

AGENDA

Hampton Roads Transportation Accountability Commission

Finance Committee

June 20, 2019

10:00 a.m.

HRTAC Conference Room

723 Woodlake Drive, Chesapeake, VA 23320

- 1. Call to Order**
- 2. Approval of Agenda**
 - *Recommended Action: Approval*
- 3. Public Comment Period**
 - *Limit 5 minutes per individual*
- 4. Chair Comments**
- 5. Consent Items**
 - *Recommended Action: Approval*
 - A. Minutes of the March 7, 2019 Finance Committee Meeting (Attachment 5A)**
- 6. Action Items**
 - *Recommended Action: Discussion/Endorsement/Recommendation/Direction/Approval*
 - A. HRTAC FY2020 Administrative and Project Development Budget - Recommendation to the Commission to Finalize (Attachment 6A)** – Executive Director Page
 - B. I-64 Peninsula Widening Segment I Project (UPC 104905) – Recommendation to the Commission to amend the Memorandum of Understanding, and Subject to Execution, De-Allocate the HRTAC Project Funds Returned by VDOT and Authorize Staff to Adjust the HRTAC Adopted FY2016-FY2024 Funding Plan to Reflect the De-Allocation – (Attachment 6B)** Executive Director Page
 - C. HRTAC FY2020-FY2026 Plan of Finance Update - Recommendation to the Commission to Finalize (Attachment 6C)** – Executive Director Page and David Miller and Liang Shan PFM Financial Advisors
 - D. HRTAC Proposed 2045 Long Range Plan of Finance Update - Recommendation to the Commission to Adopt (Attachment 6D)** - Executive Director Page and David Miller and Liang Shan PFM Financial Advisors
 - E. HRTAC Debt Management Plan, TIFIA Financing for Initial Projects – Recommendation to the Commission to Authorize the Commission Chair and Staff to Complete Development of the HRTF Backed TIFIA Loan Agreement, Bond Anticipation Note (BAN), and Supplemental Indenture for TIFIA (Attachment 6E)** – Executive Director Page, David Miller and Liang Shan PFM Financial Advisors, General Counselor Inglima, and Bond Counselors Ballou and Gilliland

- F. **HRTAC Debt Management Plan, Financing for HRBT – Recommendation to the Commission to Authorize Commission Chair and Staff to Develop the HRTF Backed TIFIA Letter of Interest (Attachment 6F)** – Executive Director Page, David Miller and Liang Shan PFM Financial Advisors
- G. **Amendment to the HRTAC Statement of Investment Policy – Recommendation to the Commission to Adopt the Amendment (Attachment 6G)** – Executive Director Page and Nelson Bush PFM Asset Management

7. Information Items

- A. **HRTAC Financial Report – (Attachment 7A)** – Executive Director Page, PFM Asset Management

8. Adjournment

Agenda Item 5A
Consent Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: June 20, 2019

Re: March 7, 2019 Meeting Minutes

Recommendation:

The Finance Committee is asked to approve the March 7, 2019 Finance Committee meeting minutes.

Background:

The Finance Committee approves meeting minutes for the permanent record of the Finance Committee.

Fiscal Impact:

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

Suggested Motion:

Motion is to approve the minutes of the HRTAC Finance Committee meeting on March 7, 2019.



**Hampton Roads Transportation
Accountability Commission (HRTAC)
Finance Committee
Summary Minutes of the March 7, 2019 Meeting**

The concurrent meeting of the Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee and the HRBT Funding Agreement Advisory Committee was held in the Regional Building Conference Rooms D/E, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

HRTAC Finance Committee Members in Attendance:

Frank Wagner, Chair	Barry Porter
Joel Acree	Delegate Christopher Stolle*

HRTAC Executive Director

Kevin Page

HRTAC Finance Committee Members Absent:

McKinley Price

Other Participants:

Eric Ballou, Kaufman & Canoles	David Miller, PFM
Nelson Bush, PFM	Liang Shan, PFM
Tom Inglima, Willcox & Savage	Chuck Wall, Seyfarth Shaw

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Scott Detar (Bank of America. Merrill Lynch); Julie Cary, Allison Gray, Shane Royer (Veteran Reporters); Jennifer Hodnett (HRTAC); Danetta Jankosky, Tiffany Smith, Sheila Wilson (HRPDC); Rob Case, Mike Kimbrel (HRTPO)

Call to Order

Chair Frank Wagner called the HRTAC Finance Committee to order at 12:08 p.m.

Approval of Agenda

Mr. Joel Acree Moved to approve the agenda; Mr. Barry Porter seconded. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No public comments were made.

Chair Comments

Chair Wagner updated the Committee on the recent actions in regard to the Hampton Roads Bridge Tunnel project and emphasized the actions taken today would have long term implications, and that the funding agreement with VDOT relating to the project needed to maximize benefits to the Region's citizens. Additionally, he noted the Monitor Merrimack Bridge Tunnel should be considered as the next regionally significant project.

Consent Items

5A. Minutes of the December 10, 2018 Finance Committee Meeting

Mr. Barry Porter Moved to approve the minutes of the December 10, 2018 Finance Committee Meeting; seconded by Mr. Joel Acree. The Motion Carried.

Action Items

6A. HRTAC FY2020 Administrative and Project Development Budget and Request for a Public Hearing

HRTAC Executive Director, Kevin Page, indicated he strived to develop a draft budget that was supported by funding from investment income to ensure the region continued to have maximum benefit from the Hampton Roads Transportation Fund (HRTF). He acknowledged the increase from the FY19 budget was \$1,149,878. He noted the additional funds were needed to move the TIFIA Loan process forward, onboarding costs for a new employee, and cost of living adjustments. He further reviewed line item changes and stated the draft budget for the Commission was \$5,597,390.

Delegate Christopher Stolle arrives.

Senator Wagner asked the probability of the Commission receiving any TIFIA Loan monies.

Mr. Page indicated the Commission was far in the process and additional incurred costs were needed. Also, he reviewed the TIFIA loan process and explained the loan rate was locked even if funds were not accessed for years.

Committee members questioned if it was prudent to create a nexus between the investment interest and the funding needed for the HRTAC Budget.

Mr. Page indicated the current strategy was HRTAC's historical approach and the current budget was going to be less than the total amount of investment income. He assured the Committee members this was not targeting a number, however, efficiently maximizing the funds needed to operate HRTAC.

Mr. Barry Porter Moved that the Finance Committee endorse the Proposed HRTAC FY2020 Administrative and Project Development Budget and authorize the Finance Committee Chair to recommend the draft budget to the Commission and request that the Commission authorize the Finance Committee to conduct a public hearing on the Proposed HRTAC FY2020 Administrative and Project Development Budget; The motion was seconded by Delegate Christopher Stolle. The Motion Carried.

6B. HRTAC FY2020-FY2026 Plan of Finance Update

HRTAC Executive Director, Kevin Page, reviewed the project costs and expenses, revenue sources and cash flow for FY2020-FY2026. He outlined the progress of the HRBT project and reviewed the line items for the total project amount of \$3.862 M. He indicated the south trestles replacement was included in the total cost and was going to be financed by VDOT.

Committee members thanked HRTAC Staff and legal counsel for their work to make VDOT responsible for the south trestles and for pushing to properly treat that replacement work as a maintenance cost. Additionally, members questioned if VDOT had an accurate estimate for the south trestle replacement.

Mr. Page noted the toll revenues from the facility were expected to be \$345M and were included in the funding plan. He further noted that if any non HRTF funding was received, there would be a dollar for dollar reduction in the HRTF funding commitment, but that HRTAC had agreed not to de-obligate those funds until the project was completed.

Committee members questioned the creation of the unobligated project reserve account. Mr. Page answered it was necessary to ensure all monetary obligations could be met and was similar to an insurance policy.

Mr. Joel Acree Moved that the Finance Committee endorse the Proposed HRTAC FY2020-FY2026 Plan of Finance Update – Seven Year Operating and Capital Program of Projects for the Region's High Priority Projects (with toll revenues to HRTAC) as an update to the HRTAC Adopted 2016-2024 Financial Plan and authorize the Finance Committee Chair to communicate the action of the Finance Committee and to request the Commission to authorize HRTAC staff to conduct a public hearing and report back public comments for consideration in the Commission's action at its June 20, 2019 Annual Organizational meeting; Seconded by Mr. Barry Porter. The Motion Carried.

6C. HRTAC Proposed 2045 Long Range Plan of Finance Update

Mr. Page reviewed the suite of projects included in the HRTAC 2045 Long Range Funding Plan and noted modifications were made due to various float downs, an updated HRBT cost projection, and the elimination of the 460/58/13 project.

Commission members questioned if there was flexibility for projects to be moved around in the plan.

Mr. Page indicated that HRTAC was waiting for the operational analysis relating to the second phase of the High Rise Bridge project, and that if that project was deferred to a later completion date, smaller projects would be moved forward.

Delegate Christopher Stolle Moved that the Finance Committee endorse the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects to the Commission, and request that the Commission authorize the Finance Committee to hold a public hearing and report back public comments for consideration in the Commission's action at its June 20, 2019 Annual Organizational meeting to communicate the 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects to the HRTPO; Seconded by Mr. Joel Acree. The Motion Carried.

6D. HRTAC Debt Management Plan Update

Mr. David Miller, PFM, briefed the Committee on HRTAC's actions relating to finalizing its debt management plan.

Mr. Miller stated HRTAC is anticipated to close on the first TIFIA loan in summer 2019. The funds obtained would be to finance projects already under construction, and staff has already begun discussions with TIFIA relating to a second loan to assist in financing the HRBT project. Additionally, he explained the need for HRTAC to obtain credit ratings to secure current and future TIFIA loans.

Mr. Miller outlined the capital needs and debt issuance timing for FY2020-2026 and explained future debt considerations for:

- Completing funding for the existing projects (non-HRBT)
- Funding the HRBT
- Consideration of TIFIA Bond Anticipation Notes (BANs)

The Committee was shown a graph depicting the financial plan funding mix and the HRTF revenue supported debt service coverage.

Delegate Christopher Stolle Moved that the Finance Committee endorse the HRTAC Debt Management Plan Update and authorize the Finance Committee Chair to communicate the plan to the Commission for consideration at its March 21, 2019 Regular meeting; Seconded by Mr. Barry Porter. The Motion Carried.

Due to the meeting format being concurrent with the HRTAC HRBT Funding Agreement Advisory Committee, the HRTAC Finance Committee stood at ease from 1:20 p.m. to 1:22 p.m., while the HRBT Funding Agreement Advisory Committee addressed matters on its agenda.

6E. Briefing to the HRBT Funding Agreement Advisory Committee and the Finance Committee on P3 for the HRBT Expansion Project and related project work streams and action items for HRTAC in respect of the P3, including the prospective HRBT Funding Agreement, and the prospective Regional Tolling Agreement and the financing activities relating thereto - Closed Session as needed

At 1:25 p.m., Mr. Barry Porter Moved that a closed session be held for discussions regarding the agreements being developed to fund and construct the Hampton Roads Bridge Tunnel project, in accordance with 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; Seconded by Delegate Christopher Stolle. The Motion Carried.

The HRBT Funding Agreement Advisory Committee also adopted a motion to move into the Closed Session.

