

AGENDA

Hampton Roads Transportation Accountability Commission

Finance Committee Meeting

Meeting by Conference Call*

December 8, 2020

9:00 a.m.

Dial Toll Free Telephone Number to Attend: (855) 735-2639

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

- 1. Call to Order, Declaration re: Purpose of Meeting, and Roll Call**
- 2. Approval of Agenda**
- 3. Public Comment Period**
 - *Limit 5 minutes per individual*
- 4. Consent Items**
 - *Recommended Action: Approval*
 - A. Minutes of the March 12, 2020 Finance Committee Meeting**
- 5. Action Items**
 - *Recommended Action: Discussion/Endorsement/Recommendation/Direction*
 - A. Cost of Living Adjustment for HRTAC Staff (Attachment 5A) – Executive Director Page - Recommended Action: Discussion/Approval**
 - B. Amendment to the Approved HRTAC FY2021 Administrative and Project Development Budget – Investment Grade Traffic and Revenue Study and TIFIA Loan Application Costs - Recommendation to Endorse and Request Authorization to Conduct a Public Hearing (Attachment 5B) – Executive Director Page - Recommended Action: Discussion/Approval**

- C. **Amendment to HRTAC Investment Policy (Attachment 5C)** – Executive Director Page and Nelson Bush PFM Investment Advisors - Recommended Action: Discussion/Approval
- D. **Amendment to the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan – Bowers Hill Study Extension to College Drive (UPC 111427) (Attachment 5D)** – Executive Director Page - Recommended Action: Discussion/Approval
- E. **HRBT Funding Plan of Finance and Debt Management Plan Status Update (Attachment 5E)** – Executive Director Page, Financial Advisors David Miller and Liang Shan, Bond Counselor Ballou, General Counselor Inglima - Recommended Action: Discussion
- F. **Amendment to the Approved FY2021-2026 HRTAC Six Year Improvement Plan – Recommendation to Fund HRBT Project Toll Facility Collection Equipment Construction and Integration and Request Authorization to Conduct a Public Hearing (Attachment 5F)** - Executive Director Page - Recommended Action: Discussion/Approval
- G. **Amendment to the Approved FY2021-2026 HRTAC Six Year Improvement Plan – Recommendation to Fund Phase 1 Preliminary Engineering for Hampton Roads Express Lanes Network Segments 1, 4A, 4B, and 4C and Request Authorization to Conduct a Public Hearing (Attachment 5G)** - Executive Director Page - Recommended Action: Discussion/Approval

6. Information Items

- A. **HRTAC Financial Report – (Attachment 6A)** – Executive Director Page

7. Adjournment

**Anyone wishing to make a public comment should contact Executive Director Page at kpage@hrtac.org 24 hours in advance of the meeting to register. Please do so by 9:00 a.m. on Monday, December 7, 2020.

Agenda Item 4A
Consent Item

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

From: Kevin B. Page, Executive Director

Date: December 8, 2020

Re: March 12, 2020 Meeting Minutes

Recommendation:

The Finance Committee is asked to approve the March 12, 2020 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 12, 2020.

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Finance Committee
Summary Minutes of the May 14, 2020 Meeting**

The meeting of the Hampton Roads Transportation Accountability Commission (HRTAC) Finance Committee was called to order at 10:03 a.m. and held by conference call due to COVID-19, with the following in attendance:

HRTAC Finance Committee Members in Attendance:

Michael Hipple, Chair	Monty Mason*
Thomas Shepperd	Donnie Tuck

HRTAC Executive Director

Kevin Page

HRTAC Finance Committee Members Absent:

Joel Acree

Other Participants:

Eric Ballou, Kaufman & Canoles	Liang Shan, PFM
Nelson Bush, PFM	Tom Inglima, Willcox & Savage
Megan Gilliland, Kaufman & Canoles	David Miller, PFM

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Jim Calpin, Scott Detar (Bank of America Securities); Kevin Johnson, Kristin Krug (Citi); Mary DiMartino (JP Morgan); Julie Berger (Wells Fargo); Camryn Jordan (Veterans Reporters); Delegate Joseph Lindsey (Virginia General Assembly); Stephen Brich, Laura Farmer, Chris Hall (VDOT); Lynn Coen, Jennifer Hodnett (HRTAC); Danetta Jankosky, Tiffany Smith, Sheila Wilson (HRPDC)

Declaration re: Purpose of Meeting and Call to Order

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

In light of the Governor's Declared State of Emergency due to COVID-19, it is impracticable and unsafe for the Commission to assemble in a single location, so the meeting will be held electronically, by telephone, pursuant to the 2020 Amendments to the 2019 Appropriation Act. The purpose of the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Commission and the discharge of its lawful purposes, duties, and responsibilities. The public is welcome to use the number to attend the meeting electronically. The Commission will make available a recording or transcript of

the meeting on its website in accordance with timeframes established in Sections 2.2-3707 and 2.2-3707.1 of the Code of Virginia.

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

Chair Michael Hipple: Present
Mayor Donnie Tuck: Present
Mr. Thomas Shepperd: Present

Mr. Inglima confirmed the quorum.

Approval of Agenda

Mr. Donnie Tuck Moved to approve the agenda; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes
Mayor Donnie Tuck: Yes
Mr. Thomas Shepperd: Yes

Mr. Inglima confirmed The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

No public comments were made.

Senator Monty Mason arrives.

Chair Comments

Chair Hipple refrained from comments to allow the meeting to be conducted in a timely manner.

Consent Items

5A. Minutes of the March 12, 2020 Finance Committee Meeting

Mayor Donnie Tuck Moved to approve the minutes of the March 12, 2020 Finance Committee Meeting; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes
Mayor Donnie Tuck: Yes
Mr. Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

Action Items

6A. HRTAC Current Approved Debt Management Plan – COVID-19 Potential Impact Review – Recommendation to Endorse Continuation of Current Approved Debt Management Plan with Stress Test Adjustments

Mr. Kevin Page, HRTAC Executive Director, explained to the Committee that the activities of the Commission continued to move forward as projected; however, in abundance of caution, recommended that the Commission use national best practices and apply stress test measures to assure Committee Members that HRTAC was being financially prudent.

Mr. David Miller, PFM, reiterated the actions taken at the March 12, 2020 Finance Committee Meeting and indicated that PFM subsequently prepared a stress test to ensure that the projects already approved by HRTAC will have sufficient funding despite the negative impacts of COVID-19. He reviewed the completed financing needed for the six initial projects, including the High Rise Bridge Phase I, the Hampton Roads Bridge Tunnel (HRBT) and other projects. Mr. Miller emphasized that despite COVID-19, HRTAC's debt management plan remains largely intact.

