commission, either of whom may act, to execute and deliver TIP Amendment Request Letter on the Commission's behalf to the HRTPO.
2. This Resolution shall take effect immediately.

The undersigned hereby certify that this is a true and correct copy of resolution 2018-02  
duly adopted at a meeting of the Hampton Roads Transportation Accountability Commission held  
on December 13, 2018.

  
\_\_\_\_\_  
Chair, Hampton Roads Transportation  
Accountability Commission

  
\_\_\_\_\_  
Vice Chair, Hampton Roads Transportation  
Accountability Commission

December 13, 2018

Mr. Robert A. Crum, Jr.  
Executive Director  
Hampton Roads Transportation Planning Organization  
723 Woodlake Drive  
Chesapeake, VA 23320

RE: Request Amendment to the Hampton Roads FY 2018-2021 Transportation Improvement Program – Hampton Roads Transportation Accountability Commission

Dear Mr. Crum:

The Hampton Roads Transportation Accountability Commission (HRTAC), pursuant to Commission action dated December 13, 2018, hereby requests that the Hampton Roads Transportation Planning Organization (HRTPO) amend its FY 2018-2021 Transportation Improvement Program (TIP) to add UPC T21555 I-64 Hampton Roads Bridge-Tunnel Expansion - New Capacity. The project details are as follows:

- Project Description
  - New Capacity expansion of the I-64 Hampton Roads Bridge -Tunnel (HRBT) with new capacity to allow for 8 lanes of capacity across the Hampton Roads Harbor and improve the I-64 corridor to provide 6 lanes of capacity from Settlers Landing Road interchange in Hampton to the I-564 interchange in Norfolk (9.1 miles). Project funding by this request does not include funds for the replacement of the existing two trestle bridges between the South Island of the existing two tunnels and the Willoughby Shoreline (the "South Trestles").
- Schedule
  - Preliminary Engineering (PE) – Start: 3/1/2019; End: 11/30/2026
  - Right of Way (RW) – Start: 3/1/2019; End: 3/1/2026
  - Construction (CN) – Start: 3/1/2019; End: 11/30/2026
- Costs of Project (New Capacity):\*
  - PE – \$ 122,000,000
  - RW – 15,000,000
  - CN – 3,425,371,789
  - Total – \$3,562,371,789

\*Above amounts presented on a not to exceed basis; based on VDOT's present cost estimates, the actual costs should be equal to or less than these amounts.

- Allocations - \$3,562,371,789
  - FY 2019 \$ 195,491,750 Hampton Roads Transportation Fund (HRTF)
  - FY 2020 278,035,475 HRTF
  - FY 2021 742,930,780 HRTF
  - FY 2022 762,129,050 HRTF
  - FY 2023 781,807,276 HRTF
  - FY 2024 456,977,458 HRTF
  - FY 2024 345,000,000 HRTAC Toll Revenues

HRTAC anticipates \$200,000,000 of Smart Scale funding that is not yet included in the constrained revenue estimate. The Funding Agreement between HRTAC and VDOT will, consistent with past practice, include a provision that floats down the HRTAC commitment as non-HRTAC sources of funding become available. Thus, in the event Smart Scale funding is awarded, the Commission will request an adjustment to the TIP for this project to reflect any adjustments to the funding allocations.

The anticipated HRTAC toll revenues would be generated solely from tolling at the Hampton Roads Bridge-Tunnel and High Rise Bridge water crossings. HRTAC's funding plan (as amended on June 21, 2018) assumes HRTAC will receive all toll revenues from tolling on those facilities.

HRTAC requests that the HRTPO process this TIP amendment at its earliest convenience. Please feel free to contact me if further information is needed.

Sincerely,



Michael J. Hipple  
Chair

**Agenda Item 7B**  
**Action Item**

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

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

**Date: December 13, 2018**

**Re: Modified HRTAC Statement of Investment Policy – Blue Sheet Item**

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**Recommendation:**

The Finance Committee recommends that the Commission adopt the proposed modified Statement of Investment Policy.

**Background:**

On June 16, 2016, the Commission adopted the Statement of Investment Policy. All financial assets of all funds, including Hampton Roads Transportation Fund, shall be administered in accordance with the provisions of the Policy. Since its implementation, effective July 1, 2016, HRTAC has worked with its investment services team to monitor the operations and efficiencies of investments of HRTAC controlled monies and provide potential policy updates. By memorandum dated December 4, 2018, HRTAC's investment advisor, PFM, recommended certain modifications to the Statement of Investment Policy to provide greater flexibility and potentially enable enhanced investment returns. PFM's recommendation memo is attached.

At the Finance Committee's meeting on Monday, December 13, 2018, the Committee was briefed on the proposed modifications and provided feedback, including as a refinement that if the Commission invested in corporate notes with a single-A rating (instead of AA), the maximum maturity on those notes should be three years, not five. PFM concurred with the conservatism of the refinement and incorporated it into the proposed, modified Statement of Investment Policy, a copy of which, marked to show all modifications, is included as Exhibit A. The Finance Committee Chair, following the inclusion of the refinements, feels that there is consensus among the Committee members to advance the modified HRTAC Statement of Investment Policy to the Commission and recommends its adoption.

**Fiscal Impact:**

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

**Suggested Motion:**

Motion is the Commission adopts the proposed, modified Statement of Investment Policy in the form presented at this meeting.





December 4, 2018

## Memorandum

**To:** Kevin Page, *Executive Director*  
Hampton Roads Transportation Accountability Commission

**From:** Nelson L. Bush, *Managing Director*  
Kathleen L. Bowe, *Senior Managing Consultant*

**RE:** Recommendations for HRTAC's Investment Program

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### Background

Hampton Roads Transportation Accountability Commission ("HRTAC") currently holds several bank accounts and investment accounts. The accounts and purpose for each includes:

- Union Bank & Trust operating and investments accounts – These accounts hold highly liquid cash and are used to receive funds from the Commonwealth and make payments to various parties.
- Virginia Local Government Investment Pool account ("LGIP") – HRTAC currently has one account at the LGIP which is used for short term investment.
- US Bank custody account – This account is used to hold the fixed income securities which are purchased for HRTAC by its investment advisor (PFM Asset Management LLC or "PFM"). This account currently holds securities for both the Enhanced Cash and Core investment portfolios.
- Virginia State Non-Arbitrage Program ("SNAP") account – Like the LGIP, SNAP is used for short term investments however, SNAP exists solely for the investment of and arbitrage rebate tracking for tax exempt bond proceeds.

### Investment Program Recommendations.

PFM recommends HRTAC take the following actions in relation to its investment program:

1. **Custody Account Structure** – Add an additional custody account at US Bank and separate the security holdings for the Enhanced Cash and Core investment portfolios between the accounts.
2. **Investment Reallocation** – Reallocate \$200-250 million from HRTAC's LGIP account to the Enhanced Cash investment portfolio.
3. **Investment Policy Modifications** – Consider several Investment Policy Modifications that would provide greater flexibility and potentially enable enhanced investment returns.



## **Rationale for the Recommendations**

### **Recommendation 1 – Custody Account Structure**

PFM recommends that HRTAC open an additional custody account at US Bank and reallocate its investment securities between the two accounts. Specifically, we recommend that the reallocation of securities align with the two investment portfolios that PFM manages. The following are a summation of the main reasons we believe this would be in HRTAC's best interest:

- **Limit under-invested cash** – PFM maintains a higher cash balance in the existing custody to help prevent potential overdrafts. If HRTAC's securities were separated into two custody account, PFM would be able to reduce the amount of cash maintained in the investment portfolio. A lower cash balance means that additional funds can be invested in higher yielding securities.
- **Decreased likelihood of trade settlement issues** – Although PFM initiates all security trades for HRTAC's accounts, the actual settlement of security trades occurs between the custody bank and the security brokers. If PFM were able to automate its internal trade reconciliation process (see the next bullet) it would diminish the likelihood of trade settlement problems between US Bank and security brokers.
- **Ease of reconciliation for PFM** – PFM reconciles HRTAC's investment accounts with US Bank on at least a weekly basis. Our reconciliation process could be automated if HRTAC had securities held in two separate custody accounts. The ability to automate reconciliation would allow PFM to reconcile the accounts more frequently which may help identify any errors made by the custody bank or PFM..
- **Ease of reconciliation for HRTAC** – HRTAC receives statements from PFM that show two separate accounts. However, HRTAC receives a single US Bank account statement that shows all the securities. HRTAC staff therefore has to manually combine information from both of PFM's statements to complete monthly reconciliation processes. By separating the securities between custody accounts, PFM estimates reconciliation time will be reduced by 25% to 50%.
- **Ease of annual audit for HRTAC** – During its annual audit, HRTAC's auditor will certainly review HRTAC's monthly reconciliations (as described above). A reconciliation process that includes two investment statements (from PFM) and two custody statements (from US Bank) will enable the auditors to more quickly review HRTAC's reconciliations.
- **Impact on fees** – Relocating the investment securities into two separate custody accounts will have no impact on US Bank's fees. US Bank charges fees based on total assets under custody and a fee per transaction. Unlike the prior custodian (BB&T), US Bank does not have a per account fee. On a relationship size of \$325 million, we estimate the total annual custody fee to be approximately \$16,000. With two (or more) accounts at US Bank, the total estimated annual fee remains the same as it would with only one account.



## Recommendation 2 – Investment Reallocation

PFM recommends that HRTAC reallocate a portion of its overall investment portfolio for the goal of enhancing investment returns on funds that are not expected to be spent in the near future. Specifically we believe that HRTAC will benefit from reallocating between \$200 million and \$250 million that is currently invested in the LGIP and that would be invested in the Enhanced Cash portfolio.

**Why reallocate?** - Although the Enhanced Cash portfolio is invested in many of the same types of securities as the LGIP, it maintains a somewhat longer term investment duration in order to take advantage of the higher yields that are typically available for longer term investments. The following table illustrates the difference in yields between the LGIP and HRTAC's Enhanced Cash portfolio. At current market rates, PFM believes that HRTAC can enhance its net earnings over time.

| Portfolio                                  | Average Gross Yield | Average Net Yield <sup>1</sup> |
|--|---------------------|--------------------------------|
| <b>Enhanced Cash Portfolio<sup>1</sup></b> | <b>2.72%</b>        | <b>2.66%</b>                   |
| Virginia LGIP <sup>2</sup>                 | 2.29%               | 2.29%                          |
| <b>Difference</b>                          | <b>+0.43%</b>       | <b>+0.37%</b>                  |

1. Yield to maturity at market as of 10/31/18. Net yield is net of PFM's Investment Advisory Fees and U.S. Bank's Custody Fees.
2. Source: HRTAC account balances as of 10/31/18

The Enhanced Cash portfolio represents an appropriate strategy for funds that do not have near-term liquidity needs and can therefore be invested in longer-term strategies. Based on HRTAC's current 6-Year Plan, at least \$250 million of the funds currently held in the Virginia LGIP will not be spent for a significant period of time. It is therefore prudent to pursue a longer-term investment strategy that is expected to enhance earnings over time.