A Closed Session, limited to Committee members (of each committee), staff and the Commission's advisors, was convened.

At 2:48 p.m., the Closed Session concluded. Counselor Inglima proceeded to read the following certification: The Finance Committee of 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 the open meeting requirements under 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.

A roll call vote was taken for the certification:

Mr. Barry Porter: Yes

Mr. Joel Acree: Yes

Senator Frank Wagner: Yes

The HRBT Funding Agreement Advisory Committee adopted a similar certification.

Information Items

7A. HRTAC Financial Report

Mr. Nelson Bush, PFM, briefed the Committee on the positive effects of the recently adopted modified investment policy in December 2018 for corporate notes, and indicated that further Committee action would be needed if a stricter policy was desired.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission Finance Committee, the meeting adjourned at 2:55 p.m.

By: _____

Finance Committee Member

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: June 20, 2019

**Re: HRTAC FY2020 Administrative and Project Development Budget –
Recommendation to the Commission to Finalize**

Recommendation:

The Finance Committee is asked by Staff to recommend that the Commission finalize the Proposed HRTAC FY2020 Administrative and Project Development Budget.

Background:

At its March 21, 2019 Regular Meeting, the Commission endorsed the Proposed HRTAC FY2020 Administrative and Project Development Budget reflected in the enclosed Budget (the “Proposed HRTAC FY2020 Administrative and Project Development Budget”) and authorized the Finance Committee to conduct a public hearing for the purpose of sharing the proposed budget with the public and soliciting public input. The public hearing was conducted by the Executive Director on behalf of HRTAC Finance Committee Chair Hipple at 2:00 p.m. on Monday, April 29, 2019, in the Regional Building Board Room, 723 Woodlake Drive, Chesapeake, VA 23320. No oral or written public comments have been received.

Fiscal Impact:

There is a \$5,597,390 fiscal impact of in relation to this Action Item.

Suggested Motion:

Motion: The Finance Committee recommends that the Commission finalize the Proposed HRTAC FY2020 Administrative and Project Development Budget and authorizes the Finance Committee Chair to communicate this recommendation to the Commission at its June 20, 2019 Annual Organizational Meeting.



Proposed FY2020 Administrative and Project Development Budget

CATEGORY	FY2019	FY2020	FY2020	FY2020	Difference between FY2019 Amended Budget and FY2020 Proposed Budget
	Amended Budget	Proposed Budget	Proposed Administrative	Proposed Project Development	
REVENUES					
HRTF Support *	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Investment Income	\$ 4,447,512	\$ 5,597,390	\$ 1,429,390	\$ 4,168,000	\$ 1,149,878
TOTAL REVENUE	\$ 4,447,512	\$ 5,597,390	\$ 1,429,390	\$ 4,168,000	\$ 1,149,878
EXPENDITURES					
PERSONNEL**					
HRTAC Staff/Fringes/Leave Reserve	\$ 524,512	\$ 561,770	\$ 561,770	\$ -	\$ 37,258
HRTPO/HRPDC Support Staff**	120,000	101,000	101,000	-	(19,000)
SUBTOTAL PERSONNEL	644,512	662,770	662,770	-	18,258
PROFESSIONAL SERVICES					
Audit	24,000	24,000	24,000	-	-
Trustee		15,000	15,000		15,000
Bank Fees & Investment Services	300,000	355,000	355,000	-	55,000
Legal	900,000	927,000	309,000	618,000	27,000
Financial Advisors	600,000	795,000	-	795,000	195,000
Insurance - D&O/Liability	4,000	4,120	4,120	-	120
Recruiting	2,000	2,000	2,000		-
Bond Issuance Expense/TIFIA	1,900,000	2,750,000	-	2,750,000	850,000
SUBTOTAL PROFESSIONAL SERVICES	3,730,000	4,872,120	709,120	4,163,000	1,142,120
TECHNOLOGY/COMMUNICATION**					
IT/Communications	5,000	5,000	5,000	-	-
LAN system/ Cloud	18,000	10,000	10,000	-	(8,000)
Website Consultant	2,000	2,000	2,000	-	-
SUBTOTAL TECHNOLOGY/COMMUNICATION	25,000	17,000	17,000	-	(8,000)
ADMINISTRATIVE **					
Public Notices/Advertising	3,000	1,000	1,000	-	(2,000)
Office Space	12,000	12,000	12,000	-	-
Office Supplies**	4,000	5,000	4,000	1,000	1,000
Furniture	500	500	500	-	-
Printing/Copying**	7,000	6,000	2,000	4,000	(1,000)
Dues/Subscriptions	1,000	1,000	1,000	-	-
Travel	8,000	8,000	8,000	-	-
Meeting Expenses**	7,000	5,000	5,000	-	(2,000)
Telephone**	-	1,500	1,500	-	1,500
Postage**	500	500	500	-	-
Professional Development	5,000	5,000	5,000	-	-
SUBTOTAL ADMINISTRATIVE	48,000	45,500	40,500	5,000	(2,500)
TOTAL EXPENDITURES	\$ 4,447,512.00	\$ 5,597,390	\$ 1,429,390	\$ 4,168,000	\$ 1,149,878

* 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 the Finance Committee

From: Kevin B. Page, Executive Director

Date: June 20, 2019

Re: I-64 Peninsula Widening Segment I Project (UPC 104905) – Recommendation to the Commission to Amend the Memorandum of Understanding, and Subject to Execution, De-Allocate the HRTAC Project Funds Returned by VDOT and Authorize Staff to Adjust the HRTAC Adopted FY2016-FY2024 Funding Plan to Reflect the De-Allocation –

Recommendation:

The Executive Director recommends the Finance Committee endorse and recommend to the Commission to amend the Memorandum of Understanding for the I-64 Peninsula Widening Segment I Project (UPC 104905), and, subject to full execution, de-allocate the HRTAC project funds returned by VDOT and authorize Staff to adjust the HRTAC Adopted FY2016-FY2024 Funding Plan to reflect the de-allocation

Background:

On May 27, 2019, VDOT notified HRTAC that it was being released from \$2,391,615 of project obligations to the I-64 Peninsula Widening Segment I Project (UPC 104905). VDOT has reported that the reduction is due to end of construction contract completion review. Subject to the CTB Approval and full execution, HRTAC will need to amend its project Memorandum of Agreement with VDOT and the HRTPO to reflect the change within the project line item and to deallocate funds. The deallocated funds will be made available for reprogramming. Following the full execution of the MOA, HRTAC staff will need to make adjustment in its HRTAC FY2016-FY2024 Funding Plan.

Fiscal Impact

There will be a \$2,391,615 de-obligation of Hampton Roads Transportation Funds is within in the Approved HRTAC 2016-2024 Funding Plan.

Suggested Motion:

Motion. Motion is that the Finance Committee recommends the Commission amend the Memorandum of Understanding for the I-64 Peninsula Widening Segment I Project (UPC 104905), and, subject to full execution of the amendment, de-allocate the HRTAC project funds returned by VDOT and authorize Staff to adjust the HRTAC Adopted FY2016-FY2024 Funding Plan to reflect the de-allocation and further authorizes the Chair to communicate



the Finance Committee's endorsement and recommendation to the Commission at the HRTAC Annual Organizational Meeting.



**AMENDMENT TO
MEMORANDUM OF AGREEMENT
AMONG THE VIRGINIA DEPARTMENT OF TRANSPORTATION,
THE HAMPTON ROADS TRANSPORTATION PLANNING ORGANIZATION,
AND
THE HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION
(I-64 Peninsula Widening, Segment I (UPC 104905)
– Third Float Down)**

THIS AMENDMENT TO MEMORANDUM OF AGREEMENT (this “Amendment”), dated as of June _____, 2019 (the “Effective Date”), is made by and among the VIRGINIA DEPARTMENT OF TRANSPORTATION (“VDOT”), the HAMPTON ROADS TRANSPORTATION PLANNING ORGANIZATION (“HRTPO”), and the HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION (“HRTAC”).

RECITALS:

A. The parties have entered into a Memorandum of Agreement for I-64 Peninsula Widening, Segment I Funding (UPC 104905) (the “Segment I Project”), dated as of January 2016, and subsequently amended by amendments dated as of June 6, 2018, as of August 30, 2018 and as of December 13, 2018, (as amended, the Memorandum of Agreement is referred to as the “Memorandum Agreement”).

B. Capitalized terms not defined when used herein shall have the meanings given those terms under the Memorandum Agreement.

C. VDOT has notified HRTAC that the funding required for the Segment I Project is less than the budgeted amount, as amended.

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

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

1. The Memorandum Agreement is hereby amended to reduce the Remaining HRTF Segment I Commitment by \$2,391,615 from \$12,455,498 to \$10,063,883, of which, as of May 20, 2019, \$0.00 has been paid by HRTAC to VDOT from the HRTF, meaning up to \$10,063,883 remains available for funding out of the HRTF.

2. Upon payment by HRTAC of the Remaining HRTF Segment I Commitment of \$10,063,883, the Parties agree that HRTAC will have satisfied the HRTF Segment I Commitment under the Memorandum Agreement, as amended, and will have no remaining financial obligations under the Memorandum Agreement.

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

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

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

**VIRGINIA DEPARTMENT OF
TRANSPORTATION**

By: _____
Stephen C. Brich, P.E.
Commissioner of Highways

Date: _____

**HAMPTON ROADS TRANSPORTATION
ACCOUNTABILITY COMMISSION**

By: _____

Date: _____

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

**HAMPTON ROADS TRANSPORTATION
PLANNING ORGANIZATION**

By: _____
Thomas G. Shepperd, Jr.
Chair

Date: _____

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: June 20, 2019

**Re: HRTAC FY2020-FY2026 Plan of Finance Update – Endorsement and
Recommendation to the Commission to Finalize**

Recommendation:

The Finance Committee is asked by Staff to recommend that the Commission finalize the Proposed HRTAC FY2020-FY2026 – Seven Year Operating and Capital Program of Projects for the Region’s High Priority Projects (With Toll Revenues to HRTAC) as an update to the HRTAC-adopted FY2019-FY2024 Financial Plan to include certain modifications for the Region’s High Priority Projects and additional revenues based on new or updated information.

Background:

At its March 21, 2019 Regular meeting, the Commission endorsed the Proposed HRTAC FY2020-FY2026 – Seven Year Operating and Capital Program of Projects for the Region’s High Priority Projects and authorized conducting a public hearing for the purpose of sharing the proposed update with the public and soliciting public input. The public hearing was conducted by the Executive Director on behalf of HRTAC Finance Committee Chair Hipple at 1:00 p.m. on Monday, April 29, 2019, in the Regional Building Board Room, 723 Woodlake Drive, Chesapeake, VA 23320. No oral or written public comments have been received.

Fiscal Impact:

The proposed \$5,289,155,668 HRTAC FY2020-FY2026 Plan of Finance Update – Seven Year Operating and Capital Program of Projects represents a \$217,912,097 increase in comparison to the Adopted FY2019-FY2024 Plan of Finance Update, as amended. The \$217 million increase is primarily due to the final contract cost of HRBT. The executed funding agreement includes \$200 million SMART SCALE funding that is dedicated to the HRBT project. Due to the inclusion of the \$200 million Smart Scale funding, HRTAC’s contributing funding share remains largely unchanged.