Mr. Miller presented the Committee with the annual debt service numbers and the conservative interest rates used to calculate the debt service under the stress test. He noted that even with a sharp downturn in revenues indicated by the stress test, HRTAC can comfortably cover all of the debt service. Mr. Miller also explained that under the stress test, the minimum legal limit coverage ratio required by HRTAC's financing documents would still be met.

Mr. Miller next discussed the Hampton Roads Express Lanes Network (HRELN), the Bowers Hill Interchange and the Fort Eustis Interchange projects. Under the stress test scenario, funding of the HRELN would necessitate pushing out the delivery date by a number of years of the Bowers Hill Interchange and Fort Eustis Interchange projects.

Mr. Miller indicated that in the stress test scenario, the debt service with respect to the HRELN, Bowers Hill and Fort Eustis projects would be sufficiently covered by HRTAC's revenues under the minimum coverage requirements, albeit with a smaller cushion.

Mr. Miller proceeded to explain to the Committee how PFM developed the stress test revenue assumptions. PFM used the Department of Tax six year forecast for the Hampton Roads Transportation Fund (HRTF), which showed a historical trend for slow, steady growth after the six years. Because the Department of Tax prepares HRTF six-year forecasts twice a year and a forecast update reflecting the COVID-19 impacts will not be available until later in 2020, PFM relied on rating agencies' generic views on relevant revenue bases. Mr. Miller explained that the downward revenue adjustments for purposes of the stress test are PFM's best interpretation of the available rating agency cases being applied across the municipal bond industry. He emphasized that PFM is not an econometric forecasting firm and that PFM has not forecasted impacts to HRTAC's HRTF and toll revenues. Rather, PFM took reports provided by Moody's Investors Services and Fitch Investors Services, the two firms that rate the existing HRTF bonds, and used them to

adjust the current FY 2020-2026 HRTF revenue estimate from the Department of Tax. He then provided an overview of the rating agency responses to the effects of the pandemic.

Mr. Miller detailed the steps for the HRTF Revenue Methodology for the stress test and provided a graph for the HRTF revenue original projections compared to the stress test assumptions for FY2020 through FY2065.

Mr. Page emphasized that despite the pandemic, close to two hundred lane miles of improvements in the Hampton Roads area are currently under contract and are progressing without interruption.

Mayor Donnie Tuck Moved in the absence of updated revenue projections from the Commonwealth, the Finance Committee (i) endorse the continuation of the HRTAC current approved debt management plan for HRTAC's approved projects (including the I-64 Hampton Roads Bridge Tunnel Expansion Project) with stress test adjustments based on the COVID-19 Potential Impact Review, and (ii) authorize the Finance Committee Chair to communicate to the Commission the HRTAC current approved debt management plan with such stress test adjustments based on the COVID-19 Potential Impact Review with a recommendation that the Commission approve the application of the stress test adjustments based on the COVID-19 Potential Impact Review; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes

Mayor Donnie Tuck: Yes

Mr. Thomas Shepperd: Yes

Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

6B. HRTAC Current Approved FY2020-FY2026 Plan of Finance Update – COVID-19 Potential Impact Review

Mr. David Miller, PFM, presented to the Committee the current FY2020-FY2026 Plan of Finance, which includes the first six projects, the I-64 Peninsula, the 264 Interchange, and the High Rise Bridge. Mr. Miller indicated that the HRELN was not included in the six year plan. Mr. Miller then highlighted the stress test revenue projection.

Mr. Page reminded the Committee that the information presented was to provide reassurance that HRTAC could still meet its construction funding obligations during the pandemic.

Committee Members asked Mr. Miller if he felt any weaknesses existed in the HRTAC Plan of Finance. Mr. Miller answered it was a solid plan.

Mayor Donnie Tuck Moved in the absence of updated revenue projections from the Commonwealth, the Finance Committee (i) endorse the continuation of the HRTAC current approved FY2020-FY2026 Plan of Finance for HRTAC's approved projects (including the I-

64 Hampton Roads Bridge-Tunnel Expansion Project) with stress test adjustments based on a COVID-19 Potential Impact Review and (ii) authorize the Finance Committee Chair to communicate to the Commission the HRTAC current approved FY2020-FY2026 Plan of Finance Update with such stress test adjustment based on the COVID-19 Potential Impact Review with a recommendation that the Commission approve the application of the stress test adjustment based on the COVID-19 Potential Impact Review; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes
Mayor Donnie Tuck: Yes
Mr. Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

6C. HRTAC Bond Resolution – HRTF Bond Financings

Mr. David Miller, PFM, informed the Committee that the rating agencies had been reviewing all municipal securities and that the transportation sector had been put on a negative watch due to the pandemic. He noted that some bond ratings might be reduced but he did not feel any action will be taken against the HRTF.

He reviewed general bond pricing and market access considerations with the Committee, and opined that COVID has not impaired debt market accessibilities for HRTAC's future debt.

Mr. Miller reviewed the proposed bond parameters that would be presented to HRTAC for approval in the forthcoming HRTAC Bond Resolution.

Mr. Eric Ballou, Kaufman and Canoles, explained the terms included in the Resolution, including the term limit, different lien structure and the bond documents that would be necessary.

Mr. Ballou explained the different lien structures and any effect they would have on HRTAC financing structure.

Committee discussion ensued in regards to the amount of debt HRTAC wanted to incur, whether the market would absorb one or two bond offerings and the effect of potential economic recovery in regards to HRTAC.

Mayor Donnie Tuck Moved the Finance Committee endorse the Resolution 2020-01, which authorizes the issuance of HRTF Revenue Bonds for up to \$800 million and authorize the Finance Committee Chair to communicate the endorsement to the Commission at its May or June, 2020 meeting; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes
Mayor Donnie Tuck: Yes

Mr. Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

6D. HRTAC Proposed Debt Management Plan to Include Hampton Roads Express Lanes Network – COVID-19 Potential Impact Review

Mr. David Miller, PFM, indicated the Committee had been briefed earlier in the meeting on the proposed debt management plan with the results of the stress test applied. He provided the HRTAC funded costs for each segment and reiterated the reduced available funds due to the stress test application.

