

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the December 10, 2020 Regular Commission
Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Regular Meeting was called to order at 12:30 p.m. by conference call due to COVID-19, with the following in attendance by telephone:

HRTAC Members in Attendance:

Linda T. Johnson, Chair	Christopher Cornwell, SH
Donnie Tuck, Vice Chair	Thomas G. Shepperd, YK
Rick West, CH	Robert Dyer, VB
Frank Rabil, FR	Doug Pons, WM
William McCarty, IW	Delegate Clint Jenkins, VGA
David Jenkins (in for) McKinley Price, NN*	Senator Louise Lucas, VGA
Kenneth Alexander, NO	Senator Monty Mason, VGA
John Rowe, PO	Delegate Mike Mullin, VGA

HRTAC Executive Director:

Kevin Page

HRTAC Ex-Officio Members in Attendance:

John Malbon, CTB	Barb Nelson, VPA
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Other Participants:

Chris Price, CH	Michael Johnson, SH
Amanda Jarratt, FR	Al Moor, SU
William Harrell, HRT	Neil Morgan, YK
Randy Keaton, IW	Christopher Hall, VDOT
Scott Stevens, JC	Andrew Trivette, WM
Chip Filer, NO	Tom Inglima, Willcox & Savage
J. Randall Wheeler, PQ	

HRTAC Voting Members Absent:

Michael Hipple, JC	Delegate Joseph Lindsey, VGA
Eugene Hunt, PQ	

HRTAC Ex-Officio Members Absent:

Jennifer Mitchell, DRPT	Stephen Brich, VDOT
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* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Earl Sorey (CH); Scott Detar (Bank of America/Merrill Lynch); Scott Allaire (CDM Smith); Eric Ballou (Kaufman and Canoles); Danetta Jankosky, Tiffany Smith, Sheila Wilson (HRPDC); Lynn Coen, Jennifer Hodnett (HRTAC); John Mihaly (HRTPO); Liang Shan (PFM); Victoria Burnside (Veteran Reporters)

Declaration re: Purpose of Meeting, Call to Order and Roll Call

Mr. Thomas Inglima, HRTAC General Counsel, proceeded to read the following declaration for the Members:

In light of the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Commission to assemble in a single location, so the meeting will be held electronically, by telephone, pursuant to the 2020 Appropriation Act. The purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Commission and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the number to attend the meeting electronically. The Commission will make available a recording or transcript of the meeting on its website in accordance with the timeframes established in Sections 2.2-3707 and 2.2-3707.1 of the Code of Virginia.

A roll call vote of all Members was taken in order to confirm a quorum:

Mayor Rick West: Present
Mayor Frank Rabil: Present
Mayor Donnie Tuck: Present
Mr. Michael McCarty: Present
Mr. Michael Hipple: No Response
Mr. David Jenkins: Present
Mayor Kenneth Alexander: Present
Mayor Eugene Hunt: No Response
Mayor John Rowe: Present
Mr. Christopher Cornwell: Present
Chair Linda Johnson: Present
Mayor Robert Dyer: Present
Mayor Doug Pons: Present
Mr. Thomas Shepperd: Present
Senator Louise Lucas: Present
Senator Monty Mason: Present
Delegate Clint Jenkins: Present
Delegate Joseph Lindsey: No Response
Delegate Mike Mullin: Present
Mr. John Malbon: Present
Ms. Jennifer Mitchell: No Response
Ms. Barb Nelson: Present
Mr. Stephen Brich: No Response

The quorum was confirmed by Mr. John Mihaly.

Approval of Agenda

Mayor Bobby Dyer Moved to approve the agenda; Seconded by Senator Louise Lucas. A roll call vote of the voting Members was taken:

Mayor Rick West: Yes
Mayor Frank Rabil: Yes
Mayor Donnie Tuck: Yes
Mr. William McCarty: Yes
Mr. Michael Hipple: No Response
Mr. David Jenkins: No Response
Mayor Kenneth Alexander: Yes
Mayor Eugene Hunt: No Response
Mayor John Rowe: Yes
Mr. Christopher Cornwell: Yes
Chair Linda Johnson: Yes
Mayor Robert Dyer: Yes
Mayor Doug Pons: Yes
Mr. Thomas Shepperd: Yes
Senator Louise Lucas: Yes
Senator Monty Mason: Yes
Delegate Clint Jenkins: Yes
Delegate Joseph Lindsey: No Response
Delegate Mike Mullin: Yes

Mr. John Mihaly confirmed The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No one from the public requested to make a public comment.