Suggested Motion:

Motion: The Finance Committee recommends that the Commission finalize the Proposed HRTAC FY2020-FY2026 Plan of Finance Update – Seven Year Operating and Capital Program of Projects for the Region’s High Priority Projects (With Toll Revenues to HRTAC) as an update to the HRTAC-adopted FY2019-2024 Financial Plan, as amended, and authorizes the



Finance Committee Chair to communicate this endorsement and recommendation to the Commission at its June 20, 2019 Annual Organizational Meeting.



Hampton Roads Transportation Accountability Commission

I-1608085.2

HRTAC Finance Committee Meeting | June 20, 2019 | Agenda Action Item 6C

Proposed HRTAC FY2020-FY2026 – Seven Year Operating and Capital Program of Projects for the Region's High Priority Projects (With Toll Revenues to HRTAC)

HRTAC Project Costs and Expenses

	Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	HRTAC Total Cost Share	VDOT Funds	Other Local Funds
Operating/HRTF Fees	\$14	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$56	\$56	
I-64 Peninsula Widening	\$416	\$78	\$41						\$534	\$313	\$221
I-64/I-264 Interchange Improvement	\$286	\$44	\$24	\$8					\$362	\$290	\$67
I-64 Southside/High Rise Bridge Project Development	\$254	\$197	\$79						\$530	\$432	\$98
HRBT	\$45	\$1							\$46	\$46	
Total	\$76	\$362	\$1,115	\$699	\$538	\$587	\$346	\$40	\$3,762	\$3,562	\$200
Total	\$1,091	\$686	\$1,264	\$713	\$544	\$593	\$352	\$46	\$5,289	\$4,699	\$586
											\$5

Funding Sources

	Prior Years	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
VDOT Funds	\$280	\$64	\$34	\$8		\$200			\$586
Other Local Funds	\$5								\$5
HRTAC Cost Share	\$805	\$623	\$1,230	\$705	\$544	\$393	\$352	\$46	\$4,699
Total	\$1,091	\$686	\$1,264	\$713	\$544			\$46	\$5,289

HRTAC Projected Cash Flow

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
HRTF .7% local Sales Tax Funds	\$145	\$148	\$152	\$155	\$159	\$163	\$167	\$1,088
HRTF 2.1% Fuel Tax Funds	\$55	\$56	\$56	\$56	\$56	\$57	\$57	\$394
Total HRTF Revenue	\$200	\$204	\$208	\$212	\$215	\$220	\$224	\$1,482
 HRTAC Toll Revenues				\$4	\$4	\$4	\$4	\$16
HRTF Interest Income	\$5	\$15	\$7	\$2	\$2	\$2	\$3	\$36
HRTF Investment Income	\$8	\$5	\$2	\$1			\$2	\$19
HRTAC HRTF Revenue Debt Proceeds	\$301	\$778	\$556	\$378	\$177			\$2,190
HRTAC Toll Revenue Debt Proceeds					\$75	\$230	\$40	\$345
 Total Available HRTAC Funding	\$514	\$1,002	\$773	\$597	\$472	\$456	\$273	\$4,088
 HRTAC Cost Share	\$623	\$1,230	\$705	\$544	\$393	\$352	\$46	\$3,893
HRTAC Debt Service	\$26	\$34	\$59	\$59	\$59	\$84	\$115	\$436
HRTAC Debt Service Reserve	\$33			\$54	\$20			\$107
Total Annual Expenditure	\$681	\$1,264	\$764	\$658	\$472	\$436	\$161	\$4,437
 Carryover Balance From Previous Year	\$580	\$414	\$151	\$160	\$100	\$100	\$120	
Remaining HRTAC Funds Unobligated	\$414	\$151	\$160	\$100	\$100	\$120	\$231	

Hampton Roads Transportation Accountability Commission

FY2020 - FY2026 - Seven-Year Operating and Capital Program of Projects

Project Location	Project Description	User	Source of Funds	Pre-SYIP Funding Activities	HRTAC FY20	HRTAC FY21	HRTAC FY22	HRTAC FY23	HRTAC FY24	HRTAC FY25	HRTAC FY26	
Operating/HRTF Fees												
HRTAC Districtwide	HRTAC Operating Budget HRTAC Project Initiation Budget Department of Taxation Fees Department of Motor Vehicle Fees	HRTAC HRTAC TAX DMV	HRTAC HRTF \$ 6,872,607 HRTAC HRTF 6,300,000 HRTAC HRTF 499,518 HRTAC HRTF 98,695	\$ 1,429,390 \$ 1,465,125 \$ 1,501,753 \$ 1,539,297 \$ 1,577,779 \$ 1,617,224 \$ 1,657,654	\$ 4,168,000 4,272,200 4,379,005 4,488,480 4,600,692 4,715,709 4,833,602							\$ 17,660,828 37,757,689 499,518 98,695
	Total Operating Costs/HRTF Fees			Total \$ 13,770,820	\$ 5,597,390 \$ 5,737,325 \$ 5,880,758 \$ 6,027,777 \$ 6,178,471 \$ 6,332,933 \$ 6,491,256							\$ 56,016,730
Construction Projects												
I-64 Peninsula Widening												
Newport News	I-64 Widening Segment 1 UPC 104905	VDOT	VDOT 100,000,000 HRTAC HRTF 14,000,000	\$ - \$ - \$ - \$ -								\$ 100,000,000 14,000,000
			Total 114,000,000									114,000,000
Newport News, James City County, York County	I-64 Widening Segment 2 PE UPC 106665	VDOT	VDOT 6,000,000 HRTAC HRTF	\$ - \$ - \$ -								6,000,000 6,000,000
			Total 6,000,000									
Newport News, James City County, York County	I-64 Widening Segment 2 ROW/Construction UPC 106665	VDOT	VDOT 169,832,897 HRTAC HRTF	\$ - \$ - \$ -								169,832,897 169,832,897
			Total 169,832,897									
York County	I-64 Widening Segment 3 PE UPC 106689	VDOT	VDOT 10,000,000 HRTAC HRTF	\$ - \$ - \$ -								10,000,000 10,000,000
			Total 10,000,000									
York County	I-64 Widening Segment 3 - RW Construction Construction UPC 106689 - 109790	VDOT	VDOT 61,210,469 HRTAC HRTF 54,823,668	25,858,850 51,651,130	34,082,658 6,419,198	\$ - \$ -						121,151,977 112,893,996
			Total 116,034,137	77,509,980	40,501,856							234,045,973
I-64/I-264 Interchange Improvement												
Norfolk	I-64/I-264 Interchange Improvement Phase I PE/ROW UPC 57048 - 108042	VDOT	VDOT 5,047,700 HRTAC HRTF 15,071,063	\$ - \$ - \$ -								5,047,700 15,071,063
			Total 20,118,763									20,118,763
Norfolk	I-64/I-264 Interchange Improvement Phase 1 Construction UPC 57048 - 108042	VDOT	VDOT 128,914,817 HRTAC HRTF	8,108,836	8,108,836	\$ - \$ -						137,023,653 137,023,653
			Total 128,914,817	8,108,836								
Norfolk	I-64/I-264 Interchange Improvement Phase II PE/ROW UPC 17630 - 108041	VDOT	HRTPO RSTP 1,892,000 VDOT 11,990,900 HRTAC HRTF 54,592,576	\$ - \$ - \$ -								1,892,000 11,990,900 54,592,576
			Total 68,475,476									68,475,476
Norfolk	I-64/I-264 Interchange Improvement Phase II Construction UPC 17630 - 108041	VDOT	VDOT 39,634,887 Outside Contribution 2,871,994 HRTAC HRTF 17,243,819	2,756,222	7,608,946	\$ - \$ -						50,000,055 2,871,294 73,157,062
			Total 59,750,000	31,993,778	23,919,465							126,028,411
Norfolk	I-64/I-264 Interchange Improvement - Phase II PE UPC 106693	VDOT	VDOT 8,600,000 HRTAC HRTF	1,400,000	1,400,000	\$ - \$ -						10,000,000 10,000,000
			Total 8,600,000	1,400,000								10,000,000
I-64 Southside/High Rise Bridge												
Chesapeake, Suffolk	I- 64 Southside/High Rise Bridge PE UPC 106692	VDOT	VDOT 5,000,000 HRTAC HRTF 12,200,000	\$ - \$ - \$ -								5,000,000 12,200,000
			Total 17,200,000									17,200,000
Chesapeake, Suffolk	I- 64 Southside/High Rise Bridge ROW/Construction UPC 106692 - 108990	VDOT	VDOT 57,601,924 HRTAC HRTF 179,124,076	35,055,621	161,520,773	79,111,371	\$ - \$ -					92,657,545 419,756,220
			Total 236,726,000	196,576,394	79,111,371							512,413,765
Project Development												
Newport News, Norfolk, Portsmouth, Chesapeake, Suffolk	Third Crossing SEIS Study UPC 106724	VDOT	VDOT HRTAC HRTF	\$ - \$ - \$ -								
			Total									
Norfolk, Hampton, Newport News	HRCS SEIS Preferred Alternative Refinement PE UPC 110577	VDOT	VDOT HRTAC HRTF 30,000,000	\$ - \$ - \$ -								30,000,000 30,000,000
			Total 30,000,000									
Newport News, Norfolk, Portsmouth, Chesapeake, Suffolk	Remaining Projects of the Third Crossing SEIS Projects Outside of Alternative A Modified	HRTPO	VDOT HRTAC HRTF 7,000,000	\$ - \$ - \$ -								7,000,000 7,000,000
			Total 7,000,000									
Portsmouth, Chesapeake, Suffolk	Remaining Projects of the Third Crossing SEIS Bowers Hill Environmental Study UPC 111427	VDOT	VDOT HRTAC HRTF 3,590,000	410,000	\$ - \$ - \$ -							4,000,000 4,000,000
			Total 3,590,000	410,000								
Suffolk	Route 460/58/13 PE UPC 106694	VDOT	VDOT HRTAC HRTF 4,861,080	138,920	\$ - \$ - \$ -							5,000,000 5,000,000
			Total 4,861,080	138,920								
Mega-Project Delivery												
Norfolk, Hampton	Financing Proceeds - I-64 HRBT Expansion	HRTAC	HRTAC Project Budget Committed VDOT HRTAC HRTF HRTAC Toll Revenue	75,837,748	361,887,579 1,114,799,164 699,078,673 538,013,029	200,000,000 186,961,910 40,421,897						200,000,000 3,017,000,000 345,000,000
			Subtotal	75,837,748	361,887,579	1,114,799,164	699,078,673	538,013,029	386,961,910	345,620,353	39,801,543	3,562,000,000
			HRTAC HRTF Commitment (released at close out pending savings or non-HRTF fund awards)									200,000,000
			Total Project Funding Available	75,837,748	361,887,579	1,114,799,164	699,078,673	538,013,029	586,961,910	345,620,353	39,801,543	3,762,000,000
	Total Development/Construction Project Costs:		Total \$ 1,076,940,918	\$ 680,781,709	\$ 1,258,331,856	\$ 706,687,619	\$ 538,013,029	\$ 586,961,910	\$ 345,620,353	\$ 39,801,543	\$ 5,233,138,938	
	Total Estimated Operating and Capital Costs			\$ 1,090,711,738	\$ 686,379,099	\$ 1,264,069,181	\$ 712,568,377	\$ 544,040,806	\$ 593,140,381	\$ 351,953,286	\$ 46,292,800	\$ 5,289,155,668
	Less: VDOT Sourced Funds			280,485,880	63,670,693	34,082,658	7,608,946					585,848,177
	Less: Outside Contribution Funds (HRSD, VA Beach)			2,871,294								2,871,294
	HRTPO RSTP Funds			1,892,000								1,892,000
	Total HRTAC Share			\$ 805,462,564	\$ 622,708,406	\$ 1,229,986,523	\$ 704,959,431	\$ 544,040,806	\$ 393,140,381	\$ 351,953,286	\$ 46,292,800	\$ 4,698,544,197
	HRTAC Funding Sources											
	HRTF 7% local Sales Tax Funds by Year			\$ 852,262,058	\$ 144,800,000	\$ 148,100,000	\$ 151,700,000	\$ 155,200,000	\$ 158,700,000	\$ 162,826,200	\$ 167,059,681	\$ 1,940,647,939
	HRTF 2.1% Fuel Tax Funds by Year			\$ 138,259,136	\$ 55,200,000	\$ 55,900,000	\$ 56,200,000	\$ 56,300,000	\$ 56,200,000	\$ 56,778,860</td		