**What are the potential drawbacks?** The Federal Funds Futures market suggests, as of December 3, 2018, that the Federal Reserve Bank's Federal Open Market Committee will raise rates in December and perhaps once more in 2019. If this occurs, short term investment rates will continue to rise. Rising interest rates will impact HRTAC's investments in two ways:

- The yield on HRTAC's investments will climb. The LGIP's yield is likely to climb more rapidly than the Enhanced Cash portfolio's yield. However, approximately 61% (as of October 31, 2018) of the Enhanced Cash portfolio matures in under one year which will enable HRTAC's investments to be quickly reinvested at higher expected market rates. Furthermore, the market already anticipates that the FOMC will raise rates in December (December 18-19) and the potential increase is mostly "priced-in". Additionally, PFM implements a very active management approach and actively rebalances HRTAC's portfolio to take advantage of opportunities to increase returns.
- As interest rates rise, the fair market value of the Enhanced Cash portfolio will decline. For example, the Enhanced Cash portfolio has a duration of 0.81 years as of October 31, 2018. This duration means that a 0.25% increase in interest rates will result in market value declines of 0.20%. If HRTAC unexpectedly needed to liquidate the portfolio, it would "lock in" these losses by selling securities.



### **Recommendation 3 – Investment Policy Modifications**

HRTAC's Investment Policy adopted in June 2016 was designed to be a conservative start to the development of an investment framework. The guidelines adopted were more conservative than required by the investment language found in Code of Virginia for the Administration of the Transportation Trust Fund (§33.2-1525) and the Hampton Roads Transportation Fund (§33.2-2600). PFM would propose that the Commission consider modifications designed to increase flexibility, provide for greater diversification and potentially enable enhanced investment returns. If adopted, the new guidelines would remain more conservative than the investment policies that currently apply to the investment of the Transportation Trust Fund.

Specifically, as reflected in the attached blacklined Investment Policy, PFM recommends:

1. Extending the maximum maturity allowed for certain government and corporate/financial issuer obligations. Although these changes would allow somewhat longer maturities for specific securities, the changes would not alter the average maturity of the total investment portfolio.
2. Revised Federal Agency/Government Sponsored Enterprise guidelines to permit the use of certain mortgaged-backed securities for investment purposes. The potential new securities would carry the guaranteed for the issuing Agency/GSE but would repay a portion of principal each quarter rather than receiving all of the principal on the maturity date. The changes would not alter the average maturity of the total investment portfolio.
3. Allowing greater allocations to certain corporate and financial issuers. This change would be designed to help enhance yields.
4. Permitting somewhat lower credit quality for corporate and financial issuers. This change would be designed to help enhance yields and provide greater portfolio diversification within the corporate/financial institution allocation.

### **Conclusion**

PFM believes that these three recommendations will enhance HRTAC's investment program. The account structure modification will ease the administration of the investment portfolios without adding additional cost. The investment reallocation should help enhance HRTAC's investment portfolio earnings until such time as the funds are spent on HRTAC's capital projects. The Investment Policy modifications would enhance flexibility and diversification in the investment portfolios. I would be happy to discuss this in more detail and can be reached at 703.307.4726 or [bushn@pfm.com](mailto:bushn@pfm.com).



# Hampton Roads Transportation Accountability Commission

## Statement of Investment Policy

Effective December 13, 2018~~July 1, 2016~~

Originally Adopted: ~~on:~~ June 16, 2016

Revised: December 13, 2018



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## ***GLOSSARY***

# **HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION STATEMENT OF INVESTMENT POLICY**

## **A. INTRODUCTION**

The Hampton Roads Transportation Accountability Commission (“HRTAC” or “Commission”) is a political subdivision of the Commonwealth of Virginia created under §33.2-2601 et seq. of the Code of Virginia. All cash and investment activities shall be conducted in accordance with applicable law, including the Code of Virginia Hampton Roads Transportation Fund (“HRTF”; §33.2-2600 et seq.), Security for Public Deposits Act (“SPDA”; §2.2-4400 et seq.), Investment of Public Funds Act (§2.2-4500 et seq.), and Administration of the Transportation Trust Fund (§33.2-1525), the provisions of any applicable bond resolutions, and this Investment Policy (the “Policy”).

## **B. SCOPE**

This Policy applies to the deposit and investment activities of all HRTAC funds that are eligible for investment except for any funds set aside for post-employment employee benefits. All financial assets of all funds including Hampton Roads Transportation Fund shall be administered in accordance with the provisions of the Policy. Although these funds may be pooled for investment purposes, they may be segregated as necessary for accounting and budgetary reporting purposes. For the purpose of this Policy, these funds are referred to collectively as the “Investment Portfolio”.

## **C. OBJECTIVES**

All investments and deposits will be managed to accomplish the following fundamental goals:

- **Safety of Principal** - The single most important objective is the preservation of principal of those funds within the Investment Portfolio.
- **Maintenance of Liquidity** - The Investment Portfolio will be managed at all times with sufficient liquidity to meet all projected disbursement needs as well as to fund capital projects and other operational requirements which may reasonably be anticipated.
- **Maximizing Return** - The Investment Portfolio shall be managed so as to maximize the return on investments within the context and parameters set forth by the safety and liquidity objectives above.

## **D. STANDARD OF PRUDENCE**

Public funds held and invested by HRTAC shall be held in trust for the citizens of the member jurisdictions and any investment of such funds shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a

like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

## **E. DELEGATION OF AUTHORITY**

The Commission is responsible for the adoption of the Investment Policy, and must approve any revisions or alterations made to it.

HRTAC's Executive Director shall have responsibility for the operation of the cash management and investment program subject to: the Commission's Policies for the Management of Cash, Bank Accounts, and Credit and Debit Cards; the Commission's Policy Relating to Procurement of Goods and Services, Including Procedures for Small Purchases; this Investment Policy; and other policies adopted by the Commission.

Subject to the approval of the Commission, the Executive Director may engage external investment advisors as defined in this Policy, under Section M. Engagement of Investment Managers, to assist in managing HRTAC's Investment Portfolio and to provide advice on the administration of cash and investment activities.

No member of the Commission, or the Executive Director, or any employee of the Commission acting in accordance with Code of Virginia Section §33.2-1525 shall be personally liable for any loss relating to an investment in the absence of negligence, malfeasance, misfeasance, or nonfeasance.

## **F. ETHICS AND CONFLICTS OF INTEREST**

The Executive Director and any HRTAC staff involved in the cash management and investment processes shall comply with the Code of Virginia Section §2.2-3100 et seq., the State and Local Government Conflict of Interests Act. Specifically, no staff shall:

- a) accept any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence him in the performance of his official duties; or
- b) accept any business or professional opportunity when he knows there is a reasonable likelihood that the opportunity is being afforded to influence him in the performance of his official duties.

The Executive Director and HRTAC staff shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair his ability to make impartial decisions.

## **G. AUTHORIZED INVESTMENTS**

Subject to applicable state laws, federal laws, bond resolutions, and in the case of the LGIP, VIP and Virginia SNAP funds, adoption by the Commission of necessary Resolutions, HRTAC's Investment Portfolio may be invested in the following Authorized Investments. The Executive Director may, but shall not be obligated to, impose additional requirements and restrictions to ensure that HRTAC's goals are met.

1. **U.S. Treasury Obligations.** Bills, notes and any other obligation or securities issued by or backed by the full faith and credit of the United States Treasury. The

final maturity shall not exceed a period of ~~three-five (35)~~ years from the time of purchase. For all Authorized Investments the “time of purchase” shall be interpreted as the transaction settlement date.

2. **Federal Agency/Government Sponsored Enterprise Obligations.** Bonds, notes and other obligations of the United States, and securities ~~issued guaranteed~~ by any federal government agency or instrumentality or government sponsored enterprise ~~except for Collateralized Mortgage Obligations~~, with a rating of at least “AA” (or its equivalent) by at least two NRSROs, one of which will be either Moody’s Investors Services, Inc. (“Moody’s”), or Standard & Poor’s, Inc. (“S&P”). The final maturity shall not exceed a period of ~~three-five (35)~~ years from the time of purchase. Any investment in mortgage backed securities or collateralized mortgage obligations shall have a weighted average life that does not exceed five (5) years from the time of purchase.
3. **Municipal Obligations.** Bonds, notes and other general obligations of the Commonwealth of Virginia and its agencies, authorities, and political subdivisions upon which there is no default, has a rating of at least “AA” by S&P and “Aa” by Moody’s, matures within three (3) years of the date of purchase, and otherwise meets the requirements of Code of Virginia §2.2-4501.
4. **Commercial Paper.** “Prime quality” commercial paper, with a maturity of 270 days or less, issued by domestic corporations (corporations organized and operating under the laws of the United States or any state thereof) provided that the issuing corporation, or its guarantor, has a short-term debt rating of at least two of the following: P-1 by Moody’s Investors Service, Inc., A-1 by Standard & Poor’s, Inc., F-1 by Fitch Investor’s Services, Inc., and D-1, by Duff and Phelps, Inc., and that otherwise meets the requirements of Code of Virginia §2.2-4502.
5. **Bankers’ Acceptance.** Issued by domestic banks or a federally chartered office of a foreign bank, which are eligible for purchase by the Federal Reserve System with a maturity of 180 days or less. The issuing corporation, or its guarantor, must have a short-term debt rating of no less than “A-1” by S&P and “P-1” by Moody’s.
6. **Corporate Notes.** High quality corporate notes with a rating of at least “AA” by S&P and “Aa” by Moody’s. For notes with ratings of A by S&P or Moody’s the final maturity shall not exceed a period of three (3) years from the time of purchase. For notes with ratings of at least AA by S&P and Aa by Moody’s, The final maturity shall not exceed a period of ~~three-five (35)~~ years from the time of purchase
7. **Negotiable Certificates of Deposit and Bank Deposit Notes.** Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least “A-1” by S&P and “P-1” by Moody’s for maturities of one year or less, and a rating of at least “AA” by S&P and “Aa” by Moody’s, for maturities over one (1) year. The final maturity may not exceed a period of ~~three-five (35)~~ years from the time of purchase.
8. **Bank Deposits and Non-Negotiable Certificates of Deposit.** Demand deposits, time deposits, and other deposits that comply with all aspects of SPDA or with §2.2-4518 with a final maturity no greater than two (2) years.

9. **Repurchase Agreements.** In overnight repurchase agreements provided that the following conditions are met:
  - a. the contract is fully secured by deliverable U.S. Treasury and Federal Agency/Government Sponsored Enterprise obligations as described in paragraphs 1 and 2 above, including the maximum maturity of three (3) years, having a market value at all times of at least one hundred and two percent (102%) of the amount of the contract;
  - b. a Master Repurchase Agreement or specific written Repurchase Agreement governs the transaction;
  - c. the securities are free and clear of any lien and held by an independent third party custodian acting solely as agent for HRTAC, provided such third party is not the seller under the repurchase agreement;
  - d. a perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the City;
  - e. the counterparty is a:
    - i. primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or
    - ii. a bank, savings and loan association, or diversified securities broker-dealer having at least \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; and
  - f. the counterparty meets the following criteria:
    - i. a long-term credit rating of at least 'AA' or the equivalent from an NRSRO.
    - ii. has been in operation for at least 5 years, and
    - iii. is reputable among market participants.
10. **Money Market Mutual Funds (Open-Ended Investment Funds).** Shares in open-end, no-load investment funds provided such funds are registered under the Investment Company Act of 1940 and provided that the fund is rated at least "AAAm" or the equivalent by an NRSRO. The mutual fund must comply with all requirements of Rule 2(a)-7, or any successor rule, of the United States Securities and Exchange Commission, provided the investments by such funds are restricted to investments otherwise permitted by the Code of Virginia for political subdivisions.
11. **Local Government Investment Pool (LGIP).** A specialized commingled investment program that operates in compliance with Government Accounting Standards Board's Statement 79 ("GASB 79") that was created in the 1980 session of the General Assembly (Code of Virginia §2.2-4700 et seq.) designed to offer a convenient and cost-effective investment vehicle for public funds. The LGIP is administered by the Treasury Board of the Commonwealth of Virginia and is rated AAAm by Standard & Poor's.
12. **Virginia Investment Pool (VIP).** A commingled investment program organized as a local government investment pool with oversight provided by a shareholder elected board of trustees. VIP is designed for the investment of longer-term monies that are not necessary for near term disbursement. VIP has a bond fund rating from Standard and Poor's of AAf/S1.