Chair's Comments

HRTAC Chair, Linda T. Johnson, welcomed Members and announced the Chair and Vice Chair of the Regional Transit Committee were:

Mayor Rick West, Chair
Mayor Donnie Tuck, Vice Chair

Chair Johnson announced a Special Meeting would occur on January 21, 2021 and appointed the following members to the HRTAC Nominating Committee relating to filling the vacancy that will exist when her term as mayor of Suffolk ends December 31, 2020:

Mayor Kenneth Alexander
Mr. Michael Hipple
Mayor Frank Rabil

Consent Items

- A. Minutes of the September 17, 2020 Regular Meeting
- B. Amendment to the HRTAC Investment Policy

- C. Cost of Living Adjustment for HRTAC Staff
- D. Amendment to the Approved FY2021-2026 HRTAC Six Year Improvement Plan – Bowers Hill Study Extension to College Drive UPC 111427
- E. Amendment to the Approved HRTAC FY2021 Administrative and Project Development Budget – Investment Grade Traffic and Revenue Study and TIFIA Loan Application Costs – Recommendation to Endorse and Request Authorization to Conduct a Public Hearing
- F. Amendment to the Approved FY2021-2026 HRTAC Six Year Improvement Plan – Recommendation to Fund HRBT Project Toll Facility Collection Equipment Construction and Integration and Requests Authorization to Conduct a Public Hearing
- G. Amendment to the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan – Recommendation to Fund Phase 1 Preliminary Engineering for Hampton Roads Express Lanes Network Segments 1, 4A,4B, and 4C and Request Authorization to Conduct a Public Hearing

Mr. David Jenkins arrived.

Mayor John Rowe Moved to approve the consent agenda items; Seconded by Mr. Thomas Shepperd. A roll call vote of the voting Members was taken:

Mayor Rick West: Yes
Mayor Frank Rabil: Yes
Mayor Donnie Tuck: Yes
Mr. William McCarty: Yes
Mr. Michael Hipple: No Response
Mr. David Jenkins: Yes
Mayor Kenneth Alexander: Yes
Mayor Eugene Hunt: No Response
Mayor John Rowe: Yes
Mr. Christopher Cornwell: Yes
Chair Linda Johnson: Yes
Mayor Robert Dyer: Yes
Mayor Doug Pons: Yes
Mr. Thomas Shepperd: Yes
Senator Louise Lucas: Yes
Senator Monty Mason: Yes
Delegate Clint Jenkins: Yes
Delegate Joseph Lindsey: No Response
Delegate Mike Mullin: Yes

Mr. John Mihaly confirmed The Motion Carried.

Action Item

- A. Hampton Roads Regional Transit Fund – Transportation District Commission of Hampton Roads FY2021 Application for Funding**

Kevin Page, HRTAC Executive Director, highlighted the historic moment for HRTAC and the Region by virtue of the recent legislation creating the Regional Transit Fund. He noted the positive working relationship between HRTAC and HRT and stated that the future opportunities were bright.

Mayor West, Chair of the HRTAC Regional Transit Committee, explained to the Commission that the inaugural meeting of the Regional Transit Committee was held on December 1, 2020. He proceeded to review the actions and discussion of the meeting and highlighted the application submitted by HRT for Hampton Roads Regional Transit Fund (HRRTF) monies. The Regional Transit Committee had begun working on the development of the HRRTF Program Policy and Procedures and a Memorandum of Understanding between HRTAC and HRT. He stated the Committee recommended approval of HRT's application for funds.

Mr. Page stated the Fiscal Impact to the HRRTF would be \$13.713M and noted the FY2021 Funding Agreement was being finalized. He also clarified that the only Members voting on this action would be the six localities of which HRT is comprised.

Mayor John Rowe Moved the Commissioners of the Member Jurisdictions of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, and Virginia Beach (the Six Cities of HRT), (i) approve the Transportation District Commission of Hampton Roads FY2021 Application for Funding from the Hampton Roads Regional Transit Fund; (ii) allocate \$13.717M of the Hampton Roads Regional Transit Fund to support disbursements to the Transportation District Commission of Hampton Roads in respect of such application; (iii) authorize the HRTAC Regional Transit Committee Chair to supervise the finalization of the project funding agreement between HRTAC and the Transportation District Commission of Hampton Roads with respect to such application and authorize and direct the Chair to execute and deliver such agreement on behalf of HRTAC; and (iv) authorize the Executive Director of HRTAC to make disbursements from the Hampton Roads Regional Transit Fund in fulfillment of the foregoing; Seconded by Mayor Donnie Tuck. A roll call vote of the six Member cities was taken:

Mayor Rick West: Yes

Mayor Donnie Tuck: Yes

Mr. David Jenkins: Yes

Mayor Kenneth Alexander: Yes

Mayor John Rowe: Yes

Mayor Bobby Dyer: Yes

Mr. John Mihaly confirmed The Motion Carried.