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: June 20, 2019

Re: HRTAC Proposed 2045 Long Range Plan of Finance Update - Recommendation to the Commission to Adopt

Recommendation:

The Finance Committee is asked by Staff to recommend that the Commission adopt the Proposed HRTAC Proposed 2045 Long Range Plan of Finance Update to include certain modifications for the Region's High Priority Projects and additional revenues based on new or updated information.

Background:

During its March 21, 2019 Regular Meeting, the Commission endorsed the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects (With Toll Revenues to HRTAC) to the Commission and authorized HRTAC Staff to conduct a public hearing.

A public hearing for the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects (With Toll Revenues to HRTAC) was held at 1:30 p.m. on Monday, April 29, 2019, in the HRTAC Conference Room, 723 Woodlake Drive, Chesapeake, VA 23320. No oral or written public comments have been received.

Fiscal Impact:

The proposed \$7.885 billion HRTAC 2045 Long Range Plan of Finance Update represents a \$363 million decrease in comparison to last year's HRTAC 2045 Long Range Plan of Finance Update. Project costs and revenue sources will be further defined as projects advance through their development.

Suggested Motion:

Motion: The Finance Committee recommends that the Commission adopt the Proposed HRTAC Proposed 2045 Long Range Plan of Finance Update to include certain modifications for the Region's High Priority Projects, and authorizes the Finance Committee Chair to communicate this recommendation to the Commission at its June 20, 2019 Annual Organizational Meeting.



Proposed HRTAC 2045 Long Range Plan of Finance Update

Last year, HRTAC Staff developed a 2045 Long Range Plan of Finance for the HRTAC High Priority Projects and communicated the plan to the HRTPO. This current effort is to update information and develop a 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects. HRTAC efforts have included employing financial consultant services, general and bond counsel, and included input provided by VDOT, HRTAC and HRTPO Staff. The purpose of developing the 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects is to provide current direction on project financing and timing that will be used in the HRTPO's long range transportation plan. The proposed \$7.885 billion HRTAC 2045 Long Range Plan of Finance Update represents a \$363 million decrease in comparison to last year's HRTAC 2045 Long Range Plan of Finance Update. The 460/58/13 project is withdrawn from this year's update. This update will guide the Region and inform others through advancing project construction readiness, project finance, bonding, tolling, and environmental planning.

On March 7, 2019, the Finance Committee was briefed on the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects and took action to recommend the draft budget to the Commission and request that the Commission authorize the Finance Committee to conduct a public hearing on the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects.

The 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects process includes HRTAC conducting a public hearing for the purpose of sharing the proposed update with the public and soliciting public input for the Commission to be aware of prior to the Commission taking Action on the 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects at its June 20, 2019 Annual Organizational meeting.

During its March 21, 2019 Regular Meeting, the Hampton Roads Transportation Accountability Commission (HRTAC) endorsed the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects (With Toll Revenues to HRTAC) to the Commission and authorized HRTAC Staff to conduct a public hearing.

A public hearing for the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects (With Toll Revenues to HRTAC) was held at 1:30 p.m. on Monday, April 29, 2019, in the HRTAC Conference Room, 723 Woodlake Drive, Chesapeake, VA 23320. No oral or written public comments have been received.

Proposed HRTAC 2045 Long Range Plan of Finance Update

Approved Projects	HRBT	HRB II	Bower's Hill Interchange	Ft. Eustis Interchange	Total FV Cost	Funded by HRTF Debt	Funded by Toll Debt	Funded by HRTAC Pay-Go	Funded by VDOT and Other Pay-Go
2045 (With Toll Revenues to HRTAC)									
Inflated Costs (MM)	\$1,415	\$3,762	\$1,729	\$659	\$320	\$7,885	\$4,020	\$345	\$2,860
Fiscally Constrained Construction End Year	2022	2026	2037	2037	2038				\$660

- Modifications include adjustments in Approved Projects to reflect amended contract values due to float down adjustments to certain projects
- Updated HRBT cost
- 460/58/13 project was eliminated due to HRTPO action in FY2019

Agenda Item 6E
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: June 20, 2019

**RE: HRTAC Debt Management Plan, TIFIA Financing for Initial Projects –
Recommendation to the Commission to Authorize the Commission Chair and
Staff to Complete Development of the HRTF Backed TIFIA Loan Agreement,
Bond Anticipation Note (BAN), and Supplemental Indenture for TIFIA**

Recommendation:

The Finance Committee is asked by Staff to recommend that the Commission authorize the Commission Chair and Staff to complete the development, for presentation and future action of the Commission, the Hampton Roads Transportation Fund (HRTF) backed TIFIA Loan Agreement, related Bond Anticipation Note (BAN), and Supplemental Indenture for TIFIA for the Commission's initial six projects preceding the Hampton Roads Bridge Tunnel (HRBT) Expansion Project.

Background:

Previous Commission actions have authorized the Executive Director to explore funding options for HRTAC projects. At its September 20, 2018 Regular meeting, the Commission authorized advancement of the TIFIA Loan Application for the Commission's initial projects and authorized 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 counsel and financial advisor fees. Significant progress has been made to advance the TIFIA loan process to the point of final document preparation. Finalization of the TIFIA loan includes, but is not limited to, completion of the TIFIA Loan Agreement, Supplemental Indenture for TIFIA, and negotiation of certain continued provisions between VDOT and FHWA. The Finance Committee and the Commission have been previously briefed of the economic advantages to the Commission for utilizing the TIFIA and BAN funding vehicles. As the Commission works to implement its Approved Debt Management Plan, finalizing the TIFIA and BAN financing documents for the Commission's initial six projects preceding the HRBT Expansion Project is the next step. Finalized documents will be brought to the Commission in an iterative process for approval.



Fiscal Impact:

The TIFIA-backed Bond Anticipation Note (BAN)'s par amount and the TIFIA loan amount will be approximately \$460,000,000 subject to estimated project expenditures and interest rates at the time of the BAN issuance. The BAN is a short-term bridge financing vehicle used during the construction of the projects. The BAN will be repaid by the long-term TIFIA loan. The fiscal impact of this financing plan to the Hampton Roads Transportation Fund will be the TIFIA loan's principal and interest payments as well as required debt service reserve funding over the lifetime of the loan repayment period.

Suggested Motion:

Motion The Finance Committee recommends that the Commission authorize the Commission Chair and Staff to complete the development, for presentation and future action of the Commission, the Hampton Roads Transportation Fund (HRTF) backed TIFIA Loan Agreement, related Bond Anticipation Note (BAN), and Supplemental Indenture for TIFIA for the Commission's initial six projects preceding the Hampton Roads Bridge Tunnel Expansion Project and authorizes the Finance Committee Chair to communicate this recommendation to the Commission at its June 20, 2019 Annual Organization Meeting.



HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION



Agenda 6E Discussion *Complete Debt Financing For the Initial Projects*

Kevin Page, HRTAC
June 20, 2019

Financing Timeline

- HRTAC is currently in the loan negotiation phase with TIFIA for the TIFIA loan that funds the initial projects.
 - Anticipated TIFIA loan closing is August – September 2019.
- In proximity with the loan closing and for economic benefit, the debt management plan currently plans for HRTAC to issue Bond Anticipation Notes (BANs) that are expected to be retired by a single draw under the TIFIA loan that will occur once construction of the initial construction projects are complete
 - Short term BANs during construction take advantage of current low short term interest rates
- The TIFIA loan and the BANs need separate bond issuance documents, but all are under the same master HRTF Revenue Bond Trust Indenture previously approved by the Commission.
- A special Commission meeting may be necessary in July to approve required BAN/loan documents, following which HRTAC will be in a ready position to sell the BANs in the August/September time frame following the TIFIA loan closing.

Preliminary Schedule

Date	Activities
June 20, 2019 Commission Meeting	<p>Receive approvals to move forward with developing Debt Documents:</p> <ol style="list-style-type: none">1. TIFIA Loan Agreement and Supplemental Trust Indenture2. BANs Preliminary Official Statement, Bond Purchase Agreement, and Continuing Disclosure Agreement
June - July 2019	<ol style="list-style-type: none">1. Prepare Debt Documents and conclude TIFIA negotiation2. Receive/evaluate pricing quotes from the underwriters
Before September's Regular Meeting, a Potential Special Commission Meeting May be Necessary	<p>Receive approvals for:</p> <ol style="list-style-type: none">1. Debt Documents2. BAN underwriters
August – September 2019	Execute TIFIA Loan
August – September 2019	Issue BANs

Bond Anticipation Notes

- PFM started evaluating the economic benefits of the BANs in 2018 and has been updating the analysis periodically. The findings are reported to HRTAC staff.
- The approach of utilizing BANs has been communicated to TIFIA.
- On May 30, 2019, PFM updated the BANs vs. No BANs analysis.
- The results show the BANs' economic benefits with current interest rates and debt issuance costs included:
 - approximately \$5.0M to \$8.0M benefits vs. No BAN depending on potential investment earning restrictions.





Complete Debt Financing For the Initial Projects

2019 BANs vs. TIFIA Loan Discussion

Presentation to:
HRTAC Finance Committee

David Miller, PFM

Liang Shan, PFM

June 20, 2019

PFM Financial
Advisors LLC

300 S. Orange Avenue
Ste 1170
Orlando, Florida 32801

407.648.2208
pfm.com



Bond Anticipation Notes

- After a TIFIA loan is committed, HRTAC may have two options to utilize the TIFIA loan:
 - When needed, draw the TIFIA loan directly on a monthly basis to pay construction, or
 - When needed, issue BANs, use BAN debt proceeds to pay construction, and draw the loan in its entirety to retire the BAN at the BAN's maturity
- BANs is a short-term interim financing product.
 - Can be sold via a public sale, much like Bonds.
 - In today's market, likely sold at a premium.
 - Interest payments are typically capitalized and paid with debt proceeds.
 - No principal amortized during the BAN's term – entire principal paid off at its final maturity with available funds, such as the committed TIFIA loan.