**13. Virginia State Non-Arbitrage Program's (Virginia SNAP) SNAP Fund.** A specialized commingled investment program that operates in compliance with GASB 79 and that was authorized by the Government Non-Arbitrage Act in 1989 (Code of Virginia §2.2-4700 et seq.). Virginia SNAP and the SNAP Fund are administered by the Treasury Board of the Commonwealth of Virginia. Virginia SNAP offers several investment options, including the SNAP Fund, and arbitrage rebate reporting services that are specifically designed for the investment of tax exempt bond proceeds.

## **H. PORTFOLIO DIVERSIFICATION**

The Investment Portfolio shall be diversified by security type and institution. The maximum percentage of the portfolio permitted in each eligible security is as follows:

| <b>Permitted Investment</b>                                 | <b>Sector Limit</b> | <b>Issuer Limit</b> |
|---|---------------------|---------------------|
| U.S. Treasury Obligations                                   | 100%                | 100%                |
| Federal Agency/GSE Obligations                              | 100%                | 35%                 |
| Municipal Obligations                                       | 15%                 | 5%                  |
| Commercial Paper  | 35%                 | 5%                  |
| Bankers' Acceptances  | 35%                 | 5%                  |
| Corporate Notes   | <u>1525</u> %       | 5%                  |
| Negotiable Certificates of Deposit and Bank Deposit Notes   | <u>1525</u> %       | 5%                  |
| Bank Deposits and Non-Negotiable Certificates of Deposit    | 100%                | 100%                |
| Repurchase Agreements                                       | 25%                 | 25%                 |
| Money Market Mutual Funds                                   | 25%                 | 25%                 |
| LGIP  | 100%                | 100%                |
| VIP   | 25%                 | 25%                 |
| Virginia SNAP-SNAP Fund (Proceeds of Tax Exempt Bonds Only) | 100%                | 100%                |

In addition, HRTAC will hold no more than 10% of the outstanding shares of any commingled investment program including but not limited to money market mutual funds, LGIP, VIP, and/or the SNAP Fund.

## **I. MAXIMUM MATURITY**

Maintenance of adequate liquidity to meet HRTAC's cash flow needs is essential. Accordingly, to the extent possible, the Investment Portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Whenever practical, selection of investment maturities will be consistent with known cash requirements in order to minimize the potential for a forced sale of securities in order to provide cash for disbursement needs.

To manage market value volatility, the duration and/or weighted average maturity of the total Investment Portfolio shall not exceed two (2) years.

## **J. SECURITY DOWNGRADES**

In the event that any security held in the Investment Portfolio is downgraded below “AA” or equivalent rating by any NRSRO, the Executive Director shall be notified immediately and the downgraded security shall be liquidated in 30 days unless the Commission authorizes otherwise.

## **K. INVESTMENT OF BOND PROCEEDS**

HRTAC intends to comply with all applicable sections of the Internal Revenue Code relating to Arbitrage Rebate and the investment of bond proceeds. All investment records will be maintained to ensure compliance with all regulations.

## **L. SELECTION OF BROKER/DEALERS**

The Executive Director will maintain a list of broker/dealers that are approved for investment purposes. All broker/dealers who desire to provide investment services will be provided with current copies of the HRTAC’s Investment Policy. Before an organization can provide investment services to HRTAC, it must confirm in writing that it has reviewed the Investment Policy and will not recommend or sell to HRTAC any security that is in conflict with the Policy.

At the request of the Executive Director, broker/dealers will supply HRTAC with information sufficient to adequately evaluate their financial capacity and creditworthiness. The following information will be provided:

- 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
- 2) Proof of Financial Institution Regulatory Authority (“FINRA”) certification
- 3) Proof of state registration;
- 4) Certification of having read and understood and agreeing to comply with the HRTAC’s investment policy;
- 5) Evidence of adequate insurance coverage;
- 6) A sworn statement by an authorized representative of the broker/dealer pledging to adhere to “Capital Adequacy Standards” established by the Federal Reserve Board and acknowledging the broker/dealer understands that the HRTAC has relied upon this pledge; and
- 7) any additional information requested by the Executive Director in evaluating the creditworthiness of the institution.

Only firms meeting the following requirements will be eligible to serve as broker/dealers for HRTAC:

- 1) “Primary” dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) Capital of at least \$10,000,000;
- 3) Registered as a dealer under the Securities Exchange Act of 1934;
- 4) Member of the Financial Institution Regulatory Authority (“FINRA”);
- 5) Registered to sell securities in the Commonwealth of Virginia; and
- 6) Engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.

If an external third-party Investment Manager is engaged, the Executive Director may designate that Investment Manager to maintain a list of approved broker/dealers.

## **M. ENGAGEMENT OF INVESTMENT MANAGERS**

HRTAC may engage one or more qualified firms to provide investment management services. All investment management firms who desire to provide investment services to HRTAC will be provided with current copies of the Investment Policy. Before an organization can provide investment services to HRTAC, it must confirm in writing that it has reviewed the Investment Policy and will not purchase for HRTAC any security that, at the time of purchase, is in conflict with the Policy.

Only firms meeting the following requirements will be eligible to serve as investment manager for HRTAC:

- 1) Registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940;
- 2) Must provide to HRTAC an annual updated copy of Form ADV, Part II;
- 3) Must be registered to conduct business in the Commonwealth of Virginia; and
- 4) Must have proven experience in providing investment management services under Code of Virginia §2.2-4500 et seq.

Any firm engaged by HRTAC to provide investment services shall:

- 1) Maintain a list of approved security brokers/dealers selected by creditworthiness who are authorized to provide investment services in the Commonwealth of Virginia;
- 2) Provide monthly reports of transactions and holdings to the Executive Director;
- 3) Provide quarterly performance reports that display investment performance in comparison to HRTAC's investment benchmarks;
- 4) Upon request must show that it has solicited at least three bids for any security purchased or sold on behalf of HRTAC; and
- 5) Not collect any soft dollar fees from any broker/dealer or other financial firm in relation to services provided to HRTAC.

## **N. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

All securities purchases and sales will be transacted only with designated broker/dealers through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers, taking into consideration current market conditions. Electronic bids will be accepted. HRTAC or its Investment Manager will accept the bid which: (a) offers the highest rate of return within the maturity required and (b) optimizes the investment objective of the overall Investment Portfolio, including diversification requirements. When selling a security, the bid will be selected that generates the highest sale price, consistent with the diversification requirements.

## **O. SAFEKEEPING AND CUSTODY**

All investment securities purchased by or for HRTAC shall be held by a third-party custodial agent that may not otherwise be counterparty to the investment transaction. The

custodial agent shall annually provide a copy of its most recent Statement on Standards for Attestation Engagements (SSAE) No. 16 report.

All securities in HRTAC's Investment Portfolio will be held in the name of HRTAC and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. On a monthly basis, the custodial agent will provide reports that list details of all securities held for HRTAC including CUSIP, original cost, and market value as of month-end.

Original copies of non-negotiable certificates of deposit and confirming copies of all other investment transactions must be delivered to HRTAC or its custodial agent.

## **P. RECORDS AND REPORTS**

The Executive Director will review an investment performance report on at least a quarterly basis as provided by external investment managers and pooled investment programs. The Executive Director shall report investment performance to the Commission on a quarterly basis.

In addition to quarterly performance reports, monthly reports of balances and holdings shall be provided to the Commission. The reports shall consist of a summary of cash and investments by depository and manager and a listing of all investments.

## **Q. PERFORMANCE STANDARDS**

The Investment Portfolio will be designed to obtain at least a market level rate of return, given budgetary and economic cycles, commensurate with HRTAC's risk tolerances and cash flow needs. HRTAC's portfolio management approach will be active, allowing periodic restructuring of the Investment Portfolio to take advantage of current and anticipated interest rate movements.

The returns on the Investment Portfolio will be compared on a quarterly basis to indices of U.S. Treasury securities having similar maturities or to other appropriate benchmarks as selected by the Executive Director. For funds having a weighted average maturity greater than 90 days, performance will be computed on a total return basis.

## **R. INVESTMENT POLICY ADOPTION**

This policy is enacted by the Hampton Roads Transportation Accountability Commission, this 16<sup>th</sup> day of June, 2016, and will become effective July 1, 2016.

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Name, Chair

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Name, Vice-Chair

## Glossary of Terms

**Bankers' Acceptance:** a draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Benchmark:** a comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**Broker:** brings buyers and sellers together for a commission.

**Certificate of Deposit (CD):** a time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

**Collateral:** securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** An unsecured promissory note with a fixed maturity no longer than 270 days. Public offerings are exempt from SEC regulation.

**Corporate Notes:** Unsecured promissory notes issued by corporations to raise capital.  
**Dealer:** acts as a principal in all transactions, buying and selling for his own account.

**Debenture:** a bond secured only by the general credit of the issuer.

**Delivery versus Payment:** delivery of securities with an exchange of money for the securities. (See also "Delivery versus Receipt")

**Delivery versus Receipt:** delivery of securities with an exchange of a signed receipt for the securities. Also known as "free" delivery. (See also "Delivery versus Payment").

**Diversification:** allocation of investment funds among a variety of securities offering independent returns.

**Federal Agency:** government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets, also referred to as Government Sponsored Enterprises or GSEs. The largest are Ginnie Mae, Fannie Mae, Freddie Mac, Federal Home Loan Banks, Federal Farm Credit Bank, Tennessee Valley Authority.

**Federal Funds:** funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

**Federal Funds Rate:** the rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open – market operations.

**Liquidity:** the ability of ease with which an asset can be converted into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be transacted at those quotes.

**Market Value:** the price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase Agreement:** a written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

**Maturity:** the date upon which the principal or stated value of an investment becomes due and payable.

**Nationally Recognized Statistical Rating Organization (NRSRO):** A credit rating agency which issues credit ratings that the U.S. Securities and Exchange Commission (the “SEC”) permits other financial firms to use for certain regulatory purposes. Several examples include Moody’s Investor Service, Standard & Poor’s and Fitch Ratings.

**Portfolio:** collection of securities held by an investor.

**Primary Dealer:** a group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

**Rate of Return:** the yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (RP or REPO):** a agreement under which the holder of securities sells these securities to an investor with a commitment to repurchase the securities at a fixed price on a fixed date. The security’s “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

**Safekeeping:** a service rendered by banks for a fee whereby securities and valuables of all types and descriptions are held by the bank for protection.

**SEC Rule 15C3-1:** see “Uniform Net Capital Rule”.

**Securities and Exchange Commission (“SEC”):** agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Treasury Bills:** a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**Treasury Bonds:** long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**Yield:** the rate of annual income return on an investment, expressed as a percentage. Income/current yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



**HAMPTON ROADS TRANSPORTATION FUND  
FINANCIAL REPORT  
FY2014 – FY2018  
Period Ending October 31, 2018**

The HRTAC staff has prepared the attached October 2018 financial report based on data received to date from the Virginia Department of Transportation.