Discussion Items

A. HRBT Funding Plan of Finance and Debt Management Plan Status Update

Mr. Kevin Page, HRTAC Executive Director, stated the presentation was given to the Finance Committee at an earlier meeting and the high level information was for discussion only. He reiterated the HRTAC policy of full transparency.

Mr. Page reviewed the status of the Hampton Roads Express Lane Network (HRELN). He reminded the Commissioners that the project was a HOT managed lane contiguous network that would run from Jefferson Avenue in Newport News through the HRBT to Bowers Hill in Chesapeake. He highlighted the segments and the timeline in regards to sufficiency of funds and project readiness.

Mr. Page focused on Phase I and stated the toll revenue from these HOT lanes would support part of the HRBT project funding.

He outlined the progress of the HRBT project and stated the total of construction costs to date.

Mr. Scott Allaire, CDM Smith, explained the Traffic and Revenue Study. He explained that the existing Segment 1 express lanes were converted in January 2018 to HOT from HOV with dynamic tolling to ensure high level of service for drivers. He provided traffic counts and tolled traffic counts for 2018-2020.

He explained the key assumptions and policies, which are in use in Segment 1, and reiterated that the priority is for maximum throughput, not revenue maximization. He outlined the study approach and noted the aspects were industry accepted and approved approaches.

Mr. Allaire outlined estimated traffic growth for 2022-2060 and the corresponding average weekday revenue estimates. Additionally, he provided a graph detailed the annual revenue provided by each segment.

The Commission was given an overview of the planned summer weekend traffic and revenue study. He emphasized the value in collecting this data and considering the effects of the high level of potential travelers that would qualify for free travel in the HOT lanes.

The Commissioners viewed a series of heat maps depicting the traffic congestion on 64 Eastbound and Westbound between I-664 and Tidewater Drive.

Mr. David Miller, PFM, reviewed the construction budget for the HRBT project and all the sources of funds for the project. He reminded Commissioners that the Commission typically aimed to maintain a cash balance of \$100M, and noted that the lowest forecasted cash balance amount was in 2026 at \$200M.

Mr. Miller highlighted the 2020A Bond Sale. He stated that \$743M in net proceeds were collected and the series received high quality credit ratings from both Moody's and S&P. Additionally, he outlined the 2021 HRTF TIFIA loan requirements and stated that expectations would remain the same with respect to the quality credit rating and debt provisions with a lower interest rate.

He explained the TIFIA Bond Anticipation Notes and their purpose. Mr. Miller explained the potential benefits of these and indicated that using BANs in June 2021 may generate a potential savings of \$22M.

Commissioners were given an update on the HRTF Revenue performance and forecast and were told it was doing better than projected by the COVID 19 Stress Tests.

Mr. Miller stated the 2021 Toll TIFIA Loan was anticipated to be \$345M, in line with the amount scheduled under the PAFA, although that number could change. Mr. Miller explained a series of reserves were being funded which are common and ordinary in toll revenue finance. A Toll Revenue Stabilization Fund has been added and if there is a draw on the debt service reserve fund, the HRTF would be used to replenish that debt service reserve, capped at \$4 million per year.

Mr. Eric Ballou, HRTAC's bond counsel from Kaufman and Canoles, outlined the bond documents needed for the 2021 Toll TIFIA Loan. He explained the process was similar to the HRTF Loan series, including a Master Toll Indenture and Bond Validation. He detailed the next steps by Commission action and the corresponding monthly milestones.

Mr. Kevin Page gave the Commissioners an update on the HRTAC Six Year Improvement Plan and informed Members about upcoming public hearings.

Information Items

A. HRTAC Monthly Financial Report

The HRTAC Monthly Financial Report was included in the agenda packet for the Commissioners.

B. VDOT/HRTAC Project Updates, HRBT/Other

VDOT Project Reports were included in the agenda packet for the Commissioners.

C Next HRTAC Special Meeting – January 21, 2021 8:30 a.m., (Meeting by Conference Call unless the Governor lifts the State of Emergency),

HRTAC Chair, Linda Johnson thanked and congratulated Mayor John Rowe of Portsmouth for his service to the region and the HRTAC Board. Additionally, she thanked HRTAC Executive Director Kevin Page and asked the Finance Committee to review his contract and consider a financial compensation adjustment to match the duties that he performs for HRTAC.

Finally, Chair Johnson thanked the Commission for the opportunity to be Chair and the ability to be included in a regional organization that moves Hampton Roads forward.

HRTAC Members emphasized their support and admiration for the Chair and wished her well in her future endeavors.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 1:48 p.m.

A handwritten signature in black ink, reading "Donnie R. Tuck", written over a horizontal line.

Donnie Tuck
HRTAC Vice Chair