Mayor Donnie Tuck Moved in the absence of updated revenue projections from the Commonwealth, the Finance Committee (i) endorse the HRTAC Proposed Debt Management Plan, which will add the HRELN and apply stress test adjustments based on a COVID-19 Potential Impact Review, and (ii) authorize the Finance Committee Chair to communicate to the Commission the HRTAC Proposed Debt Management Plan with a request that the Commission authorize the Finance Committee Chair to conduct a public hearing; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes
Mayor Donnie Tuck: Yes
Mr. Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

6E. HRTAC Proposed FY2021-2026 Plan of Finance Update

Mr. David Miller, PFM, reviewed the Proposed FY2021-FY2026 Funding project costs and expenses, funding sources, and the projected cash flow with the stress test application with the Committee.

He reiterated the limited amount of funds that will be available after the construction of the HRELN due to the legal coverage limits required by HRTAC policy; however, he indicated his confidence in including the HRELN in the Plan of Finance. He noted the HRELN was broken down into segments which would ease financing obligations for HRTAC.

Mayor Donnie Tuck Moved in the absence of updated revenue projections from the Commonwealth, The Finance Committee (i) endorse the HRTAC Proposed FY2021-FY2026 Plan of Finance Update – Six Year Operating Capital Program of Projects for the Region’s High Priority Projects (with toll revenues to HRTAC), which will add the HRELN and apply stress test adjustments based on a COVID-19 Potential Impact Review, and (ii) authorize the Finance Committee Chair to communicate to the Commission the HRTAC Proposed FY2021-FY2026 Plan of Finance Update - Six Year Operating and Capital Program of Projects for the Region’s High Priority Projects (with toll revenues to HRTAC) with a

request that the Commission authorize the Finance Committee Chair to conduct a public hearing; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes
Mayor Donnie Tuck: Yes
Mr. Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Tom Inglima confirmed The Motion Carried.

6F. HRTAC Proposed 2045 Long Range Plan of Finance Update – COVID-19 Potential Impact Review

Mr. David Miller, PFM, reiterated to Committee Members that due to the stress test adjustments and the inclusion of the HRELN, the Bowers Hill and the Fort Eustis Interchange projects were pushed back in the 2045 Long Range Plan of Finance. He noted that the associated costs of these projects increased due to inflation.

Committee Members questioned why the Fort Eustis project was so expensive.

Mr. Page indicated the upgrades to the Fort Eustis Interchange involved upgrading six miles of I-64 from six to eight travel lanes. He further explained FHWA could possibly collaborate with HRTAC to make it a more realistic project in regards to the scope.

Mayor Donnie Tuck Moved the Finance Committee (i) endorse the HRTAC proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects with stress test adjustments based on a COVID-19 Potential Impact Review and (ii) authorize the Finance Committee Chair to communicate to the Commission the HRTAC proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects with such stress test adjustments based on a COVID-19 Potential Impact Review with a request that the Commission authorize the Finance Committee Chair to conduct a public hearing before the Commission takes further action on the plan at a future meeting; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes
Mayor Donnie Tuck: Yes
Mr. Thomas Shepperd: Yes
Senator Monty Mason: Yes

Mr. Inglima confirmed the Motion Carried.

6G. HRTAC Proposed FY2021 Administrative and Project Development Budget – COVID-19 Potential Impact Review, Removal of Proposed Cost of Living Adjustment and Addition of the HRTF and HRRTF Cost Sharing

Mr. Kevin B. Page, HRTAC Executive Director, reviewed the proposed administrative budget and project development budget originally presented to the Committee in March.

He stated that due to the pandemic it would be fiscally responsible to remove the Cost of Living Adjustment (COLA). He also noted that the Hampton Roads Regional Transit Fund (HRRTF) component needed to be included.

Mayor Donnie Tuck Moved the Finance Committee (i) endorse the proposed HRTAC FY2021 Administrative and Project Development Budget, which removes the proposed cost of living adjustment and adds the HRRTF to the sources of revenue supporting the administrative expenses of the Commission, such expenses to be borne by the HRRTF and the HRTF on an approximately pro rata basis of the programs supported, and (ii) authorize the Finance Committee Chair to recommend the proposed budget to the Commission and request that the Commission authorize the Finance Committee Chair to conduct a public hearing on the proposed HRTAC FY2021 Administrative and Project Development Budget; Seconded by Mr. Thomas Shepperd. A roll call vote was taken:

Chair Michael Hipple: Yes

Mayor Donnie Tuck: Yes

Mr. Thomas Shepperd: Yes

Senator Monty Mason: Yes

Mr. Inglima confirmed The Motion Carried.

Information Items

7A. HRTAC Financial Report

Mr. Kevin Page, HRTAC Executive Director, highlighted the HRTAC Financial Report for Committee Members.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission Finance Committee, the meeting adjourned at 11:40 a.m.

Michael J. Hipple
Finance Committee Chair

Agenda Item 5A
Action Item

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

From: Kevin B. Page, Executive Director

Date: December 8, 2020

Re: Cost of Living Adjustment for HRTAC Staff

Recommendation:

The Finance Committee is asked to endorse and recommend to the Commission a two percent annual Cost of Living Adjustment for currently employed HRTAC Staff effective January 1, 2021.

Background:

Due to concerns of potential revenue impacts of COVID-19, the Approved FY2021 Operating and Project Development Budget did not include a Cost of Living Adjustment ('COLA') for HRTAC Staff. As the fiscal year has advanced, some member jurisdictions and regional governments have made mid-year budget adjustments to include a COLA for Staff effective January 1, 2021. HRTAC Staff has reviewed the current status of expenses to date and finds that the personnel staff budget item has sufficient funding to include a COLA for the current employed Staff without resulting in a budget increase for this line item. The sufficiency of the personnel line item is due to savings of not filling a budgeted vacant position.

Fiscal Impact:

There is an estimated fiscal impact of \$8,471.00 (including COLA and associated overhead costs) in relation to this Action Item that will be sourced through budget savings regarding a vacant position in the HRTAC personnel budget line item.

Suggested Motion:

Motion is that the Finance Committee i. endorses and recommends that the Commission approve a two percent Cost of Living Adjustment for currently employed HRTAC Staff effective January 1, 2021, and ii. Authorizes the Finance Committee Chair to communicate this recommendation to the Commission at its December 10, 2020 Regular Meeting.