**Revenues**

|                             | <u>Inception to October 2018</u> | <u>FY2019 YTD</u> | <u>October 2018</u> |
|-----------------------------|----------------------------------|-------------------|---------------------|
| <b>Total Gross Revenues</b> | <b>1,459,826,300</b>             | <b>65,046,370</b> | <b>18,057,278</b>   |
| State Sales & Use Tax       | 673,043,836                      | 40,662,306        | 11,112,906          |
| Local Fuels Tax             | 179,556,606                      | 16,916,947        | 4,981,889           |
| Interest                    | 2,378,296                        | 100,985           | 32,605              |
| Investment Income           | 21,577,488                       | 7,366,132         | 1,929,878           |
| Bond Proceeds               | 583,270,073                      | -                 | -                   |

**Expenditures**

|  | <u>Inception to October 2018</u> | <u>FY2019 YTD</u> | <u>October 2018</u> |
|--|----------------------------------|-------------------|---------------------|
| <b>Total Expenditures</b>                    | <b>316,678,016</b>               | <b>33,592,324</b> | <b>18,645,039</b>   |
| Projects                                     | 291,371,508                      | 24,245,483        | 16,378,984          |
| Total DMV & Dept. of Tax Administrative Fees | 626,745                          | -                 | -                   |
| Investment Fees                              | 955,267                          | 57,259            | -                   |
| Bond Expenses                                | 19,997,001                       | 8,618,025         | 2,154,506           |
| Operating Expenses                           | 3,727,494                        | 671,558           | 111,549             |

**Cash Balance**

|                                      |                  |
|--------------------------------------|------------------|
| October 31, 2018 Ending Cash Balance | \$ 1,143,148,284 |
|--------------------------------------|------------------|

**Encumbered Balance**

|  |                |
|--|----------------|
| Balance of Encumbered (through FY2022) | \$ 924,601,789 |
| Allocation                             | 1,215,928,095  |
| Less: Project Expenditures             | 291,326,306    |

# Hampton Roads Transportation Accountability Commission

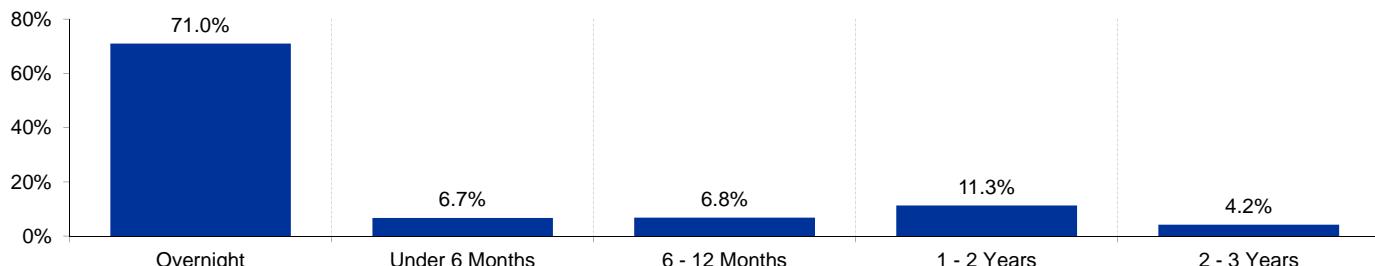
## Summary of Cash and Investments

### For October 2018

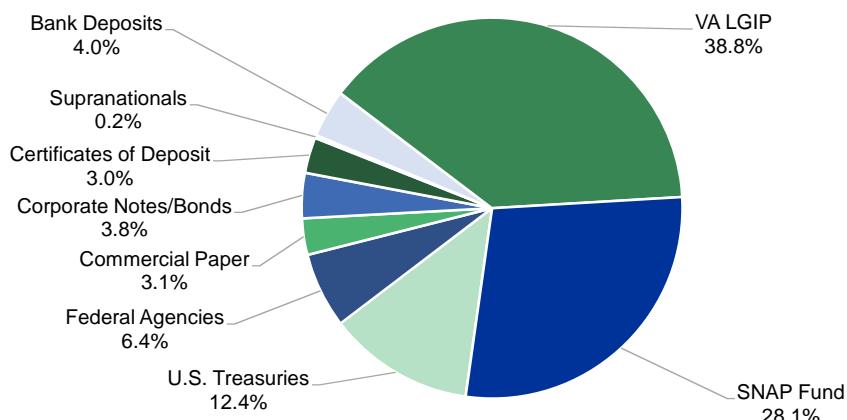
| Portfolio               | Yield at Cost | Yield at Market | Balances at Cost        | Balances at Market      | % of Total     |
|-------------------------|---------------|-----------------|-------------------------|-------------------------|----------------|
| Union Checking          | 0.00%         | 0.00%           | 1,000,000               | 1,000,000               | 0.09%          |
| Union Sweep*            | 1.22%         | 1.22%           | 19,755,578              | 19,755,578              | 1.75%          |
| Union Money Market*     | 0.80%         | 0.80%           | 12,738,149              | 12,738,149              | 1.13%          |
| Union General           | 0.00%         | 0.00%           | 12,152,745              | 12,152,745              | 1.08%          |
| VA LGIP                 | 2.29%         | 2.29%           | 436,942,828             | 436,942,828             | 38.77%         |
| Enhanced Cash Portfolio | 2.15%         | 2.72%           | 201,606,979             | 200,993,553             | 17.83%         |
| Core Portfolio          | 1.88%         | 2.86%           | 127,790,543             | 126,307,113             | 11.21%         |
| SNAP Fund               | 2.37%         | 2.37%           | 317,198,722             | 317,198,722             | 28.14%         |
| <b>Total</b>            |               |                 | <b>\$ 1,129,185,543</b> | <b>\$ 1,127,088,687</b> | <b>100.00%</b> |

\*Blended yield using dates provided. Union Sweep 0.99% interest rate increased to 2.00% effective 10/24/18. Union Money Market 0.45% interest rate increased to 2.00% effective 10/24/18.

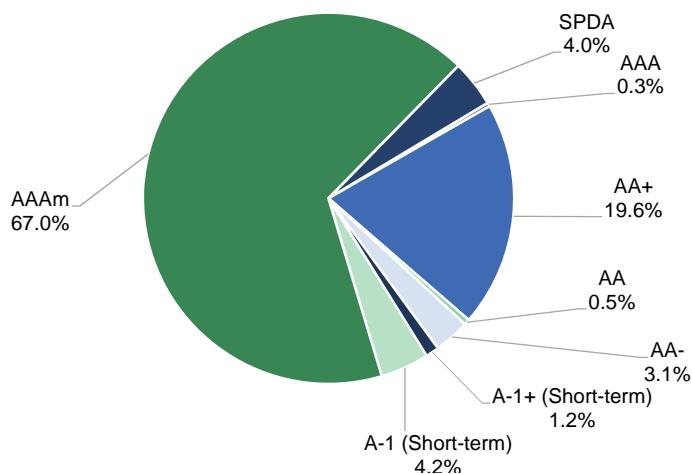
#### Total Maturity Distribution



#### Sector Distribution



#### Credit Distribution



All charts are based on market value as of 10/31/18

This material is for general informational purposes only and is not intended to provide specific advice or a specific recommendation.

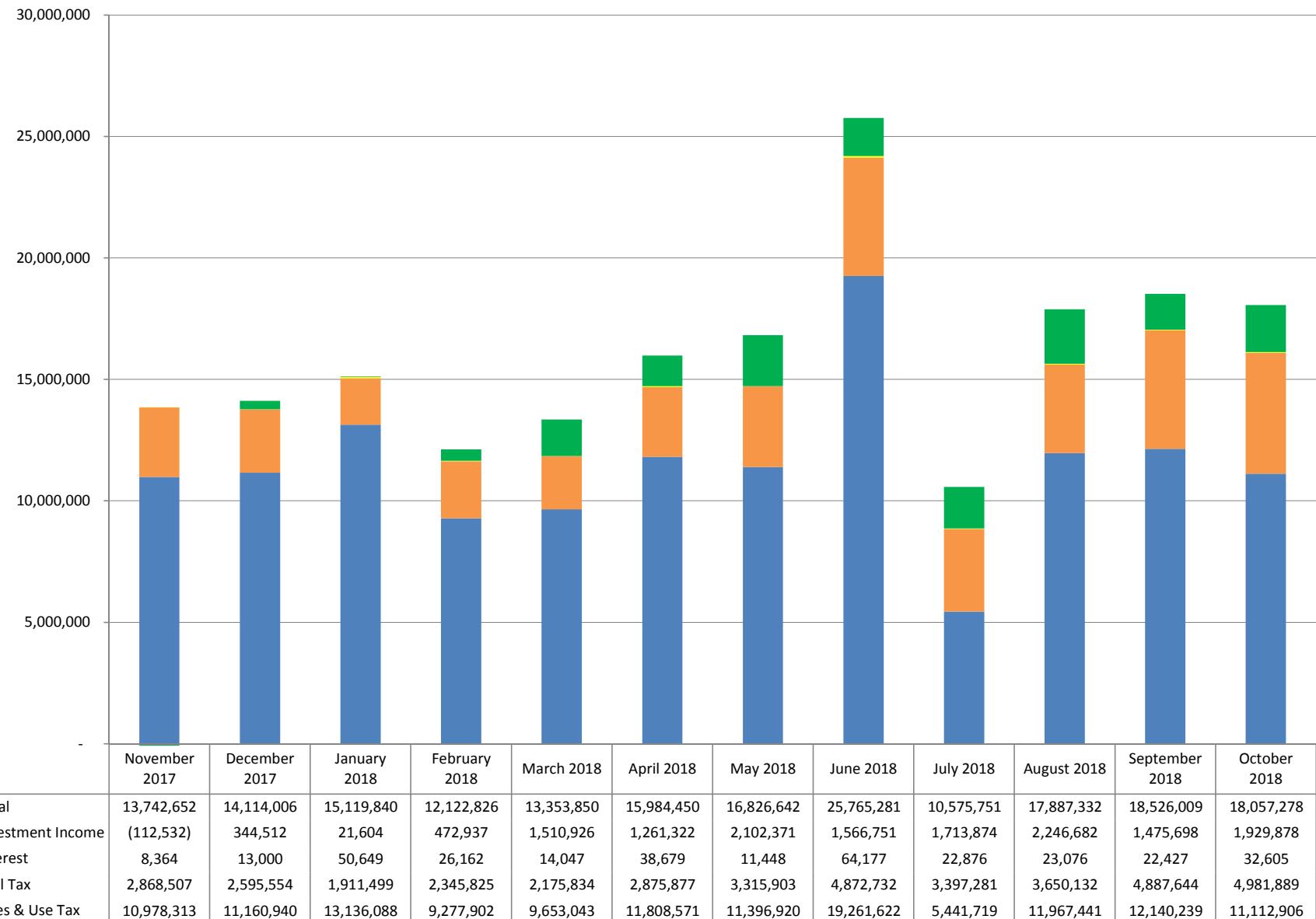
**Hampton Roads Transportation Accountabiliy Commission**  
**Interest and Investment Income**  
**Inception - October 2018**

|                        | FY2014   | FY2015         | FY2016           | FY2017         | FY2018           | FY2019           | Total             |
|------------------------|----------|----------------|------------------|----------------|------------------|------------------|-------------------|
| HRTF Interest Income   | 363,855  | 1,027,959      | 272,261          | 291,738        | 321,499          | 100,985          | 2,378,297         |
| HRTF Investment Income | <u>-</u> | <u>368,310</u> | <u>3,993,773</u> | <u>980,870</u> | <u>8,868,404</u> | <u>7,366,132</u> | <u>21,577,489</u> |
| Total                  | 363,855  | 1,396,269      | 4,266,033        | 1,272,608      | 9,189,903        | 7,467,117        | 23,955,785        |