Benefits of BANs

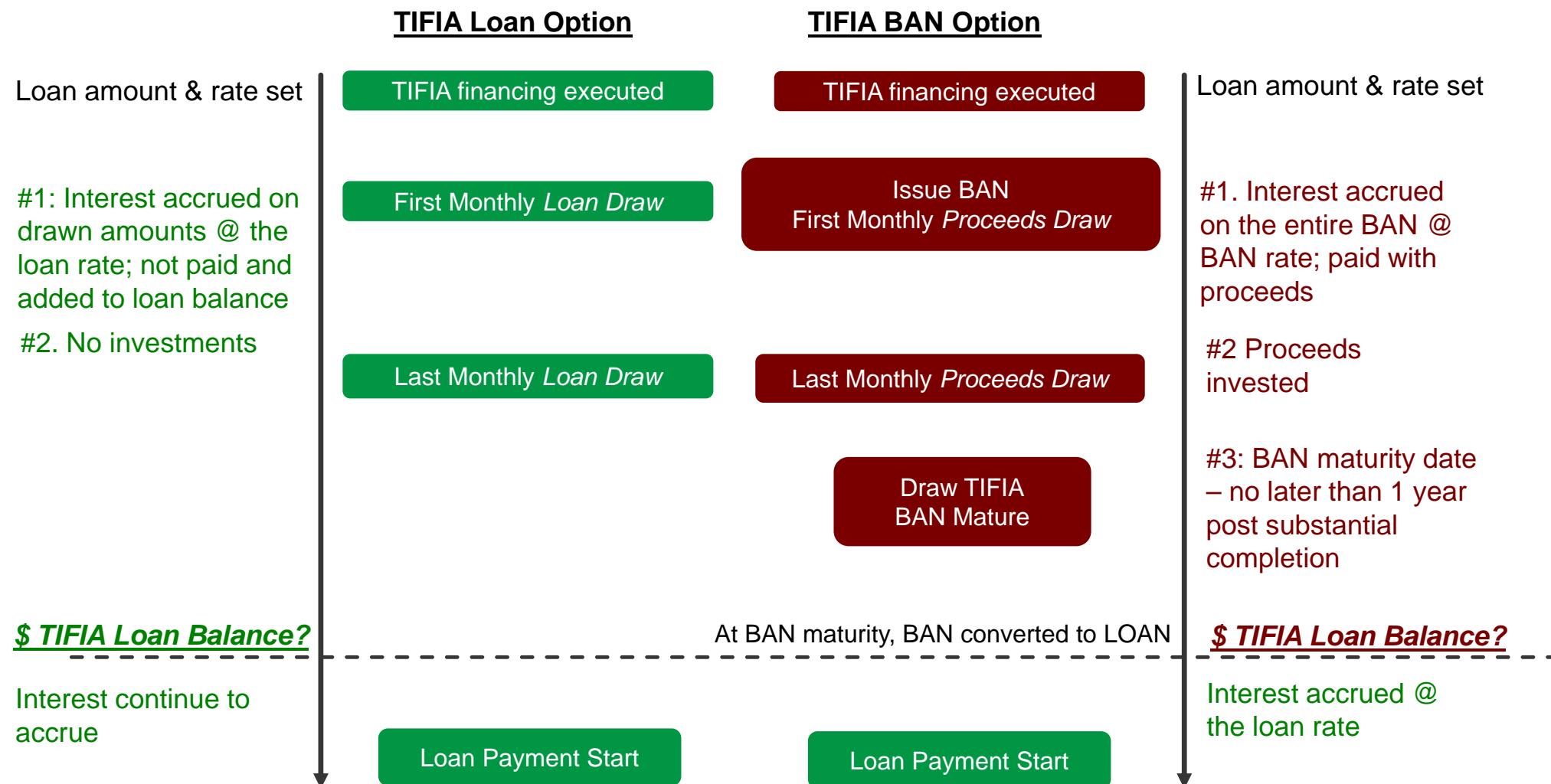
- Potential interest savings
 - Given today's market conditions, the TIFIA BAN option and the TIFIA Loan option can produce different total interest payments due to the following factors:

	Benchmark Rate	Credit Spreads	Interest Due
TIFIA BAN	Short-term tax exempt	Yes	Accrue on the entire issuance
TIFIA Loan	Long-term taxable	No	Accrue only on drawn amounts

- Investment earnings
 - Same as the 2018A Bonds issued earlier this year, once the BAN is sold and prior to being drawn to pay construction, its proceeds can be invested to generate earnings;
 - The TIFIA loan option will not generate earnings as it is on a draw-as-you-go basis.
- Other factors
 - The TIFIA BAN option simplifies certain TIFIA legal requirements, such as condition precedent
 - The TIFIA BAN option simplifies HRTAC's administrative burdens by drawing the loan at once vs. monthly.



Detailed Comparison



Net Financing Cost Comparisons:
(1) different TIFIA loan balances and
(2) Investment earnings: available only with BAN



Financing Assumptions and Scenarios

	TIFIA Loan	TIFIA BAN
TIFIA Commitment	Early-mid summer 2019	Early-mid summer 2019
BAN Issuance Date	n.a.	9/1/2019
Funded Project Costs	\$442M	\$442M
TIFIA Loan Draw for Construction/ TIFIA BAN Proceeds Draw for Construction	9/1/2019	9/1/2019
TIFIA BAN Maturity	n.a.	9/1/2021
TIFIA Loan Rate/TIFIA BAN Rate*	Current 30-yr Treasury rate	Current BAN (rated A) rate
Project Fund/Capitalized Interest Fund Investment*	none	BAN's arbitrage rate OR market rate
First TIFIA Payment	1/1/2025	1/1/2025
Final TIFIA Payment	7/1/2053	7/1/2053
Payment Profile	Modest ascending	Modest ascending

*Rate as of 5/30/2019



Borrowing Rates and Investment Rates Assumptions

	BAN Scenario	No BAN Scenario
Borrowing Rate	1.70% [on the entire issuance]	2.74% [on the drawn amount only]
Investment Rate	1.70% (arbitrage rate) or 2.53% (SNAP rate)	none

- Indicative rates as of 5/30/2019
- Borrowing rates are only different during the BAN's term; after the BAN is retired by the loan, the two options both accrue interest on the set TIFIA loan interest rate.
- If the BAN's proceeds satisfy certain spending schedules required by IRS, the proceeds can earn the market investment rate, such as VA SNAP. If they do not meet the requirements, the earnings are restricted to the BAN's arbitrage rate.



Preliminary Estimates: BAN and No BAN Sources and Uses

- The goal is to request the maximum amount of the TIFIA loan allowed given the low loan rate.
- Based on bond counsel's preliminary opinion; numbers subject to change pending on interest rates and updated project cost estimates.

No BAN Scenario

TIFIA Loan Sources and Uses	
Sources	
Loan Amount	
Construction Costs	495,098,904
Uses	
Construction Costs	442,429,422
Paygo Reimbursement	52,669,482
Total	495,098,904

BAN Scenario

TIFIA Loan Sources and Uses	
Sources	
Loan Amount	
BAN Take Out	509,316,854
Uses	
Paygo Reimbursement	458,754,527
Total	509,316,854

TIFIA BAN Sources and Uses

Sources	
Par	458,754,527
Original Issue Premium	29,645,173
Total	488,399,700
Uses	
Construction Costs	442,429,422
Capitalized Interest	44,938,081
Issuance Costs	1,032,198
Total	488,399,701

TIFIA Eligible Costs & Available Loan Size

Project costs	1,411,726,546
2018A Interest During Construction*	87,401,137
2018A Issuance Expenses	1,172,027
Total Eligible Costs	1,500,299,710
Requested Loan (33% of Eligible Costs)	495,098,904

TIFIA Eligible Costs & Available Loan Size

Project costs	1,411,726,546
2018A Interest During Construction*	87,401,137
2018A Issuance Expenses	1,172,027
BAN Interest During Construction*	42,052,498
BAN Issuance Expense	1,032,198
Total Eligible Costs	1,543,384,406
Requested Loan (33% of Eligible Costs)	509,316,854

*Through estimated substantial completion in July 2021



Preliminary Results: BAN vs. No BAN Comparison

- TIFIA long-term debt service in the BAN scenario is slightly lower over time.
- In addition, the BAN option yields \$5.4M investment earnings in the next two years.
- A present value calculation indicates that the BAN option saves \$5.0M in 2019 dollars*.
 - If HRTAC can earn the market investment rate with no arbitrage restriction, the BAN scenario would produce \$8.0M benefits in 2019 dollars.

FY	No BAN Scenario			BAN Scenario			Payment Diff.	
	TIFIA DS	Paygo Reim.	Total Net Payment	TIFIA DS	Paygo Reim.	Investment Earnings	Total Net Payment	Gross \$
2020						(3,917,859)	(3,917,859)	3,917,859
2021		(52,669,482)	(52,669,482)			(1,400,115)	(51,962,441)	(707,041)
2022						(82,183)	(82,183)	82,183
2023								77,159
2024								
2025	20,398,541		20,398,541	20,370,844			20,370,844	27,697
2026	20,806,512		20,806,512	20,778,261			20,778,261	28,251
2027	21,222,642		21,222,642	21,193,826			21,193,826	28,816
2028	21,647,095		21,647,095	21,617,703			21,617,703	23,447
2029	22,080,037		22,080,037	22,050,057			22,050,057	29,980
2030	22,521,638		22,521,638	22,491,058			22,491,058	30,580
2031	22,972,070		22,972,070	22,940,879			22,940,879	31,191
2032	23,431,512		23,431,512	23,399,697			23,399,697	31,815
2033	23,900,142		23,900,142	23,867,691			23,867,691	32,451
2034	24,378,145		24,378,145	24,345,045			24,345,045	33,100
2035	24,865,708		24,865,708	24,831,946			24,831,946	33,762
2036	25,363,022		25,363,022	25,328,585			25,328,585	34,438
2037	25,870,282		25,870,282	25,835,156			25,835,156	35,126
2038	26,387,688		26,387,688	26,351,859			26,351,859	35,829
2039	26,915,442		26,915,442	26,878,897			26,878,897	36,545
2040	27,453,751		27,453,751	27,416,474			27,416,474	37,276
2041	28,002,826		28,002,826	27,964,804			27,964,804	38,022
2042	28,562,882		28,562,882	28,524,100			28,524,100	38,782
2043	29,134,140		29,134,140	29,094,582			29,094,582	21,163
2044	29,716,823		29,716,823	29,676,474			29,676,474	20,855
2045	30,311,159		30,311,159	30,270,003			30,270,003	20,552
2046	30,917,382		30,917,382	30,875,403			30,875,403	41,156
2047	31,535,730		31,535,730	31,492,911			31,492,911	20,402
2048	32,166,445		32,166,445	32,122,769			32,122,769	43,675
2049	32,809,773		32,809,773	32,765,225			32,765,225	20,252
2050	33,465,969		33,465,969	33,420,529			33,420,529	44,549
2051	34,135,288		34,135,288	34,088,940			34,088,940	19,958
2052	34,817,994		34,817,994	34,770,719			34,770,719	19,667
2053	35,514,354		35,514,354	35,466,133			35,466,133	48,221
2054	36,224,641		36,224,641	36,175,456			36,175,456	19,381
2055	34,419,117		34,419,117	31,612,857			31,612,857	4,987,535
Total	861,948,750	(52,669,482)	809,279,268	858,018,884	(50,562,326)	(5,400,156)	802,056,402	7,222,867

*Use TIFIA loan rate as the discount rate.