Agenda Item 5B
Acton Item

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

From: Kevin B. Page, Executive Director

Date: December 8, 2020

Re: Amendment to the Approved HRTAC FY2021 Administrative and Project Development Budget – Investment Grade Traffic and Revenue Study and TIFIA Loan Application Costs - Recommendation to Endorse and Request Authorization to Conduct a Public Hearing

Recommendation:

The Finance Committee is asked to: i. Endorse amendment to the Approved HRTAC FY2021 Administrative and Project Development Budget to include an additional \$702,500.00 to support costs of the Investment Grade Traffic and Revenue Study and the costs associated with the Hampton Roads Bridge Tunnel ('HRBT') Project TIFIA loan application; ii. Request the Commission authorize the Executive Director to conduct a Public Hearing to receive public comments on the proposed amendment; and, iii. Authorize the Finance Committee Chair to communicate the Committee's recommendation to the Commission at its December 10, 2020 Regular Meeting.

Background:

The Approved FY2021 Operating and Project Development Budget included \$4.17 million to conduct Commission activities for the issuance of bonds, application of TIFIA loans, and to support a Traffic and Revenue ('T&R') Study of the Hampton Roads Express Lanes Network. The T&R Study efforts underway have required additional work to support the HRBT project funding plan specific toll revenue estimates, to develop a weekend tolling revenue estimates, and to run additional scenarios due to adjustments to the region's travel demand model and requests of the TIFIA project office. In review of the initial tasks underway, an additional \$40,000.00 from the Commission and \$40,000.00 supported by VDOT is necessary. The additional T&R weekend study task was included in the current approved budget; however, an additional \$412,500.00 is necessary to support the refined study scope, estimate associated weekend operating costs, and anticipated additional refining tolling scenarios. To complete the delivery of the necessary investment grade T&R work product, an all tasks combined total of \$452,500.00 in additional funding is required.

The HRBT project TIFIA loan application is underway and application evaluation by the Build America Bureau's TIFIA Office. Due to anticipated costs, HRTAC Staff recommends an additional estimated \$250,000.00 in resources to be applied to support the cost of TIFIA



program born legal fees and TIFIA advising traffic and revenue and engineering consultants. The Commission is bound to support the TIFIA program identified costs as a condition to receive TIFIA loan processing and award. The estimated additional costs to support this line item increase has been vetted with HRTAC professional advisors assisting in the TIFIA loan process.

The Staff requests a total Bond Issuance Expense/TIFIA/T&R Study line item increase of \$702,500.00 to the Approved HRTAC FY2021 Administrative and Project Development Budget. A Commission authorized public hearing will be required to be conducted prior to Commission action to approve the request and allocate the additional funds.

Fiscal Impact:

There is an estimated fiscal impact of \$702,500.00 in relation to this Action Item that will be sourced through available unobligated Hampton Roads Transportation fund balances.

Suggested Motion:

Motion is that the Finance Committee: i. Endorses amendment to the Approved HRTAC FY2021 Administrative and Project Development Budget to include an additional \$702,500.00 to support costs of the Investment Grade Traffic and Revenue Study and the costs associated with the Hampton Roads Bridge Tunnel ('HRBT') Project TIFIA loan application; ii. Requests the Commission to authorize the Executive Director to conduct a Public Hearing to receive public comments on the proposed amendment; and, iii. Authorizes the Finance Committee Chair to communicate the Committee's recommendation to the Commission at its December 10, 2020 Regular Meeting.

Agenda Item 5C
Acton Item

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

From: Kevin B. Page, Executive Director

Date: December 8, 2020

Re: Amendment to HRTAC Investment Policy

Recommendation:

The Finance Committee is asked to: i. Endorse and recommend to the Commission for approval of the proposed amendment to the HRTAC Investment Policy; and, ii. Authorize the Finance Committee Chair to communicate the Committee's recommendation to the Commission at its December 10, 2020 Regular Meeting.

Background:

The Commission adopted the HRTAC Investment Policy on June 16, 2016, and the Commission Staff and professional investment advisors continue to monitor and propose updates as necessary. The Commission has amended the Adopted HRTAC Investment Policy on December 13, 2018 and again on June 20, 2019. In reaction to recent legislation and review of liquidity needs and usefulness of the current policy, HRTAC Staff and professional advisors have identified need to amend the HRTAC Investment Policy. Proposed amendments to the HRTAC Investment Policy include legislative compliance alignment, adding the Hampton Roads Regional Transit Fund investment, enabling greater liquidity and administration of cash flows, and eliminates unusable investment authority known as the Virginia Investment Pool. During the 2020 Acts of Assembly, passed legislation provided new rating requirements to HRTAC's investments (HB 1587) and HRTAC was designated by law the manager of the Hampton Roads Regional Transit Fund (\$1038, Chapter 1281). The Local Government Investment Pool (LGIP) amendments to the Adopted HRTAC Investment Policy reflect HRTAC's need to maintain liquidity during the HRBT project construction timeline.

Fiscal Impact:

There is no impact in relation to this Action Item.

Suggested Motion:

Motion is that the Finance Committee: i. Endorses and recommends to the Commission for approval of the proposed amendment to the HRTAC Investment Policy; and, ii. Authorizes



the Finance Committee Chair to communicate the Committee's recommendation to the Commission at its December 10, 2020 Regular Meeting.



Hampton Roads Transportation Accountability Commission

Statement of Investment Policy

Effective ~~June 20, 2019~~ December XX,
2020

Originally Adopted: June 16, 2016

Revised: December 13, 2018 and June 20, 2019



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GLOSSARY

HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION STATEMENT OF INVESTMENT POLICY

A. INTRODUCTION

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

B. SCOPE

This Policy applies to the deposit and investment activities of all funds and monies that are under the Commission’s supervision including, but not limited to, all financial assets and funds related to the HRTF and all financial assets and funds related to the Hampton Roads Regional Transit Fund (“HRRTF”). ~~HRTAC funds that are eligible for investment~~ This Policy does not apply to any monies except for any funds set aside for in trust for the funding of 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. Funds from all sources related to HRTF may be pooled for investment purposes, and funds from all sources related to HRRTF may be pooled for investment purposes, but all deposits and investments related to the HRRTF shall be fully segregated from the deposits and investments of the HRTF. 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. For all Authorized Investments the "time of purchase" or "date of purchase" shall be interpreted as the transaction settlement date.