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

|  | Gross Revenue         |                      |                   |                      |                       | Expenditures       |                  |                   |                      |                     |                       |                    | Cummulative Balance<br>7/1/13 - 10/31/18 |                      |
|--|-----------------------|----------------------|-------------------|----------------------|-----------------------|--------------------|------------------|-------------------|----------------------|---------------------|-----------------------|--------------------|--|----------------------|
|  | Sales & Use Tax       |                      | Fuel Tax          |                      | Interest              | Investment         |                  | Dept of Tax       |                      | Investment          |                       | Operating Expenses |  |                      |
|  | Sales & Use Tax       | Fuel Tax             | Interest          | Income               | Total                 | Projects           | Admin Fee        | Fees              | Bond Expenses        |                     |                       |                    |  | Total                |
| <b>July 2013 - Oct 2017</b>                            | \$ 535,708,131        | \$ 139,677,926       | \$ 2,050,787      | \$ 7,043,465         | \$ 684,480,309        | \$ 130,858,102     | \$ 598,214       | \$ 732,002        | \$ -                 | \$ 2,461,663        | \$ 134,649,982        |                    |  | 549,830,327          |
| <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            |                    |  | 537,714,782          |
| <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            |                    |  | 534,083,087          |
| <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         | -                | 17,354            | 3,300,396            | 71,907              | 17,312,921            |                    |  | 526,911,885          |
| <i>Bond Proceeds</i>                                   | -                     | -                    | -                 | -                    | 583,270,073           | -                  | -                | -                 | -                    | -                   | -                     |                    |  | 1,110,181,958        |
| <i>March 2018</i>                                      | 9,653,043             | 2,175,834            | 14,047            | 1,510,926            | 13,353,851            | 8,607,495          | -                | 19,211            | 1,967,782            | 67,100              | 10,661,588            |                    |  | 1,112,874,220        |
| <i>April 2018</i>                                      | 11,808,571            | 2,875,877            | 38,679            | 1,261,322            | 15,984,450            | 3,340,415          | -                | 8,068             | 1,970,232            | 40,065              | 5,358,780             |                    |  | 1,123,499,890        |
| <i>May 2018</i>  | 11,396,920            | 3,315,903            | 11,448            | 2,102,371            | 16,826,642            | 18,222,108         | -                | 19,196            | 1,967,782            | 30,931              | 20,240,018            |                    |  | 1,120,086,514        |
| <i>June 2018</i>                                       | 19,261,622            | 4,872,732            | 64,177            | 1,566,751            | 25,765,281            | 32,034,580         | 28,531           | 37,264            | 1,967,782            | 89,399              | 34,157,557            |                    |  | 1,111,694,239        |
| <i>July 2018</i>                                       | 5,441,719             | 3,397,281            | 22,876            | 1,713,874            | 10,575,751            | -                  | -                | 19,272            | 2,154,506            | 79,415              | 2,253,193             |                    |  | 1,120,016,797        |
| <i>August 2018</i>                                     | 11,967,441            | 3,650,132            | 23,076            | 2,246,682            | 17,887,332            | 45,202             | -                | 19,294            | 2,154,506            | 72,478              | 2,291,480             |                    |  | 1,135,612,649        |
| <i>September 2018</i>                                  | 12,140,239            | 4,887,644            | 22,427            | 1,475,698            | 18,526,009            | 7,821,297          | -                | 18,693            | 2,154,506            | 408,115             | 10,402,612            |                    |  | 1,143,736,045        |
| <i>October 2018</i>                                    | 11,112,906            | 4,981,889            | 32,605            | 1,929,878            | 18,057,278            | 16,378,984         | -                | -                 | 2,154,506            | 111,549             | 18,645,039            |                    |  | 1,143,148,284        |
| <b>Total 12 Months</b>                                 | <b>\$ 137,335,704</b> | <b>\$ 39,878,680</b> | <b>\$ 327,510</b> | <b>\$ 14,534,023</b> | <b>\$ 775,345,991</b> | <b>160,513,406</b> | <b>\$ 28,531</b> | <b>\$ 223,265</b> | <b>\$ 19,997,001</b> | <b>\$ 1,265,831</b> | <b>\$ 182,028,034</b> |                    |  |                      |
| <b>Grand Totals</b>                                    | <b>673,043,836</b>    | <b>179,556,606</b>   | <b>2,378,296</b>  | <b>21,577,488</b>    | <b>1,459,826,300</b>  | <b>291,371,508</b> | <b>626,745</b>   | <b>955,267</b>    | <b>19,997,001</b>    | <b>3,727,494</b>    | <b>316,678,016</b>    |                    |  |                      |
| <b>Less Balance of Encumbered<br/>(through FY2022)</b> |                       |                      |                   |                      |                       |                    |                  |                   |                      |                     |                       |                    |  | <b>(924,601,789)</b> |
| <b>Total Net Available</b>                             |                       |                      |                   |                      |                       |                    |                  |                   |                      |                     |                       |                    |  | <b>218,546,495</b>   |

## HRTF Revenue



**Table 1 - Total HRTF Revenues**

Hampton Roads Transportation Fund (HRTF)

*Total of Sales & Use and Fuels Taxes*

*Fiscal Year 2019*

| Locality                                 | Total FY2014 -<br>FY2018 | Previous FY2019 | October 2018 | Total YTD<br>FY2019 | Total          |
|--|--------------------------|-----------------|--------------|---------------------|----------------|
| <i>Chesapeake</i>                        | \$ 147,236,022           | \$ 7,402,872    | \$ 3,018,317 | \$ 10,421,189       | \$ 157,657,211 |
| <i>Franklin</i>                          | 6,948,460                | 457,344         | 214,228      | 671,572             | 7,620,032      |
| <i>Hampton</i>                           | 58,500,732               | 2,874,138       | 1,104,898    | 3,979,035           | 62,479,767     |
| <i>Isle of Wight</i>                     | 12,642,687               | 652,360         | 297,037      | 949,397             | 13,592,084     |
| <i>James City</i>                        | 36,264,394               | 1,880,543       | 674,000      | 2,554,543           | 38,818,937     |
| <i>Newport News</i>                      | 84,666,138               | 4,303,506       | 1,654,392    | 5,957,898           | 90,624,036     |
| <i>Norfolk</i>                           | 110,055,359              | 5,855,099       | 2,283,073    | 8,138,172           | 118,193,531    |
| <i>Poquoson</i>                          | 1,951,914                | 106,390         | 41,366       | 147,757             | 2,099,670      |
| <i>Portsmouth</i>                        | 27,556,845               | 1,395,150       | 567,489      | 1,962,639           | 29,519,484     |
| <i>Southampton</i>                       | 3,884,792                | 227,293         | 97,750       | 325,043             | 4,209,835      |
| <i>Suffolk</i>                           | 38,008,550               | 2,057,391       | 860,822      | 2,918,214           | 40,926,764     |
| <i>Virginia Beach</i>                    | 213,559,761              | 11,426,887      | 4,183,971    | 15,610,859          | 229,170,619    |
| <i>Williamsburg</i>                      | 17,504,774               | 815,167         | 350,359      | 1,165,525           | 18,670,300     |
| <i>York</i>                              | 36,240,760               | 2,030,316       | 747,094      | 2,777,410           | 39,018,169     |
| Total                                    | 795,021,187              | 41,484,457      | 16,094,796   | 57,579,253          | 852,600,442    |
| Interest <sup>a</sup>                    | 2,277,311                | 68,380          | 32,605       | 100,985             | 2,378,296      |
| Investment Income <sup>b</sup>           | 14,211,356               | 5,436,254       | 1,929,878    | 7,366,132           | 21,577,488     |
| Bond Proceeds                            | 583,270,073              | -               | -            | -                   | 583,270,073    |
| Total Revenues                           | 1,394,779,928            | 46,989,091      | 18,057,278   | 65,046,370          | 1,459,826,299  |
| Project Expenses                         | (267,126,025)            | (7,866,499)     | (16,378,984) | (24,245,483)        | (291,371,508)  |
| DMV and Dept of Tax Admin Fees           | (626,745)                | -               | -            | -                   | (626,745)      |
| Investment Fees (Sterling&PFMAM)         | (898,008)                | (57,259)        | -            | (57,259)            | (955,267)      |
| Bond Expenses                            | (11,378,976)             | (6,463,519)     | (2,154,506)  | (8,618,025)         | (19,997,001)   |
| Operating Expense                        | (3,055,937)              | (560,008)       | (111,549)    | (671,558)           | (3,727,494)    |
| Cash Balance                             | 1,111,694,238            | 32,041,806      | (587,761)    | 31,454,045          | 1,143,148,284  |
| Less Balance of Encumbered               |                          |                 |              |                     | (924,601,789)  |
| Net Available Cash                       |                          |                 |              |                     | 218,546,494    |
| Updated Forecast                         | 819,145,037              | 35,194,562      | 15,516,220   | 50,710,782          | 869,855,819    |
| Total Revenue - Forecast<br>(under)/over | (21,846,538)             | 6,289,895       | 578,576      | 6,868,471           | (14,978,067)   |

Notes:

<sup>a</sup> Includes interest from Union Bank money market and sweep accounts.

<sup>b</sup> FY2019 includes income from PFMAM (US Bank), LGIP, and SNAP accounts. FY2014-2018 total also includes income from Sterling and Union Bank.

**Table 1A - State Sales & Use Tax**

**Hampton Roads Transportation Fund (HRTF)**

***State Sales & Use Tax***

***Fiscal Year 2019***

| Locality              | Total FY2014 -<br>FY2018 | Previous FY2019      | October 2018         | Total YTD<br>FY2019  | Total                 |
|-----------------------|--------------------------|----------------------|----------------------|----------------------|-----------------------|
| <i>Chesapeake</i>     | \$ 114,271,188           | \$ 5,102,279         | \$ 2,114,487         | \$ 7,216,766         | \$ 121,487,954        |
| <i>Franklin</i>       | 4,859,034                | 199,864              | \$ 88,307            | 288,171              | 5,147,204             |
| <i>Hampton</i>        | 44,800,249               | 1,923,597            | 759,802              | 2,683,399            | 47,483,648            |
| <i>Isle of Wight</i>  | 7,332,026                | 324,639              | 159,446              | 484,086              | 7,816,112             |
| <i>James City</i>     | 31,834,792               | 1,453,834            | 502,551              | 1,956,385            | 33,791,176            |
| <i>Newport News</i>   | 69,331,269               | 3,094,869            | 1,222,613            | 4,317,482            | 73,648,751            |
| <i>Norfolk</i>        | 92,225,994               | 4,265,039            | 1,565,131            | 5,830,170            | 98,056,164            |
| <i>Poquoson</i>       | 1,515,231                | 70,178               | 27,380               | 97,558               | 1,612,789             |
| <i>Portsmouth</i>     | 20,251,519               | 898,604              | 344,895              | 1,243,499            | 21,495,017            |
| <i>Southampton</i>    | 1,868,430                | 75,809               | 28,559               | 104,368              | 1,972,798             |
| <i>Suffolk</i>        | 26,674,643               | 1,231,573            | 439,062              | 1,670,636            | 28,345,279            |
| <i>Virginia Beach</i> | 175,114,509              | 8,756,460            | 3,148,473            | 11,904,933           | 187,019,442           |
| <i>Williamsburg</i>   | 13,875,162               | 629,482              | 242,720              | 872,202              | 14,747,364            |
| <i>York</i>           | 28,427,486               | 1,523,172            | 469,480              | 1,992,652            | 30,420,138            |
| <b>Total</b>          | <b>\$ 632,381,530</b>    | <b>\$ 29,549,399</b> | <b>\$ 11,112,906</b> | <b>\$ 40,662,306</b> | <b>\$ 673,043,836</b> |
| Updated Forecast      | 626,271,042              | 26,096,169           | 11,430,002           | 37,526,171           | 663,797,213           |
| Diff(under)/over      | 6,110,488                | 3,453,230            | (317,096)            | 3,136,135            | 9,246,623             |