Arbitrage Rebate Discussion

- IRS limits earnings on the investment of tax-exempt bond proceeds.
 - Positive Arbitrage = Actual Earnings > Earnings @ arbitrage yield
 - Positive arbitrage shall be returned to IRS unless exceptions apply
- With the forecasted debt borrowing rates and investment rates, it is possible that the TIFIA BAN will earn positive arbitrage.
- However, if the proceeds are spent within 2 years at the pace specified by IRS (2-year spending exception), HRTAC will be able to retain the positive arbitrage.
- The 2-year spending schedule may involve General Fund advance payments and General Fund reimbursements.
- Final assessment requires opinions from bond counsel, tax counsel, and arbitrage specialists.

Thank You



Agenda Item 6F
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: June 20, 2019

RE: HRTAC Debt Management Plan, Financing for HRBT – Recommendation to the Commission to Develop the HRTF Backed TIFIA Letter of Interest

Recommendation:

The Finance Committee is asked by Staff to recommend that the Commission authorize the Executive Director to advance the TIFIA Loan Application through the submission of a TIFIA Letter of Interest for the Commission's Hampton Roads Bridge Tunnel Expansion Project and authorize the Executive Director to work within the Commission's Adopted FY2020 Administrative and Project Development Budget, once adopted, to advance payment of the TIFIA Loan application and pay TIFIA legal counsel and financial advisor fees.

Background:

Previous Commission actions have authorized the Executive Director to explore funding options for HRTAC projects, including TIFIA. Within the approved FY2016-2024 Funding Plan, TIFIA loans are included in order to provide the necessary revenues to meet the construction schedule of the HRBT Expansion Project. In consideration of the TIFIA loan approach, HRTAC financial advisors reviewed the costs and benefits of HRTAC selling subordinate lien bonds VS TIFIA and found that TIFIA was a more cost beneficial financing vehicle. Commission action is needed to advance the HRBT HRTF backed TIFIA Loan Application process through the submission of a Letter of Interest. The TIFIA LOI submission includes a Commission payment of an initial fee of \$250,000 and commitment to pay additional fees as necessary.

Fiscal Impact:

There is a fiscal impact of in relation to this Action Item that is sourced from the Commission's Adopted FY2020 Administrative and Project Development Budget once adopted.

Suggested Motion:

Motion The Finance Committee recommends that the Commission authorize the Executive



Director to develop and submit the TIFIA Letter of Interest for the Commission's I-64 Hampton Roads Bridge Tunnel Expansion Project and authorize the Executive Director to work within the Commission's FY2020 Annual Administrative and Project Development Budget, once adopted, to advance payment of the TIFIA Loan application and pay TIFIA legal counsel and financial advisor fees.



Agenda Item 6G
Action Item

To: Chair Hipple and the other members of the Finance Committee

From: Kevin B. Page, Executive Director

Date: June 20, 2019

Re: Amendment to the HRTAC Statement of Investment Policy – Recommendation to the Commission to Adopt the Amendment

Recommendation:

The Finance Committee is asked by Staff to endorse and recommend that the Commission adopt the proposed Amendment to the HRTAC Statement of Investment Policy.

Background:

On December 13, 2018, the Commission amended its adopted Statement of Investment Policy. All Commission financial assets resulting from the investment of the Commission's funds, including those derived from the Hampton Roads Transportation Fund, shall be administered in accordance with the provisions of the adopted Statement of Investment Policy. Since the December 13, 2018 update, 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. HRTAC's investment advisor, PFM, has recommended certain modifications to the HRTAC Statement of Investment Policy related to Downgrade Provisions to provide restrictive language to be applicable to any authorized investment held in the Investment Portfolio that is downgraded below the minimum credit rating requirement established in the Commission's Investment Policy. The Commission's adopted policy currently applies this restriction only to securities falling below an "AA" or equivalent rating by any NRSRO. The proposed change will apply to any authorized investments. Both the current adopted policy and proposed change requires that the Executive Director shall be notified immediately and the downgraded security shall be liquidated in 30 days unless the Commission authorizes otherwise.

The proposed change to the HRTAC Statement of Investment Policy would apply to the following:

- Federal Agency/GSE Obligations – To remain a permitted investment, the issuer would need to have an equivalent rating of "AA" by either S&P or Moody's and one other NRSRO
- Municipal Obligations – This language would apply to any issuer that was downgraded below an "AA" equivalent by either S&P or Moody's
- Commercial Paper – This language would apply to any issuer that did not have an A-1 equivalent by at least two of the following: S&P, Moody's, Fitch, Duff and Phelps



- Bankers' Acceptances – This language would apply to any issuer that was downgraded below an A-1 equivalent by either S&P or Moody's
- Corporate Notes – This language would apply to any issuer that was downgraded:
 - below an "A" equivalent by either S&P or Moody's if it has a final maturity less than three years from the date of the downgrade
 - below an "AA" equivalent by either S&P or Moody's if it has a final maturity of more than three years from the date of the downgrade
- Negotiable CD's – This language would apply to any issuer that was downgraded:
 - below an A-1 equivalent by either S&P or Moody's for maturities less than 1 year
 - below an "AA" equivalent by either S&P or Moody's for maturities greater than 1 year
- Repurchase Agreements – This language would apply to any repo counterparty that did not have at least one "AA" equivalent rating from an NRSRO
- Money Market Mutual Funds – This language would apply to any MMKT fund that didn't have at least one AAAm or equivalent rating

The proposed change to the HRTAC Statement of Investment Policy would not apply to the following security types which do not have credit quality requirements in the Investment Policy.

- U.S Treasury Obligations
- VA LGIP – LGIP does maintain a rating of AAAm but the current Investment Policy does not explicitly require it
- VIP – VIP does maintain a rating of AAf/S1 but the current Investment Policy does not explicitly require it
- SNAP Fund – SNAP Fund does maintain a rating of AAAm but the current Investment Policy does not explicitly require it
- Non-negotiable CD's – Most banks from which non-negotiable CDs might be purchased do not get a rating. HRTAC would depend on the guidelines for collateralization set by the Commonwealth's Treasury Board under the powers given them by the Security for Public Deposits Act

Fiscal Impact:

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

Suggested Motion:

Motion The Finance Committee endorses the proposed amendments to the HRTAC Statement of Investment Policy and authorizes the Finance Committee Chair to Communicate the Finance Committee's endorsement and recommendation that the Commission approve the proposed changes at its June 20, 2019 Annual Organizational Meeting.





Hampton Roads Transportation Accountability Commission

Statement of Investment Policy

Effective ~~December 13,~~
~~2018~~ June 20, 2019

Originally Adopted: June 16, 2016

Revised: December 13, 2018 and June 20, 2019

Table of Contents

A.	INTRODUCTION.....	1
B.	SCOPE	1
C.	OBJECTIVES	1
D.	STANDARD OF PRUDENCE.....	1
E.	DELEGATION OF AUTHORITY	2
F.	ETHICS AND CONFLICTS OF INTEREST.....	2
G.	AUTHORIZED INVESTMENTS	2
H.	PORTFOLIO DIVERSIFICATION.....	5
I.	MAXIMUM MATURITY	5
J.	SECURITY DOWNGRADES.....	5
K.	INVESTMENT OF BOND PROCEEDS.....	6
L.	SELECTION OF BROKER/DEALERS.....	6
M.	ENGAGEMENT OF INVESTMENT MANAGERS	7
N.	COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS	7
O.	SAFEKEEPING AND CUSTODY.....	7
P.	RECORDS AND REPORTS	8
Q.	PERFORMANCE STANDARDS	8
R.	INVESTMENT POLICY ADOPTION.....	8

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 five (5) 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 guaranteed by any federal government agency or instrumentality or government sponsored enterprise, 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 five (5) 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 “A” by S&P and “A” 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 five (5) 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 five (5) 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:

Permitted Investment	Sector Limit	Issuer Limit
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	25%	5%
Negotiable Certificates of Deposit and Bank Deposit Notes	25%	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 comingled 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 authorized investment held in the Investment Portfolio is downgraded below the minimum credit rating requirement established in Section G of

~~this policy “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 was adopted by the Hampton Roads Transportation Accountability Commission, on the 16th day of June, 2016, and was revised by the Hampton Roads Transportation Accountability Commission on the 13th day of December, 2018 and the 20th day of June, 2019. The policy with revised changes will become effective ~~December 13, 2018~~June 20, 2019.

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 – FY2019
Period Ending April 30, 2019**

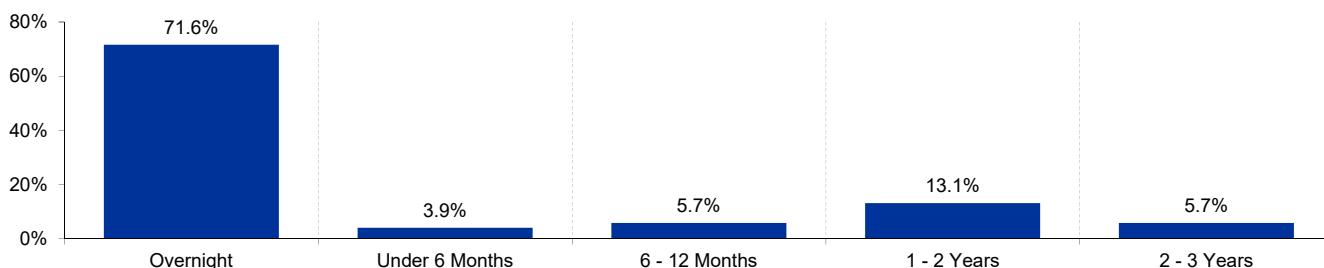
The HRTAC staff has prepared the attached April 2019 financial report based on data received to date from the Virginia Department of Transportation.