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 of the following NRSROs: , one of which will be either Moody's Investors Services, Inc. ("Moody's"), ~~or~~ Standard & Poor's, ~~Inc.~~ ("S&P"), or Fitch Ratings, Inc. ("Fitch"). 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, with a rating of at least AA (or its equivalent) by at least two of the following NRSROs: S&P, Moody's, or Fitch ~~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 from the date of purchase, 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.~~ S&P, ~~and~~ F-1 by ~~Fitch Investor's Services Ratings, Inc. ("Fitch")~~, ~~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~~ from at least two of the following: P-1 by Moody's, A-1 by S&P, or and F-1 by Fitch. ~~of no less than "A-1" by S&P and "P-1" by Moody's.~~

6. Corporate Notes. High quality corporate notes with a final maturity from the time of purchase of five (5) years or less and that meet the following ~~ratings~~ requirements:

~~a. Notes with~~ Notes with maturities of ~~now~~ more than three (3) years from the time of purchase shall have received at least two of the following ratings: three or less years shall have a rating of at least two of the following ratings: “A” by S&P, ~~and~~ “A” by Moody’s, ~~and~~ “A” by Fitch.

~~a.b.~~ Notes with maturities of no more than five (5) years from the time of purchase shall have received at least two of the following ratings: AA by S&P, Aa by Moody’s, or AA by Fitch. ~~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 that meet the following requirements:

a. Notes with maturities or no more than one (1) year from the time of purchase shall have received at least two of the following ratings: A-1 by S&P, P-1 by Moody’s, or F1 by Fitch.

b. Notes with maturities exceeding one year and not exceeding five (5) years from the time of purchase shall have received at least two of the following ratings: 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, or AA by Fitch. ~~for maturities over one (1) year. The final maturity may not exceed a period of five (5) years from the time of purchase.~~

7.8. 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 more~~ than two (2) years.

8.9. 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~~ 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.

9.10. 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 sub-divisions.

10.11. 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.

~~**11. 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.~~

12. 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 authorized investment held in the Investment Portfolio is downgraded below the minimum credit rating requirement established in Section G of this policy, the Executive Director shall be notified immediately and the downgraded security shall be liquidated in 30 days unless the Commission authorizes otherwise.

K. INVESTMENT OF BOND PROCEEDS

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

L. SELECTION OF BROKER/DEALERS

The Executive Director will maintain a list of broker/dealers that are approved for investment purposes. All broker/dealers who desire to provide investment services will be provided with current copies of the HRTAC's Investment Policy. Before an organization can provide investment services to HRTAC, it must confirm in writing that

it has reviewed the Investment Policy and will not recommend or sell to HRTAC any security that is in conflict with the Policy.

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

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

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

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

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

M. ENGAGEMENT OF INVESTMENT MANAGERS

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

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

- 1) Registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940;
- 2) Must provide to HRTAC an annual updated copy of Form ADV, Part II;
- 3) Must be registered to conduct business in the Commonwealth of Virginia; and

- 4) Must have proven experience in providing investment management services under Code of Virginia §2.2-4500 et seq.

Any firm engaged by HRTAC to provide investment services shall:

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

N. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

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

O. SAFEKEEPING AND CUSTODY

All investment securities purchased by or for HRTAC shall be held by a third-party custodial agent that may not otherwise be counterparty to the investment transaction. The custodial agent shall annually provide a copy of its most recent Statement on Standards for Attestation Engagements (SSAE) No. 16 report.

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

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

P. RECORDS AND REPORTS

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

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

Q. PERFORMANCE STANDARDS

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

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

R. INVESTMENT POLICY ADOPTION

This policy is enacted by the Hampton Roads Transportation Accountability Commission, this 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,~~ and the XX day of December 2020. This policy with revised changes will become effective ~~June 20, 2019~~ December XX, 2020.

Michael J. Hipple, Chair

Linda T. Johnson, Vice-Chair

Glossary of Terms

Bankers' Acceptance: a draft or bill or 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 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.

Agenda Item 5D
Acton Item

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

From: Kevin B. Page, Executive Director

Date: December 8, 2020

**RE: Amendment to the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan
– Bowers Hill Study Extension to College Drive (UPC 111427)**

Recommendation:

The Finance Committee is asked to: i. Recommend to the Commission for approval of the proposed amendment to the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan to extend the scope and budget of the Bowers Hill Study to College Drive; and, ii. Authorize the Finance Committee Chair to communicate the Committee's recommendation to the Commission at its December 10, 2020 Regular Meeting.

Background:

At its September 17, 2020 Regular Meeting, the Commission took action to i. endorse the Staff recommendation to allocate \$3,904,630.00 additional funding to the Bowers Hill Environmental Study (UPC 111427); and, ii. authorized the Executive Director to conduct a public hearing regarding amendment to the Commission Approved HRTAC FY2021-FY2026 Plan of Finance Update for the allocation of additional HRTAC funds to support expansion of the Scope of Work to include the segment of I-664 from Bowers Hill to College Drive. VDOT and HRTAC entered into agreement to provide \$4.0 million to conduct the Remaining Projects of the Third Crossing SEIS – Bowers Hill Environmental Study. Through extensive study and coordination with the HRTPO and its Bowers Hill Interchange Study Working Group, VDOT, and HRTAC, it has been determined that the Bowers Hill Interchange scope of work needed to be modified to include the segment of I-664 between Bowers Hill Interchange and the College Drive Interchange due to the amount of significant congestion along I-664 that was extending into the Bowers Hill Interchange. At its May 21, 2020 meeting, the HRTPO took action to expand the scope of the study to include a managed express lanes component through the interchange and along the I-664 segment to College Drive. Executive Director Page conducted the Public Hearing on this matter on Friday, December 4, 2020 at 10:00 a.m. and he will provide any public comments received at the Finance Committee meeting.

Fiscal Impact



On November 19, 2019, the Commission de-obligated \$3,904,632.42 of obligated funding from the 460/58/13 project. There will be an impact to the Hampton Roads Transportation Fund in the amount of \$3,904,630.00 as redirected from the 460/58/13 project funding de-obligation. In consultation with PFM, the Approved HRTAC FY2021-FY2026 Plan of Finance Update remains constrained with the obligation of \$3,904,630.00 to the Bowers Hill Study.

Suggested Motion:

Motion is that the Finance Committee: i. Recommends to the Commission for approval of the proposed amendment to the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan to extend the scope and budget of the Bowers Hill Study to College Drive (UPC 111427); and, ii. Authorizes the Finance Committee Chair to communicate the Committee's recommendation to the Commission at its December 10, 2020 Regular Meeting.