**Table 1B - Local Fuels Tax**

Hampton Roads Transportation Fund (HRTF)

*Local Fuels Tax*

*Fiscal Year 2019*

| Locality              | Total FY2014 - FY2018 | Previous FY2019      | October 2018        | Total YTD FY2019     | Total                 |
|-----------------------|-----------------------|----------------------|---------------------|----------------------|-----------------------|
| <i>Chesapeake</i>     | \$ 32,964,834         | \$ 2,300,593         | \$ 903,830          | \$ 3,204,423         | \$ 36,169,257         |
| <i>Franklin</i>       | 2,089,426             | 257,480              | 125,921             | 383,401              | 2,472,827             |
| <i>Hampton</i>        | 13,700,483            | 950,541              | 345,096             | 1,295,636            | 14,996,119            |
| <i>Isle of Wight</i>  | 5,310,660             | 327,721              | 137,591             | 465,312              | 5,775,972             |
| <i>James City</i>     | 4,429,602             | 426,710              | 171,449             | 598,159              | 5,027,761             |
| <i>Newport News</i>   | 15,334,871            | 1,208,637            | 431,779             | 1,640,416            | 16,975,287            |
| <i>Norfolk</i>        | 17,829,365            | 1,590,060            | 717,942             | 2,308,002            | 20,137,367            |
| <i>Poquoson</i>       | 436,681               | 36,212               | 13,987              | 50,199               | 486,880               |
| <i>Portsmouth</i>     | 7,305,327             | 496,546              | 222,594             | 719,140              | 8,024,467             |
| <i>Southampton</i>    | 2,016,362             | 151,484              | 69,191              | 220,675              | 2,237,038             |
| <i>Suffolk</i>        | 11,333,907            | 825,818              | 421,760             | 1,247,578            | 12,581,485            |
| <i>Virginia Beach</i> | 38,445,252            | 2,670,427            | 1,035,498           | 3,705,925            | 42,151,177            |
| <i>Williamsburg</i>   | 3,629,614             | 185,684              | 107,639             | 293,323              | 3,922,937             |
| <i>York</i>           | 7,813,274             | 507,144              | 277,614             | 784,758              | 8,598,032             |
| <b>Total</b>          | <b>162,639,659</b>    | <b>\$ 11,935,058</b> | <b>\$ 4,981,889</b> | <b>\$ 16,916,947</b> | <b>\$ 179,556,606</b> |
| Updated Forecast      | 192,000,002           | 4,209,389            | 4,086,218           | 13,184,611           | 205,184,613           |
| Diff(under)/over      | (29,360,344)          | 7,725,669            | 895,671             | 3,732,336            | (25,628,007)          |

**Table 2 - Allocations**

**Hampton Roads Transportation Fund (HRTF)**  
**Allocations**  
**Fiscal Year 2019**

| Project   | Total FY2014 - FY2018   | Previous FY2019        | October 2018 | Total YTD FY2019       | Total                   |
|---|-------------------------|------------------------|--------------|------------------------|-------------------------|
| <i>I-64 Peninsula Widening</i>  |                         |                        |              |                        |                         |
| <i>UPC 104905 - Segment 1 - Construction</i>  | \$ 44,000,000           | \$ (15,000,000)        | \$ -         | \$ (15,000,000)        | \$ 29,000,000           |
| <i>UPC 106665 - Segment 2 - PE/Construction</i>                                       | 189,707,675             | \$ -                   | -            | -                      | 189,707,675             |
| <i>UPC 109790/106689 - Segment 3 - PE</i>   | 10,000,000              | \$ -                   | -            | -                      | 10,000,000              |
| <i>UPC 109790/106689 - Segment 3 -ROW/Construction</i>                                | 156,376,066             | \$ -                   | -            | -                      | 156,376,066             |
| <i>I-64/264 Interchange Improvement</i>   |                         |                        |              |                        |                         |
| <i>UPC 57048/10842 - Phase I - PE/ROW</i>   | 15,071,063              | -                      | -            | -                      | 15,071,063              |
| <i>UPC 57048/10842 - Phase I - Construction</i>                                       | 137,023,653             | -                      | -            | -                      | 137,023,653             |
| <i>UPC 17630/108041 - Phase II - PE/ROW</i>   | 54,592,576              | -                      | -            | -                      | 54,592,576              |
| <i>UPC 17630/108041 - Phase II - Construction</i>                                     | 73,157,062              | -                      | -            | -                      | 73,157,062              |
| <i>UPC 106693 - Phase III - PE</i>  | 10,000,000              | -                      | -            | -                      | 10,000,000              |
| <i>I-64 Southside Widening/High-Rise Bridge</i>                                       |                         |                        |              |                        |                         |
| <i>UPC 106692/108990 - Phase I - PE</i>   | 20,000,000              | -                      | -            | -                      | 20,000,000              |
| <i>UPC 106692/108990 - Phase I - ROW/Construction</i>                                 | 480,000,000             | -                      | -            | -                      | 480,000,000             |
| <i>HRCS Preferred Alternative Refinement - HRBT</i>                                   |                         |                        |              |                        |                         |
| <i>UPC 110577 - SEIS</i>  | 25,000,000              | -                      | -            | -                      | 25,000,000              |
| <i>460/58/13 Connector Study - UPC 106694 - PE</i>                                    | 5,000,000               | -                      | -            | -                      | 5,000,000               |
| <i>Bowers Hill Interchange Study - UPC 111427</i>                                     | 4,000,000               | -                      | -            | -                      | 4,000,000               |
| <i>HR Regional Connector Study - HRTPO<br/>(Remaining Projects of Third Crossing)</i> | 7,000,000               | -                      | -            | -                      | 7,000,000               |
| <b>Total</b>  | <b>\$ 1,230,928,095</b> | <b>\$ (15,000,000)</b> | <b>\$ -</b>  | <b>\$ (15,000,000)</b> | <b>\$ 1,215,928,095</b> |

**Table 3 - Expenditures**

**Hampton Roads Transportation Fund (HRTF)**  
**Expenditures**  
**Fiscal Year 2019**

| Project   | Total FY2014 -<br>FY2018 | Previous<br>FY2019  | October 2018         | Total YTD<br>FY2019  | Total                 |
|---|--------------------------|---------------------|----------------------|----------------------|-----------------------|
| <i>I-64 Peninsula Widening</i>  |                          |                     |                      |                      |                       |
| <i>UPC 104905 - Segment 1 - Construction</i>  | \$ 1,544,502             | \$ -                | \$ -                 | \$ -                 | \$ 1,544,502          |
| <i>UPC 106665 - Segment 2 - PE/Construction</i>   | 114,353,557              | \$ 342,900          | 9,585,781            | 9,928,681            | 124,282,238           |
| <i>UPC 109790/106689 - Segment 3 - PE</i>   | 4,514,165                | \$ 14,969           | 76,837               | 91,807               | 4,605,972             |
| <i>UPC 109790/106689 - Segment 3 -ROW/Construction</i>                                      | -                        | \$ -                | -                    | -                    | -                     |
| <i>I-64/264 Interchange Improvement</i>   |                          |                     |                      |                      |                       |
| <i>UPC 57048/10842 - Phase I - PE/ROW</i>   | 15,071,063               | -                   | -                    | -                    | 15,071,063            |
| <i>UPC 57048/10842 - Phase I - Construction</i>   | 66,399,635               | 5,865,161           | 4,697,573            | 10,562,734           | 76,962,369            |
| <i>UPC 17630/108041 - Phase II - PE/ROW</i>   | 35,941,934               | 658,995             | 410,014              | 1,069,010            | 37,010,944            |
| <i>UPC 17630/108041 - Phase II - Construction</i>   | -                        | -                   | -                    | -                    | -                     |
| <i>UPC 106693 - Phase III - PE</i>  | 57,220                   | 4,033               | 128,381              | 132,414              | 189,634               |
| <i>I-64 Southside Widening/High-Rise Bridge</i>   |                          |                     |                      |                      |                       |
| <i>UPC 106692/108990 - Phase I - PE</i>   | 12,189,098               | -                   | -                    | -                    | 12,189,098            |
| <i>UPC 106692/108990 - Phase I - ROW/ Construction</i>                                      | -                        | -                   | -                    | -                    | -                     |
| <i>HRCS Preferred Alternative Refinement - HRBT</i><br><i>UPC 110577 - SEIS</i>             | 15,891,087               | 694,728             | 1,242,422            | 1,937,150            | 17,828,237            |
| <i>460/58/13 Connector Study - UPC 106694 - PE</i>  | 790,111                  | 111,872             | 101,926              | 213,798              | 1,003,908             |
| <i>Bowers Hill Interchange Study - UPC 111427</i>   | 224,407                  | 128,638             | 136,050              | 264,688              | 489,095               |
| <i>HR Regional Connector Study - HRTPO</i><br><i>(Remaining Projects of Third Crossing)</i> | 104,043                  | 45,202              | -                    | 45,202               | 149,245               |
| <b>Total</b>  | <b>\$ 267,080,823</b>    | <b>\$ 7,866,499</b> | <b>\$ 16,378,984</b> | <b>\$ 24,245,483</b> | <b>\$ 291,326,306</b> |

**Table 3A - Bond-Reimbursed Expenditures**

**Hampton Roads Transportation Fund (HRTF)**  
***Bond Reimbursements***  
***Fiscal Year 2019***

| Project   | Total FY2014 -<br>FY2018 | Previous<br>FY2019  | October 2018         | Total YTD<br>FY2019  | Total                 |
|---|--------------------------|---------------------|----------------------|----------------------|-----------------------|
| <i>I-64 Peninsula Widening</i>  |                          |                     |                      |                      |                       |
| <i>UPC 104905 - Segment 1 - Construction</i>  | \$ -                     | \$ -                | \$ -                 | \$ -                 | \$ -                  |
| <i>UPC 106665 - Segment 2 - PE/Construction</i>                                       | 114,353,557              | 342,900             | 9,585,781            | 9,928,681            | 124,282,238           |
| <i>UPC 109790/106689 - Segment 3 - PE</i>   | 4,514,165                | 14,969              | -                    | 14,969               | 4,529,135             |
| <i>UPC 109790/106689 - Segment 3 -ROW/Construction</i>                                | -                        | -                   | 76,837               | 76,837               | 76,837                |
| <i>I-64/264 Interchange Improvement</i>   |                          |                     |                      |                      |                       |
| <i>UPC 57048/10842 - Phase I - PE/ROW</i>   | 15,071,063               | -                   | -                    | -                    | 15,071,063            |
| <i>UPC 57048/10842 - Phase I - Construction</i>                                       | 66,399,635               | 5,865,161           | 4,697,573            | 10,562,734           | 76,962,369            |
| <i>UPC 17630/108041 - Phase II - PE/ROW</i>   | 35,941,934               | 658,995             | 410,014              | 1,069,010            | 37,010,944            |
| <i>UPC 17630/108041 - Phase II - Construction</i>                                     | -                        | -                   | -                    | -                    | -                     |
| <i>UPC 106693 - Phase III - PE</i>  | -                        | -                   | -                    | -                    | -                     |
| <i>I-64 Southside Widening/High-Rise Bridge</i>                                       |                          |                     |                      |                      |                       |
| <i>UPC 106692/108990 - Phase I - PE</i>   | 12,189,098               | -                   | -                    | -                    | 12,189,098            |
| <i>UPC 106692/108990 - Phase I - ROW/ Construction</i>                                | -                        | -                   | -                    | -                    | -                     |
| <i>HRCS Preferred Alternative Refinement - HRBT</i>                                   |                          |                     |                      |                      |                       |
| <i>UPC 110577 - SEIS</i>  | -                        | -                   | -                    | -                    | -                     |
| <i>460/58/13 Connector Study - UPC 106694 - PE</i>                                    | -                        | -                   | -                    | -                    | -                     |
| <i>Bowers Hill Interchange Study - UPC 111427</i>                                     | -                        | -                   | -                    | -                    | -                     |
| <i>HR Regional Connector Study - HRTPO<br/>(Remaining Projects of Third Crossing)</i> | -                        | -                   | -                    | -                    | -                     |
| <b>Total</b>  | <b>\$ 248,469,452</b>    | <b>\$ 6,882,027</b> | <b>\$ 14,770,205</b> | <b>\$ 21,652,232</b> | <b>\$ 270,121,684</b> |