<u>Revenues</u>	<u>Inception to April 2019</u>	<u>FY2019 YTD</u>	<u>April 2019</u>
Total Gross Revenues	1,588,085,974	193,306,044	18,980,774
State Sales & Use Tax	740,379,436	107,997,906	11,787,471
Local Fuels Tax ¹	223,622,714	60,983,055	4,630,635
Interest	3,208,358	931,046	144,400
Investment Income	37,605,393	23,394,037	2,418,268
Bond Proceeds	583,270,073	-	-
<u>Expenditures</u>	<u>Inception to April 2019</u>	<u>FY2019 YTD</u>	<u>April 2019</u>
Total Expenditures	406,069,507	122,983,814	12,920,233
Projects	366,136,354	99,010,328	10,449,817
Total DMV & Dept. of Tax Admin. Fees	626,745	-	-
Investment Fees	1,088,163	190,155	18,871
Bond Interest Expenses	32,851,717	21,472,741	2,140,042
Operating Expenses	5,366,527	2,310,590	311,502
<u>Cash Balance</u>			
April 30, 2019 Ending Cash Balance			\$ 1,182,016,467
<u>Encumbered Balance</u>			
Balance of Encumbered (through FY2026)			\$ 4,267,860,694
Allocation			4,633,997,048
Less: Project Expenditures			366,136,354

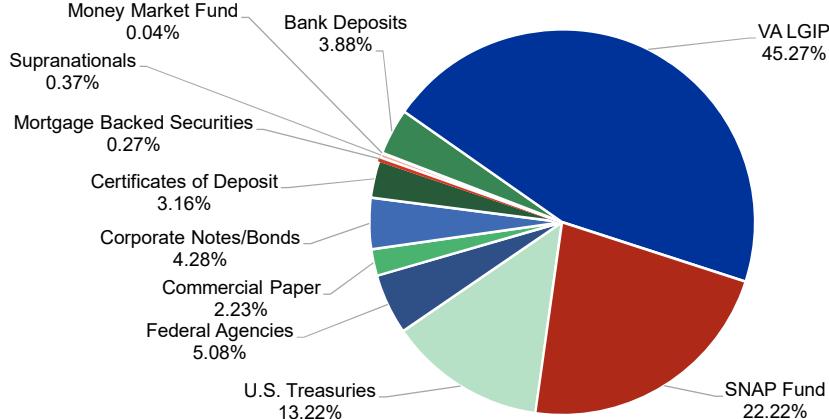
Hampton Roads Transportation Accountability Commission
Summary of Cash and Investments
For April 2019

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	2.00%	2.00%	7,065,625	7,065,625	0.61%
Union Money Market	2.00%	2.00%	5,195,605	5,195,605	0.45%
Union General	2.00%	2.00%	31,926,090	31,926,090	2.74%
VA LGIP	2.58%	2.58%	527,930,843	527,930,843	45.27%
Enhanced Cash Portfolio	2.60%	2.44%	202,781,405	203,574,886	17.46%
Core Portfolio	2.40%	2.38%	129,818,780	130,284,591	11.17%
SNAP Fund	2.59%	2.59%	259,087,269	259,087,269	22.22%
Total			\$ 1,164,805,616	\$ 1,166,064,908	100.00%

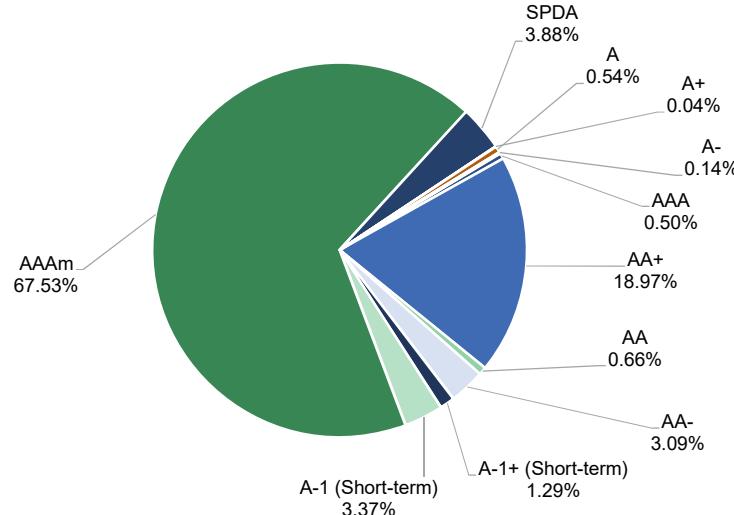
Total Maturity Distribution



Sector Distribution



Credit Distribution



All charts are based on market value as of 4/30/19

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

Hampton Roads Transportation Accountability Commission
 Interest and Investment Income
 Inception - April 2019

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
HRTF Interest Income	363,855	1,027,959	272,261	291,738	321,499	931,046	3,208,358
HRTF Investment Income	-	368,310	<u>3,993,773</u>	<u>980,870</u>	<u>8,868,404</u>	<u>23,394,037</u>	<u>37,605,393</u>
Total	363,855	1,396,269	4,266,033	1,272,608	9,189,903	24,325,083	40,813,751

Notes:

^a"HRTF Interest Income" includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments (Oct-Dec 2018 and Jan-Apr 2019).

^b"HRTF Investment Income" in FY2019 includes income from PFMAM (US Bank) core and enhanced cash, LGIP, and SNAP accounts. FY2014-2018 totals also include income from Sterling and Union Bank.

HRTF Revenue



Notes: November 2018 Wholesale Fuels Tax revenue includes a \$9,865,900 Special Audit Adjustment sourced from vendor audit settlement.

January 2019 Wholesale Fuels Tax revenue includes \$510,330 in adjustments from a Special Audit Assessment and a vendor audit settlement.

February 2019 Wholesale Fuels Tax revenue includes \$806,491 from a vendor audit assessment.

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

										Expenditures		Expenditures		Expenditures		Cummulative Balance			
										Dept of Tax	Investment	Bond	Operating	Dept of Tax	Investment	Bond	Operating	Total	Total
										Admin Fee	Fees	Expenses	Expenses	Admin Fee	Fees	Expenses	Expenses	Total	Total
July 2013 - April 2018	\$ 601,722,988	\$ 154,451,023	\$ 2,201,687	\$ 10,542,235	\$ 583,270,073	\$ 1,352,188,006	\$ 216,869,338	\$ 598,214	\$ 841,548	\$ 7,443,411	\$ 2,935,607	\$ 228,688,118	\$ 1,123,499,988	7/1/13 - 4/30/19					
May 2018	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	1,120,086,513							
June 2018	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	1,111,694,237							
July 2018	5,441,719	3,397,281	22,876	1,713,874	10,575,751	-	-	19,272	2,154,506	79,415	2,253,193	1,120,016,795							
August 2018	11,967,441	3,650,132	23,076	2,246,682	17,887,332	-	-	19,294	2,154,506	72,478	2,246,278	1,135,657,849							
September 2018	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	1,143,784,246							
October 2018	11,112,906	4,981,839	106,220	1,929,878	18,130,893	16,378,984	-	19,444	2,154,506	111,549	18,664,483	1,143,247,656							
November 2018	11,313,107	16,885,289	132,745	2,354,239	30,685,379	9,747,362	-	18,741	2,154,506	280,895	12,201,504	1,161,731,532							
December 2018	11,338,876	6,222,494	91,681	3,204,732	20,857,783	-	-	19,391	2,140,042	119,889	2,279,322	1,180,309,993							
January 2019	13,667,999	3,951,363	163,947	2,770,997	20,554,306	36,279,132	-	19,417	2,140,042	157,150	38,595,741	1,162,268,559							
February 2019	9,763,693	7,212,879	149,137	2,061,754	19,187,462	8,154,736	-	17,561	2,140,042	421,193	10,733,531	1,170,722,490							
March 2019	9,464,455	5,163,447	74,536	3,217,915	17,920,354	10,179,001	-	19,473	2,140,042	348,403	12,686,919	1,175,955,926							
April 2019	11,787,471	4,630,635	144,400	2,418,268	18,980,774	10,449,817	-	18,871	2,140,042	311,502	12,920,233	1,182,016,467							
Total 12 Months	\$ 138,656,448	\$ 69,171,691	\$ 1,006,671	\$ 27,063,158	\$ -	\$ 235,897,068	\$ 149,267,016	\$ 28,531	\$ 246,615	\$ 25,408,306	\$ 2,430,920	\$ 177,381,389							
Grand Totals	740,379,436	223,622,714	3,208,358	37,605,393	583,270,073	1,558,085,974	366,136,354	626,745	1,088,163	32,851,717	5,366,527	406,069,507							
Less Balance of Encumbered (through FY2022)												(4,267,860,694)							
Total Net Available												(3,085,844,227)							

Notes:

November 2018 Wholesale Fuels Tax revenue includes a \$9,865,900 Special Audit Adjustment sourced from vendor audit settlement.

January 2019 Wholesale Fuels Tax revenue includes \$510,330 in adjustments from a Special Audit Assessment and a vendor audit settlement.

February 2019 Wholesale Fuels Tax revenue includes \$806,491 from a vendor audit assessment.

Table 1A - State Sales & Use Tax

Hampton Roads Transportation Fund (HRTF)

State Sales & Use Tax

Fiscal Year 2019

Locality	Total FY2014 - FY2018	Previous FY2019	April 2019	Total YTD FY2019	Total
<i>Chesapeake</i>	\$ 114,271,188	\$ 17,758,900	\$ 2,128,824	\$ 19,887,724	\$ 134,158,912
<i>Franklin</i>	4,859,034	749,193	98,525	847,717	5,706,751
<i>Hampton</i>	44,800,249	6,546,430	863,984	7,410,414	52,210,663
<i>Isle of Wight</i>	7,332,026	1,141,485	137,897	1,279,382	8,611,408
<i>James City</i>	31,834,792	4,488,718	669,888	5,158,606	36,993,398
<i>Newport News</i>	69,331,269	10,639,436	1,344,534	11,983,970	81,315,239
<i>Norfolk</i>	92,225,994	13,775,791	1,779,192	15,554,984	107,780,978
<i>Poquoson</i>	1,515,231	234,510	26,290	260,801	1,776,032
<i>Portsmouth</i>	20,251,519	2,965,533	384,030	3,349,563	23,601,081
<i>Southampton</i>	1,868,430	256,227	35,702	291,930	2,160,359
<i>Suffolk</i>	26,674,643	4,276,619	560,411	4,837,031	31,511,674
<i>Virginia Beach</i>	175,114,509	26,899,121	3,189,769	30,088,890	205,203,398
<i>Williamsburg</i>	13,875,162	2,158,533	67,618	2,226,151	16,101,313
<i>York</i>	28,427,486	4,319,938	500,806	4,820,743.91	33,248,230
Total	\$ 632,381,530	\$ 96,210,435	\$ 11,787,471	\$ 107,997,906	\$ 740,379,436
Updated Forecast	626,271,042	95,432,217	10,862,799	106,295,016	732,566,058
Diff(under)/over	6,110,488	778,218	924,672	1,702,890	7,813,378

Table 1B - Local Fuels Tax

Hampton Roads Transportation Fund (HRTF)

Local Fuels Tax

Fiscal Year 2019

Locality	Total FY2014 - FY2018	Previous FY2019	April 2019	Total YTD FY2019	Total
<i>Chesapeake</i>	\$ 32,964,834	\$ 8,883,700	\$ 850,089	\$ 9,733,789	\$ 42,698,623
<i>Franklin</i>	2,089,426	2,470,941	156,186	2,627,127	4,716,553
<i>Hampton</i>	13,700,483	3,512,772	354,013	3,866,785	17,567,268
<i>Isle of Wight</i>	5,310,660	1,161,552	110,585	1,272,136	6,582,797
<i>James City</i>	4,429,602	2,367,590	111,848	2,479,438	6,909,040
<i>Newport News</i>	15,334,871	5,923,616	452,387	6,376,003	21,710,874
<i>Norfolk</i>	17,829,365	8,045,973	695,650	8,741,623	26,570,989
<i>Poquoson</i>	436,681	307,464	11,482	318,946	755,627
<i>Portsmouth</i>	7,305,327	2,549,546	194,350	2,743,895	10,049,222
<i>Southampton</i>	2,016,362	661,639	41,684	703,323	2,719,686
<i>Suffolk</i>	11,333,907	4,708,386	342,562	5,050,948	16,384,854
<i>Virginia Beach</i>	38,445,252	12,656,135	1,007,559	13,663,694	52,108,946
<i>Williamsburg</i>	3,629,614	736,380	70,309	806,688	4,436,302
<i>York</i>	7,813,274	2,366,727	231,933	2,598,660	10,411,934
Total	162,639,659	\$ 56,352,420	4,630,635	\$ 60,983,055	\$ 223,622,714
Updated Forecast	192,000,002	37,386,873	3,283,155	40,670,028	232,670,030
Diff(under)/over	(29,360,344)	18,965,547	1,347,480	20,313,027	(9,047,317)