Agenda Item 5E
Discussion Item

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

From: Kevin B. Page, Executive Director

Date: December 8, 2020

RE: HRBT Funding Plan of Finance and Debt Management Plan Status Update

Recommendation:

The Finance Committee is asked to hear the presentation and engage in discussion of the HRBT Funding Plan of Finance and Debt Management Plan status update that will be provided by the Committee.

Background:

HRTAC Staff, legal team, and professional advisors continue to implement the Approved HRTAC Plan of Finance and Debt Management Plan. Since the Committee's March 12, 2020 meeting, significant progress has been made in project finance and delivery. The HRTAC financing and legal team will provide a presentation to bring the Committee up to date on Commission's financing activities, studies underway and progress to provide revenue and cost estimates, tolling policy and funding assumptions, and the decisions that the Commission will be making over the next six months. The presentation is attached to this briefing memo. The Commission will be provided a modified version of this presentation at the Commission's December 10, 2020 Regular Meeting.

Fiscal Impact

There is no specific fiscal impact to this discussion item. Future actions will result in fiscal impacts that will be brought to the Commission on a case by case basis.

Suggested Motion:

Not applicable.





Finance Committee Meeting

December 8, 2020

Agenda

- I. HRELN Phasing Plan
- II. HRBT Cost Update
- III. HRELN Phase 1 Traffic and Revenue Projection
- IV. HRBT Financing Plan
- V. HRBT Financing Actions
- VI. Six Year Improvement Plan Update

I. HRELN Phasing Plan

Hampton Roads Express Lane Network (HRELN)

HRELN is a high occupancy toll network (HOT 2), contiguous and in each traffic direction on I-64 from Jefferson Avenue Interchange in Newport News to the I-64, I-264 and I-664 Bowers Hill Interchange in Chesapeake. It is divided into four segments and will be delivered in three phases:

Existing: Segment 1 (two HOT reversible lanes)

Phase I (Under Construction)

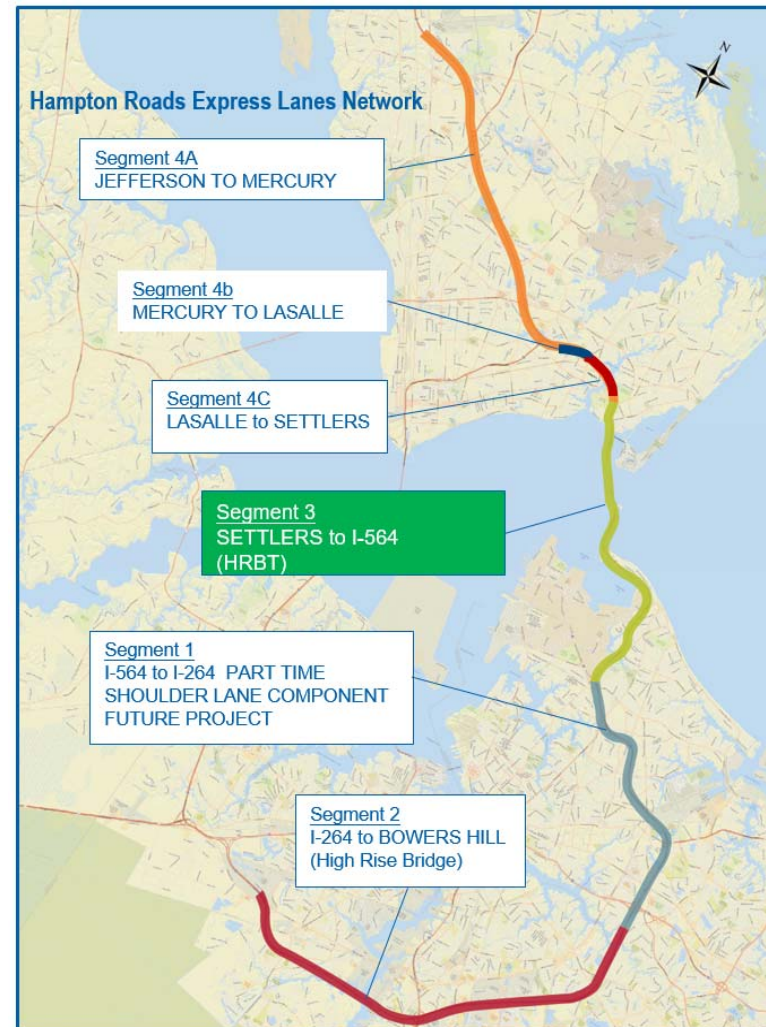
- Segment 2 - under construction & fully funded (one HOT lane in each direction, completion Fall 2022)
- **Segment 3 (HRBT Expansion Project) – additional capacity under construction**

Phase II (Pending Project Readiness and Funding Availability – High Priority – Targeting 2025 Operational)

- Segment 1 – currently in preliminary design (completes modifications to 564 interchange to facilitate 2 lane HOT2 WB transition)
- Segment 4b - currently in preliminary design (one HOT2 lane in each direction Lasalle Ave to Mercury Blvd interchange)
- Segment 4c – currently in preliminary design (provides 2 lane HOT2 entrance EB transition)