**Table 3B - Non-Bond Reimbursed Expenditures**

**Hampton Roads Transportation Fund (HRTF)**  
**Expenditures**  
**Fiscal Year 2019**

| Project   | Total FY2014 -<br>FY2018 | Previous<br>FY2019 | October 2018        | Total YTD<br>FY2019 | Total                |
|---|--------------------------|--------------------|---------------------|---------------------|----------------------|
| <i>I-64 Peninsula Widening</i>  |                          |                    |                     |                     |                      |
| <i>UPC 104905 - Segment 1 - Construction</i>  | \$ 1,544,502             | \$ -               | \$ -                | \$ -                | \$ 1,544,502         |
| <i>UPC 106665 - Segment 2 - PE/Construction</i>                                       | -                        | \$ -               | -                   | -                   | -                    |
| <i>UPC 109790/106689 - Segment 3 - PE</i>   | -                        | \$ -               | -                   | -                   | -                    |
| <i>UPC 109790/106689 - Segment 3 -ROW/Construction</i>                                | -                        | \$ -               | -                   | -                   | -                    |
| <i>I-64/264 Interchange Improvement</i>   |                          |                    |                     |                     |                      |
| <i>UPC 57048/10842 - Phase I - PE/ROW</i>   | -                        | -                  | -                   | -                   | -                    |
| <i>UPC 57048/10842 - Phase I - Construction</i>                                       | -                        | -                  | -                   | -                   | -                    |
| <i>UPC 17630/108041 - Phase II - PE/ROW</i>   | -                        | -                  | -                   | -                   | -                    |
| <i>UPC 17630/108041 - Phase II - Construction</i>                                     | -                        | -                  | -                   | -                   | -                    |
| <i>UPC 106693 - Phase III - PE</i>  | 57,220                   | 4,033              | 128,381             | 132,414             | 189,634              |
| <i>I-64 Southside Widening/High-Rise Bridge</i>                                       |                          |                    |                     |                     |                      |
| <i>UPC 106692/108990 - Phase I - PE</i>   | -                        | -                  | -                   | -                   | -                    |
| <i>UPC 106692/108990 - Phase I - ROW/ Construction</i>                                | -                        | -                  | -                   | -                   | -                    |
| <i>HRCS Preferred Alternative Refinement - HRBT</i>                                   | 15,891,087               | 694,728            | 1,242,422           | 1,937,150           | 17,828,237           |
| <i>UPC 110577 - SEIS</i>  |                          |                    |                     |                     |                      |
| <i>460/58/13 Connector Study - UPC 106694 - PE</i>                                    | 790,111                  | 111,872            | 101,926             | 213,798             | 1,003,908            |
| <i>Bowers Hill Interchange Study - UPC 111427</i>                                     | 224,407                  | 128,638            | 136,050             | 264,688             | 489,095              |
| <i>HR Regional Connector Study - HRTPO<br/>(Remaining Projects of Third Crossing)</i> | 104,043                  | 45,202             | -                   | 45,202              | 149,245              |
| <b>Total</b>  | <b>\$ 18,611,371</b>     | <b>\$ 984,473</b>  | <b>\$ 1,608,778</b> | <b>\$ 2,593,251</b> | <b>\$ 21,204,622</b> |

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

From 0.52 miles east of Yorktown Road/Rte 238 (Exit 247) to 1.55 miles west of Jefferson Ave/Rte 143 (Exit 255) (6.1 miles)

- Additional 12' wide travel lanes and 12' wide shoulders within the existing median space
- Replacement of the Industrial Park Drive bridges, and repair and widening of 4 bridges and 2 major culverts
- Strengthened shoulder lane from Ft Eustis Blvd Interchange to Jefferson Avenue Interchange

**Project Financial Summary:**

| <u>Project Budget (\$101,544,502):</u> | <u>Funds Expended (as of 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|--|---|-------------------------------------|
| ○ PE \$ 2,738,567                      | \$ 2,738,567                            | \$ 0                                |
| ○ RW \$ 32,494                         | \$ 32,494                               | \$ 0                                |
| ○ CN \$ 98,773,441                     | <u>\$ 98,773,666</u>                    | <u>\$ 0</u>                         |
|  | \$ 101,544,727                          |                                     |

**Project Schedule:**

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

**Project Status:**

- Completion achieved on December 1, 2017



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

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

From 1.05 miles west of Hummelsine Parkway/Marquis Center Pkwy/Rte 199 (Exit 242) to where the Segment I project ends at 0.54 miles east of Yorktown Road/Rte 238 (Exit 247) (7.1 miles)

- Additional 12' wide travel lanes and 12' wide shoulders 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 (\$175,832,897):</u> | <u>Funds Expended (as of 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|--|---|-------------------------------------|
| ○ PE \$ 6,000,000                      | \$ 2,594,674                            | \$ 0                                |
| ○ RW \$ 1,511,548                      | \$ 509,913                              | \$ 0                                |
| ○ CN \$ 168,321,349                    | <u>\$ 132,687,649</u>                   | <u>\$ 0</u>                         |
|  | \$ 135,792,236                          |                                     |

**Project Schedule:**

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

**Project Status:**

- Continued Phase II pavement reconstruction throughout project Sections A through D
- Continued with rehabilitation of existing bridge decks all bridges
- Entire project is now in the Phase II traffic configuration
- Installation of Noise Wall is underway

**I-64 construction looking east from the Rt. 199 overpass**

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

From approximately 1.15 miles West of Rte 199/Lightfoot (Exit 234) to where the Segment II project ends at 1.05 miles west of Hummelsine Parkway/Marquis Center Pkwy /Rte 199 (Exit 242) (8.2 miles)

- Additional 12' wide travel lanes and 12' wide shoulders 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:**

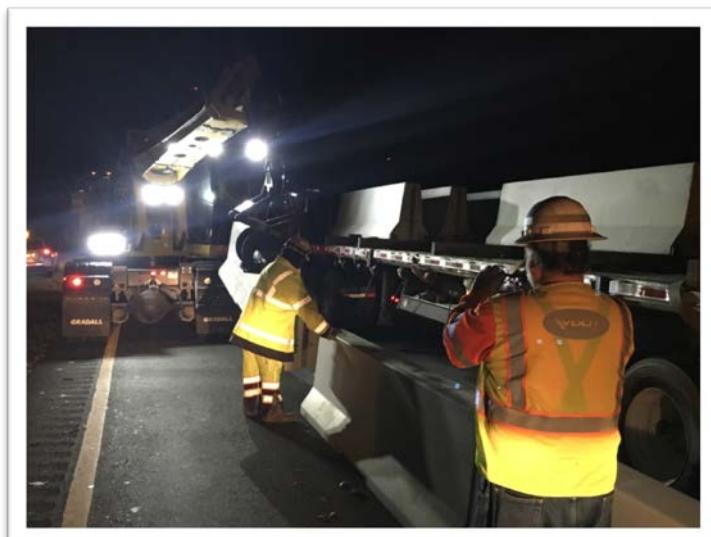
| <u>Project Budget (\$244,045,973):</u> | <u>Funds Expended (as of 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|--|---|-------------------------------------|
| ○ PE \$ 10,000,000                     | \$ 4,688,431                            | \$ 0                                |
| ○ RW \$ 12,000,000                     | \$ 39,323                               | \$ 0                                |
| ○ CN \$ 222,045,973                    | <u>\$ 31,395,341</u>                    | <u>\$ 0</u>                         |
|  | \$ 36,123,095                           |                                     |

**Project Schedule:**

|                    |  |
|--------------------|--|
| Notice To Proceed  | January 2018   |
| Project Completion | September 2021 (or June 2021 for early completion incentive) |
| Schedule Status    | On-Schedule  |

**Project Status:**

- Outside shoulder strengthening has been completed
- Westbound traffic has been shifted to the outside lanes. Eastbound traffic switches are underway
- 100% Roadway Design Plans have been approved. Notice to Commence Construction issued in late November 2018
- The USACE Joint Permit was approved on December 3, 2018
- Clearing and grubbing operations in the center median to begin in early December 2018

**Installation of temporary concrete barrier service on westbound I-64**

**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 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|--|---|-------------------------------------|
| ○ PE \$ 10,135,307                     | \$ 10,135,307                           | \$ 0                                |
| ○ RW \$ 11,571,063                     | \$ 20,292,505                           | \$ 8,721,442                        |
| ○ CN \$ 137,023,653                    | <u>\$ 81,962,918</u>                    | \$ 0                                |
|  | \$112,390,730                           |                                     |

**Project Schedule:**

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

**Project Status:**

- Completed Bridge B-603 bridge decks
- Culvert 8-34 at I-264 E Exit 15A nearing completion
- Continuing widening of I-64 W between twin bridges and Curlew Avenue



Setting last remaining sections of Culvert 8-34



Recently completed Bridge B-603 deck sections

**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 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|--|---|-------------------------------------|
| ○ PE \$ 14,082,810                     | \$ 14,062,946                           | \$ 0                                |
| ○ RW \$ 54,392,666                     | \$ 37,922,870                           | \$ 0                                |
| ○ CN \$ 126,028,411                    | <u>\$ 11,923,216</u>                    | <u>\$ 0</u>                         |
|  | \$ 63,909,032                           |                                     |

**Project Schedule:**

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

**Project Status:**

- Performing utility relocations along Newtown Road
- Driving piles at I-264 EB Bridge B-601 over Newtown Road and Greenwich Road Box Culvert adjacent to Top Golf
- Performing ground and drainage improvements throughout project site



**Pile Driving Bridge B-601 with Support of Excavation Wall (right, looking west)**

**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 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|--|---|-------------------------------------|
| ○ PE \$ 12,200,000                     | \$ 12,190,808                           | \$ 0                                |
| ○ RW \$ 18,726,000                     | \$ 3,240,296                            | \$ 0                                |
| ○ CN \$ 493,687,765                    | <u>\$ 85,439,166</u>                    | \$ 0                                |
|  | \$100,870,270                           |                                     |