Table 1 - Total HRTF Revenues
Hampton Roads Transportation Fund (HRTF)
Total of Sales & Use and Fuels Taxes
Fiscal Year 2019

Locality	Total FY2014 - FY2018	Previous FY2019	April 2019	Total YTD FY2019	Total
<i>Chesapeake</i>	\$ 147,236,022	\$ 26,642,600	\$ 2,978,913	\$ 29,621,513	\$ 176,857,535
<i>Franklin</i>	6,948,460	3,220,134	254,710	3,474,844	10,423,304
<i>Hampton</i>	58,500,732	10,059,202	1,217,997	11,277,199	69,777,931
<i>Isle of Wight</i>	12,642,687	2,303,037	248,482	2,551,519	15,194,205
<i>James City</i>	36,264,394	6,856,308	781,736	7,638,044	43,902,438
<i>Newport News</i>	84,666,138	16,563,052	1,796,921	18,359,973	103,026,111
<i>Norfolk</i>	110,055,359	21,821,765	2,474,842	24,296,607	134,351,967
<i>Poquoson</i>	1,951,914	541,974	37,772	579,746	2,531,660
<i>Portsmouth</i>	27,556,845	5,515,078	578,380	6,093,458	33,650,303
<i>Southampton</i>	3,884,792	917,866	77,387	995,253	4,880,045
<i>Suffolk</i>	38,008,550	8,985,006	902,973	9,887,978	47,896,528
<i>Virginia Beach</i>	213,559,761	39,555,255	4,197,328	43,752,583	257,312,344
<i>Williamsburg</i>	17,504,774	2,894,913	137,927	3,032,839	20,537,614
<i>York</i>	36,240,760	6,686,665	732,739	7,419,404	43,660,164
Total	795,021,187	152,562,855	16,418,106	168,980,961	964,002,150
Interest ^a	2,277,311	786,647	144,400	931,046	3,208,358
Investment Income ^b	14,211,356	20,975,769	2,418,268	23,394,037	37,605,393
Bond Proceeds	583,270,073	-	-	-	583,270,073
Total Revenues	1,394,779,928	174,325,270	18,980,774	193,306,044	1,588,085,974
Project Expenses	(267,126,025)	(88,560,511)	(10,449,817)	(99,010,328)	(366,136,354)
DMV and Dept of Tax Admin Fees	(626,745)	-	-	-	(626,745)
Investment Fees (Sterling&PFMAM)	(898,008)	(171,284)	(18,871)	(190,155)	(1,088,163)
Bond Interest Expenses	(11,378,976)	(19,332,699)	(2,140,042)	(21,472,741)	(32,851,717)
Operating Expense	(3,055,937)	(1,999,087)	(311,502)	(2,310,590)	(5,366,527)
Cash Balance	1,111,694,238	64,261,689	6,060,541	70,322,230	1,182,016,467
Less Balance of Encumbered					(4,267,860,694)
Net Available Cash					(3,085,844,227)
Updated Forecast	819,145,037	132,819,090	14,145,954	146,965,044	966,110,081
Total Revenue - Forecast (under)/over	(21,846,538)	19,743,765	2,272,152	22,015,917	169,379

Notes:

^a Includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments (Oct - Dec 2018 and Jan-Apr 2019).

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

Table 2 - Allocations

Hampton Roads Transportation Fund (HRTF)
Allocations
Fiscal Year 2019

Project	Total FY2014 - FY2018	Previous FY2019	April 2019	Total YTD FY2019	Total
<i>I-64 Peninsula Widening</i>					
<i>UPC 104905 - Segment 1 - Construction</i>	\$ 44,000,000	\$ (30,000,000)	\$ -	\$ (30,000,000)	\$ 14,000,000
<i>UPC 106665 - Segment 2 - PE/ROW/Construction</i>	189,707,675	\$ (13,874,778)	-	(13,874,778)	175,832,897
<i>UPC 109790/106689 - Segment 3 - PE</i>	10,000,000	\$ -	-	-	10,000,000
<i>UPC 109790/106689 - Segment 3 - Construction</i>	156,376,066	\$ (43,482,070)	-	(43,482,070)	112,893,996
<i>I-64/264 Interchange Improvement</i>					
<i>UPC 57048/108042 - Phase I - PE/ROW</i>	15,071,063	-	-	-	15,071,063
<i>UPC 57048/108042 - 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 & ROW</i>	10,000,000	-	-	-	10,000,000
<i>I-64 Southside Widening/High-Rise Bridge</i>					
<i>UPC 106692 - Phase I - PE</i>	20,000,000	(7,800,000)	-	(7,800,000)	12,200,000
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	480,000,000	(60,243,780)	-	(60,243,780)	419,756,220
<i>I-64 HRBT Expansion Project</i>					
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	-	3,004,569,251	-	3,004,569,251	3,004,569,251
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	-	548,900,330	-	548,900,330	548,900,330
<i>HRCS Preferred Alternative Refinement - HRBT</i>	25,000,000	5,000,000	-	5,000,000	30,000,000
<i>UPC 110577 - SEIS</i>					
<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 (Remaining Projects of Third Crossing)</i>	7,000,000	-	-	-	7,000,000
Total	\$ 1,230,928,095	\$3,403,068,953	\$ -	\$3,403,068,953	\$ 4,633,997,048

Table 3 - Expenditures

Hampton Roads Transportation Fund (HRTF)
Expenditures
Fiscal Year 2019

Project	Total FY2014 - FY2018	Previous FY2019	April 2019	Total YTD FY2019	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905 - Segment 1 - Construction	\$ 1,544,502	\$ -	-	\$ -	\$ 1,544,502
UPC 106665 - Segment 2 - PE/ROW/Construction	114,353,557	\$ 28,956,052	308,168	29,264,220	143,617,777
UPC 109790/106689 - Segment 3 - PE	4,514,165	\$ 237,360	7,432	244,792	4,758,957
UPC 109790/106689 - Segment 3 - Construction	-	\$ -	-	-	-
<i>I-64/264 Interchange Improvement</i>					
UPC 57048/108042 - Phase I - PE/ROW	15,071,063	-	-	-	15,071,063
UPC 57048/108042 - Phase I - Construction	66,399,635	18,413,757	4,717,698	23,131,455	89,531,090
UPC 17630/108041 - Phase II - PE/ROW	35,941,934	4,490,137	13,485	4,503,622	40,445,557
UPC 17630/108041 - Phase II - Construction	-	-	-	-	-
UPC 106693 - Phase III - PE & ROW	57,220	688,324	235,200	923,525	980,745
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	12,189,098	-	-	-	12,189,098
UPC 106692/108990 - Phase I - ROW/Construction	-	26,048,936	236,412	26,285,348	26,285,348
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	-	-	4,000,000	4,000,000	4,000,000
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	-	-	-	-	-
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
UPC 110577 - SEIS	15,891,087	8,213,526	911,128	9,124,654	25,015,742
460/58/13 Connector Study - UPC 106694 - PE	790,111	303,479	114	303,593	1,093,704
Bowers Hill Interchange Study - UPC 111427	224,407	814,266	20,179	834,445	1,058,852
HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)	149,245	394,674	-	394,674	543,920
Total	\$ 267,126,025	\$ 88,560,511	10,449,817	\$ 99,010,328	\$ 366,136,354

Table 3A - Bond-Reimbursed Expenditures

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

Project	Total FY2014 - FY2018	Previous FY2019	April 2019	Total YTD FY2019	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905 - Segment 1 - Construction	\$ -	\$ -	\$ -	\$ -	\$ -
UPC 106665 - Segment 2 - PE/ROW/Construction	114,353,557	\$ 28,956,052	308,168	29,264,220	143,617,777
UPC 109790/106689 - Segment 3 - PE	4,514,165	\$ 237,360	7,432	244,792	4,758,957
UPC 109790/106689 - Segment 3 - Construction	-	\$ -	-	-	-
<i>I-64/264 Interchange Improvement</i>					
UPC 57048/108042 - Phase I - PE/ROW	15,071,063	-	-	-	15,071,063
UPC 57048/108042 - Phase I - Construction	66,399,635	18,413,757	4,717,698	23,131,455	89,531,090
UPC 17630/108041 - Phase II - PE/ROW	35,941,934	4,490,137	13,485	4,503,622	40,445,557
UPC 17630/108041 - Phase II - Construction	-	-	-	-	-
UPC 106693 - Phase III - PE & ROW	-	-	-	-	-
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	12,189,098	-	-	-	12,189,098
UPC 106692/108990 - Phase I - ROW/Construction	-	26,048,936	236,412	26,285,348	26,285,348
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	-	-	-	-	-
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	-	-	-	-	-
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
UPC 110577 - SEIS	-	-	-	-	-
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	-	-	-	-	-
<i>Bowers Hill Interchange Study - UPC 111427</i>	-	-	-	-	-
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	-	-	-	-	-
Total	\$ 248,469,452	\$ 78,146,241	\$ 5,283,196	\$ 83,429,437	\$ 331,898,889

Table 3B - Non-Bond Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)
Expenditures
Fiscal Year 2019

Project	Total FY2014 - FY2018	Previous FY2019	April 2019	Total YTD 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/ROW/Construction</i>	-	-	-	-	-
<i>UPC 109790/106689 - Segment 3 - PE</i>	-	-	-	-	-
<i>UPC 109790/106689 - Segment 3 - Construction</i>	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
<i>UPC 57048/108042 - Phase I - PE/ROW</i>	-	-	-	-	-
<i>UPC 57048/108042 - 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 & ROW</i>	57,220	688,324	235,200	923,525	980,745
<i>I-64 Southside Widening/High-Rise Bridge</i>					
<i>UPC 106692 - Phase I - PE</i>	-	-	-	-	-
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	-	-	-	-	-
<i>I-64 HRBT Expansion Project</i>					
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	-	-	4,000,000	4,000,000	4,000,000
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	-	-	-	-	-
<i>HRCS Preferred Alternative Refinement - HRBT UPC 110577 - SEIS</i>	15,891,087	8,213,526	911,128	9,124,654	25,015,742
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	790,111	303,479	114	303,593	1,093,704
<i>Bowers Hill Interchange Study - UPC 111427</i>	224,407	814,266	20,179	834,445	1,058,852
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	149,245	394,674	-	394,674	543,920
Total	\$ 18,656,573	\$ 10,414,270	\$ 5,166,621	\$ 15,580,891	\$ 34,237,464