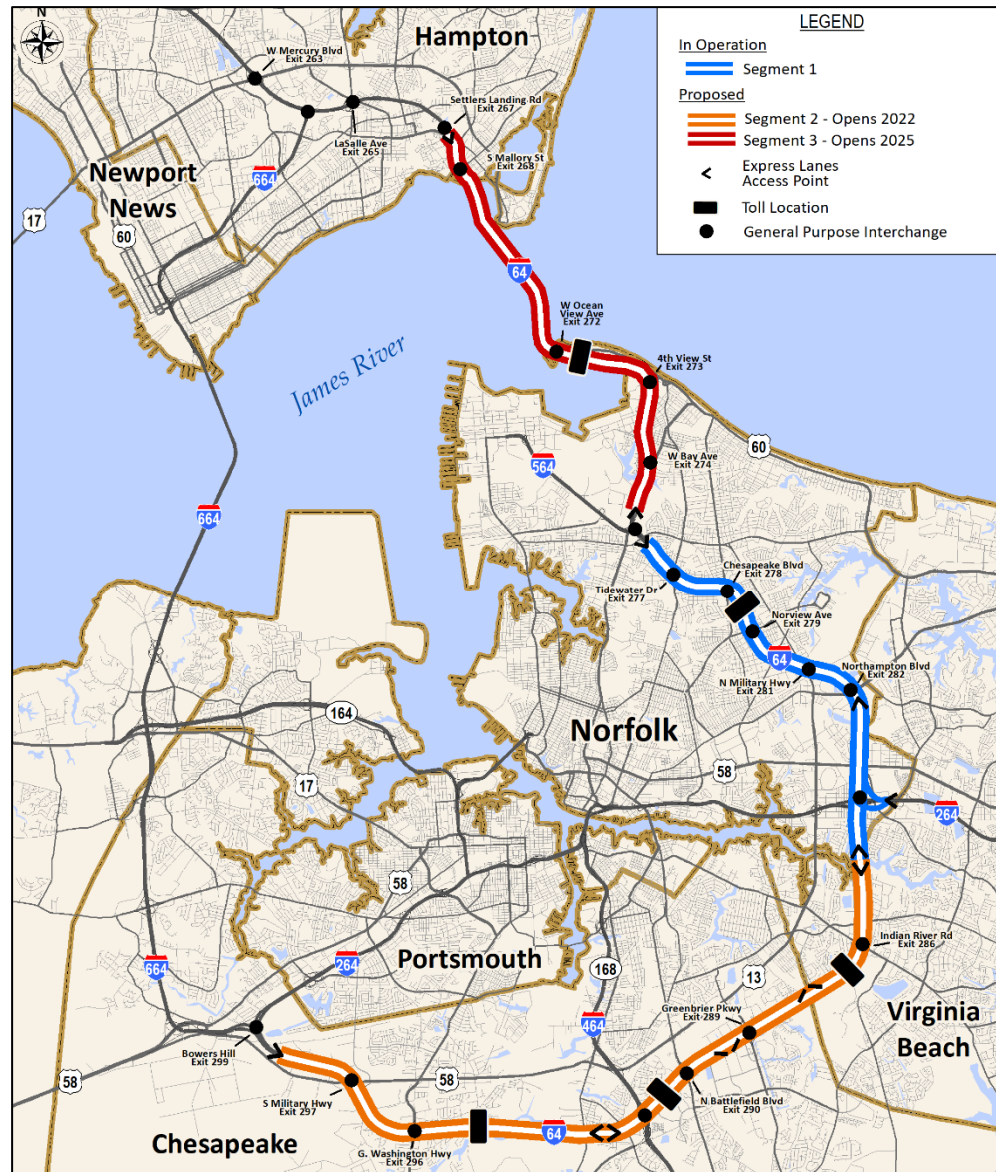
Phase III (Pending Project Readiness and Funding Availability – Future Project)

- Segment 1 - (Part Time Shoulder Lanes) provides single bi-directional HOT2 part time shoulder lane to operate in concert with reversible lanes
- Segment 4a – currently in preliminary design (converts existing HOV lanes to one HOT2 lane in each direction)



Phase I Overview

- Project extends in 3 segments from Settlers Landing Road interchange on the Peninsula, across the HRBT, continuing clockwise around I-64 to Bowers Hill Interchange
- Generally includes:
 - Segment 3 (~8.3miles) – 1 express + 1 peak shoulder express lane in each direction through new HRBT capacity (Opening October 1, 2025)
 - Segment 1 (~8.7miles) Existing reversible two express lanes on Segment 1 (Opened Jan 2018)
 - Segment 2 (~13.5miles) One express lane in each direction from existing Segment 1 to Bowers Hill Interchange (Opening October 1, 2022)
- Approximately 30.5 centerline miles of express lanes



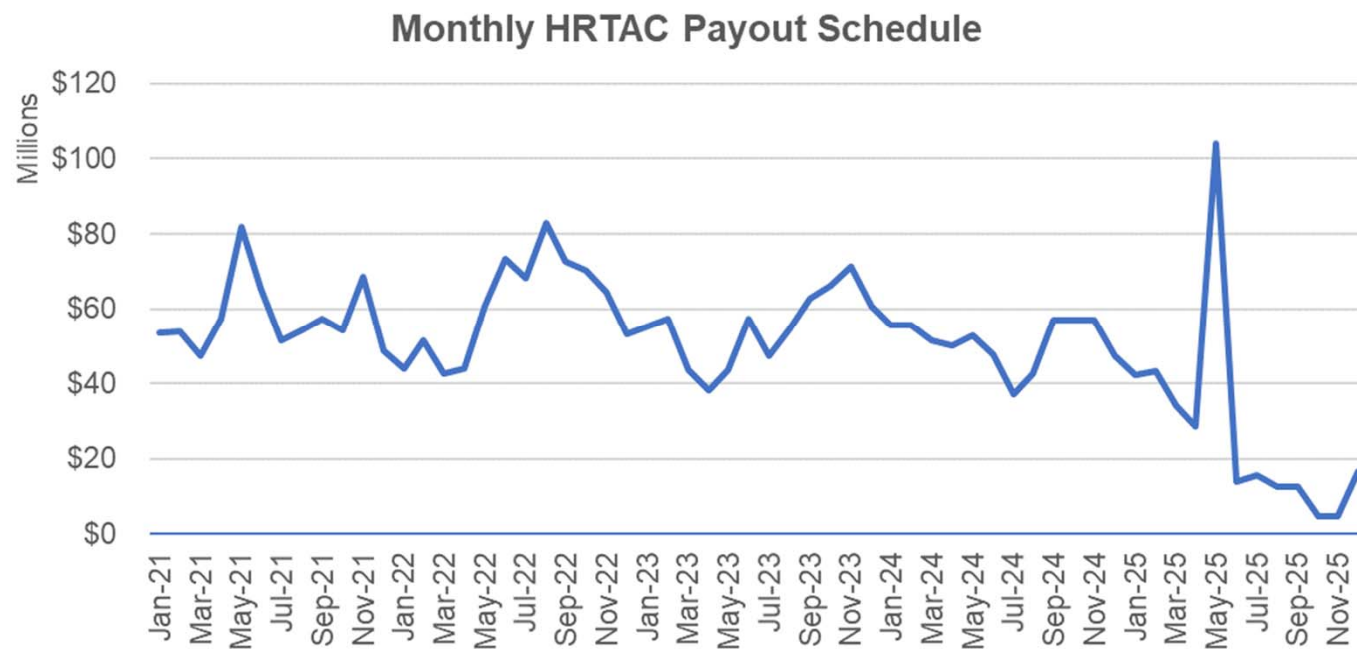
II. HRBT Cost Update

HRBT Construction Cost

- 23 change orders requested by VDOT have been issued, resulting in aggregate obligation of \$11.6M of the \$325M HRTAC-funded contingency
- In addition, VDOT identified \$23.5M HRBT tolling capex cost
 - VDOT agreed to assume this cost would be absorbed by the HRTAC-funded contingency to support these costs
- In aggregate, \$35.1M of the \$325M HRTAC-funded contingency has been obligated or assumed spent
- Separately, \$73.5M Bridge Repair Work Option has been issued via a change order by VDOT.
 - VDOT will front fund for the entire \$73.5M.
 - Of the \$73.5M, \$32.2M is identified as FHWA required work and is eligible for reimbursement by HRTAC pursuant to the PAFA, but only after and to the extent the HRBT is completed and that there are remaining HRTAC contingency funds.