**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
- Roadway and bridge plans are being reviewed by VDOT; 12 plan sets have been released for construction
- ROW plans are approved; Acquisition of 25 parcels is ongoing – 15 appraisals approved, 11 offers made, 2 acquired
- US Army Corps of Engineers obtained on 11/9/18; US Coast Guard permit scheduled to be obtained early December
- Pile driving began in September between the east side of the Elizabeth River and Bainbridge Boulevard
- Shoulder and median pavement strengthening at east approach to existing High Rise Bridge underway
- Preparations for construction of north abutment and north abutment MSE wall underway
- Construction of Military Highway and Yadkin Road Bridges along with associated roadway work to start this month



**Pile Driving Operations for East Approach Spans of New High Rise Bridge**



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

Hampton Roads District  
7511 Burbage Drive  
Suffolk

**I-64 Hampton Roads Bridge-Tunnel Expansion**

**Refinement of Preferred Alternative**

**Project Scope:**

Preliminary work for the I-64 corridor from Settlers Landing Interchange 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 (\$30,000,000):</u> | <u>Funds Expended (as of 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|---------------------------------------|---|-------------------------------------|
| ○ PE \$30,000,000                     | \$ 22,601,627                           | \$ 0                                |
| ○ RW \$ 0                             | \$ 0                                    | \$ 0                                |
| ○ CN \$ 0                             | \$ 0                                    | \$ 0                                |
|                                       | \$ 22,601,627                           |                                     |

**Project Schedule:**

|                                  |               |
|----------------------------------|---------------|
| Request for Qualifications (RFQ) | December 2017 |
| Request for Proposals (RFP)      | May 2018      |
| Project Award                    | Early 2019    |
| Project Completion               | 2025          |
| Schedule Status                  | On-Schedule   |

**Project Status:**

- Project in procurement; contract award anticipated in early 2019

**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:**

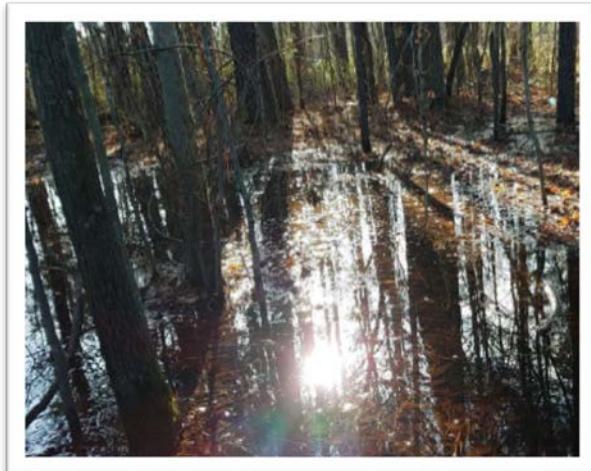
| <u>Project Budget (\$5,000,000):</u> | <u>Funds Expended (as of 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|--------------------------------------|---|-------------------------------------|
| ○ PE \$ 5,000,000                    | \$ 1,078,157                            | \$ 0                                |
| ○ RW \$ 0                            | \$ 0                                    | \$ 0                                |
| ○ CN \$ 0                            | \$ 0                                    | \$ 0                                |
|                                      | \$ 1,078,157                            |                                     |

**Study Schedule:**

|                    |           |
|--------------------|-----------|
| Begin NEPA Process | June 2017 |
| Study Completion   | N/A       |

**Study Status:**

- TTAC and HRTPO voted to stop work on the study
- Final invoice and study files to be submitted to VDOT in December

**Existing facility looking westbound from weigh station****Wetland south of eastbound lanes near Sondej Avenue**

## 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:

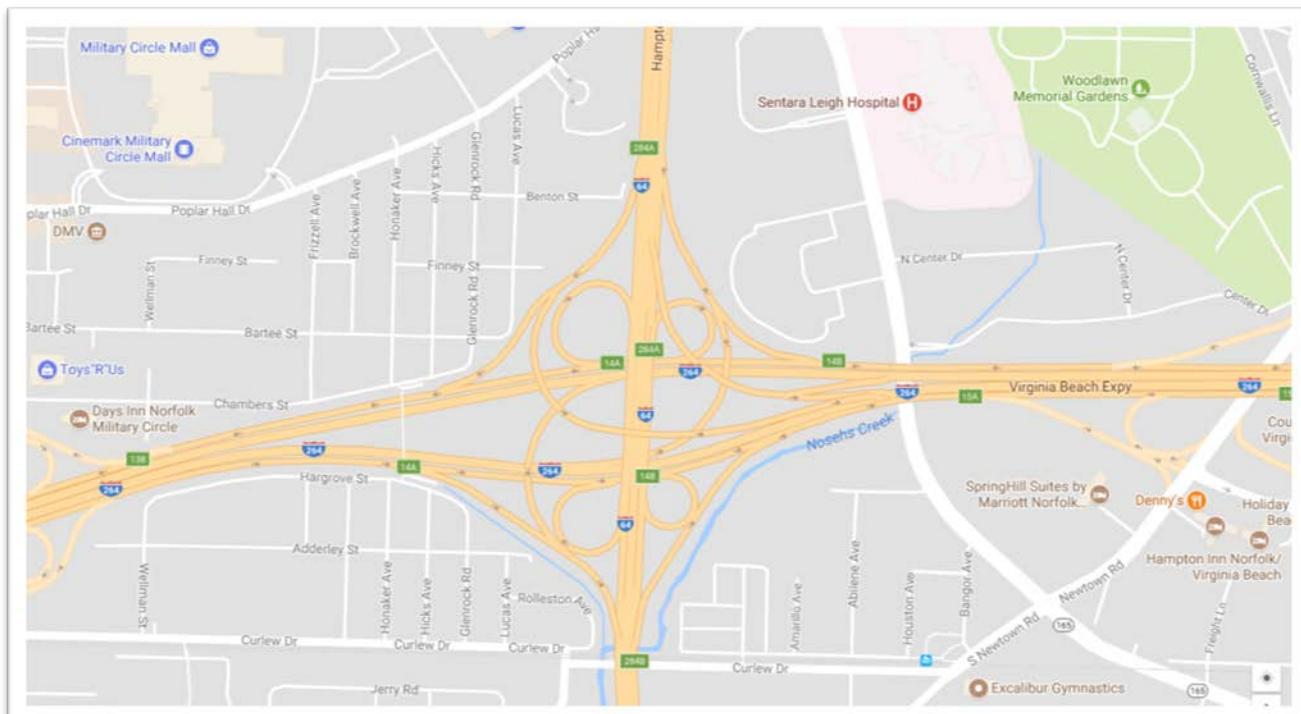
| <u>Project Budget (\$10,000,000):</u> | <u>Funds Expended (as of 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|---------------------------------------|---|-------------------------------------|
| ○ PE \$ 10,000,000                    | \$ 455,378                              | \$ 0                                |
| ○ RW \$ 0                             | \$ 0                                    | \$ 0                                |
| ○ CN \$ 0                             | \$ 0                                    | \$ 0                                |
|                                       | \$ 455,378                              |                                     |

### Project Schedule:

|                          |               |
|--------------------------|---------------|
| Begin NEPA Process       | October 2018  |
| IMR Conditional Approval | August 2019   |
| Complete NEPA            | December 2019 |

### Project Status:

- Final three composite interchange alternatives selected to be carried forward into detailed analysis
- Geometric refinements underway for the selected interchange alternatives
- FHWA's concurrence obtained on the forecasting methodology to develop future traffic volumes
- VISSIM analysis for future build and no-build conditions underway
- IMR document development underway



## 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:

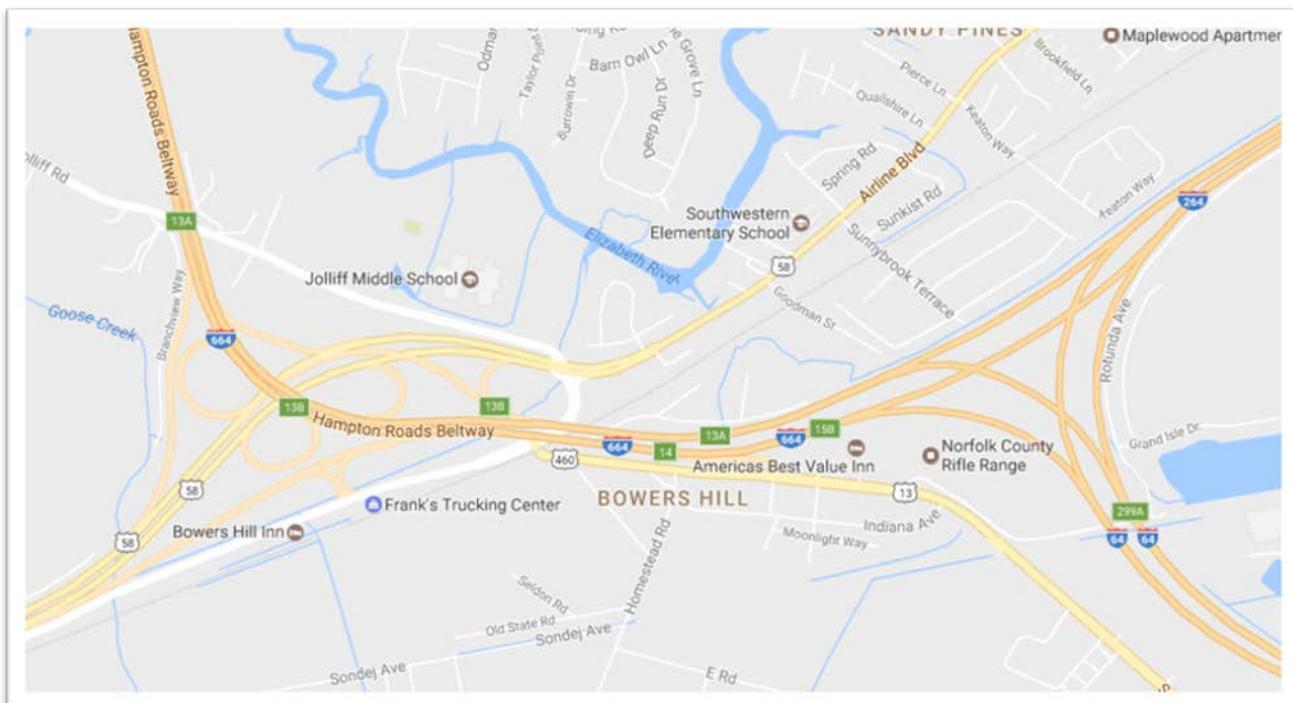
| <u>Project Budget (\$4,000,000):</u> | <u>Funds Expended (as of 11/30/18):</u> | <u>Projected Cost Over/(Under):</u> |
|--------------------------------------|---|-------------------------------------|
| o PE \$4,000,000                     | \$ 755,315                              | \$ 0                                |
| o RW \$ 0                            | \$ 0                                    | \$ 0                                |
| o CN \$ 0                            | \$ 0                                    | \$ 0                                |
|                                      | \$ 755,315                              |                                     |

### Study Schedule:

|                    |              |
|--------------------|--------------|
| Begin NEPA Process | January 2018 |
| Completion         | January 2020 |

### Study Status:

- o IMR Chapters 1, 2 and 3 are under FHWA review
- o IMR Chapters 4 and 5 are being revised for FHWA submittal
- o Environmental evaluation is underway for the EA development
- o Draft technical documents are under VDOT review
- o Preliminary Jurisdictional Determination request to be submitted to the USACE by mid-December for the two alternatives retained for further analysis
- o Location Public Hearing anticipated in May 2019





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

Hampton Roads District  
7511 Burbage Drive  
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