Monthly HRTAC Payment Schedule

- As of November 18, 2020, HRTAC has paid \$635M.
- In November, VDOT provided an updated monthly HRTAC funding schedule (including assumed contingency spending).
- Based on the updated payment schedule, HRTAC's current cash balance and the Series 2020A bond proceeds should be sufficient to fully fund such payments through the targeted TIFIA loan closing in July 2021.



III. HRELN Phase 1

Traffic and Revenue Projection

HRELN Investment Grade Traffic and Revenue Study – Introduction

CDM Smith Study Team

- CDM Smith (Prime) – Traffic and Revenue (T&R)
 - Our T&R studies have support more than \$125 billion in toll financings
- Renaissance Planning Group – Economic Assessment
- RSG – Stated Preference Survey (conducted in 2018)

Presentation Contents

- HRELN Buildout and HRENL Phase 1 Overview
- Existing Segment 1
 - Hours of operation and Tolling Policy
 - Traffic and Revenue (T&R) Trends and COVID Impacts
- T&R Study Assumptions - Toll Operations and Policy
- T&R Study Approach
- T&R Study Forecast
- Potential Summer Weekend T&R Analysis

Existing Segment 1 Express Lanes

- Conversion of existing 2-lane reversible HOV system to high occupancy toll (HOT) lanes in January 2018
- Currently operates as HOT lanes during Weekdays and non-holidays
 - **Westbound Operations (12AM to 11AM)**
 - Restricted HOT-2+ (5AM to 9AM)
 - Closed (11AM to 1PM) to reverse direction
 - **Eastbound Operations (1PM to 11PM)**
 - Restricted HOT-2+ (2PM to 6PM)
 - Closed (11PM to 12AM) to reverse direction
- Dynamically tolled to ensure high level of service
 - Transponder based tolling with video enforcement
 - Priority on traffic throughput, not revenue maximization
 - \$0.50 minimum toll - ~\$0.06 per mile
 - Permitted vehicles include passenger cars, pickups/panel/vans, motorcycles
 - Single occupant vehicles tolled during HOT lane operations
 - Vehicles with 2 or more occupants toll free – requires transponder set to HOV On
 - Motorcycles, buses, active-duty emergency vehicles travel toll free (buses should be equipped with transponder set to HOV On)

Existing Segment 1 Express Lanes

Historical Monthly T&R

Month	2018			2019			2020			% Change in Total	
	HOV	Tolled	Total	HOV	Tolled	Total	HOV	Tolled	Total	18-19	19-20
January	15,357	143,649	159,006	40,197	259,374	299,571	34,851	252,857	287,708	88.4%	-4.0%
February	21,060	190,986	212,046	36,318	225,652	261,970	31,541	226,758	258,299	23.5%	-1.4%
March	26,322	255,710	282,032	38,577	254,417	292,994	27,592	204,837	232,429	3.9%	-20.7%
April	25,668	239,482	265,150	35,870	239,448	275,318	13,454	99,508	112,962	3.8%	-59.0%
May	27,785	238,008	265,793	36,499	246,561	283,060	15,332	109,643	124,975	6.5%	-55.8%
June	26,959	220,571	247,530	31,947	230,298	262,245	21,063	154,029	175,092	5.9%	-33.2%
July	28,040	220,814	248,854	33,036	244,870	277,906	21,496	157,914	179,410	11.7%	-35.4%
August	32,521	244,501	277,022	34,179	253,105	287,284	21,934	160,249	182,183	3.7%	-36.6%
September	23,592	178,526	202,118	30,985	231,071	262,056	24,510	188,856	213,366	29.7%	-18.6%
October	35,815	264,309	300,124	37,984	291,345	329,329	25,670	202,647	228,317	9.7%	-30.7%
November	33,501	230,496	263,997	31,439	213,195	244,634				-7.3%	
December	29,589	201,206	230,795	30,276	221,195	251,471				9.0%	
Total	326,209	2,628,258	2,954,467	417,307	2,910,531	3,327,838	237,443	1,757,298	1,994,741	12.6%	-29.6%
Share	11.0%	89.0%	100.0%	12.5%	87.5%	100.0%	11.9%	88.1%	100.0%		

Notes:

Project began tolling on January 10, 2018

Hurricane Florence impacted traffic during September 2018

COVID-19 Pandemic traffic impact began during March 2019

Tropical Storm Isaias made landfall on August 4, 2020

Existing Segment 1 Express Lanes

Historical Monthly T&R

Month	2018			2019			2020			% Change in Revenue	
	Tolled	Revenue	Avg Toll	Tolled	Revenue	Avg Toll	Tolled	Revenue	Avg Toll	18-19	19-20
January	143,649	165,486	\$ 1.15	259,374	268,952	\$ 1.04	252,857	261,547	\$ 1.03	62.5%	-2.8%
February	190,986	152,316	\$ 0.80	225,652	166,577	\$ 0.74	226,758	209,105	\$ 0.92	9.4%	25.5%
March	255,710	253,974	\$ 0.99	254,417	195,639	\$ 0.77	204,837	141,426	\$ 0.69	-23.0%	-27.7%
April	239,482	167,259	\$ 0.70	239,448	164,683	\$ 0.69	99,508	49,811	\$ 0.50	-1.5%	-69.8%
May	238,008	161,695	\$ 0.68	246,561	172,507	\$ 0.70	109,643	54,876	\$ 0.50	6.7%	-68.2%
June	220,571	149,385	\$ 0.68	230,298	163,322	\$ 0.71	154,029	77,945	\$ 0.51	9.3%	-52.3%
July	220,814	146,209	\$ 0.66	244,870	169,113	\$ 0.69	157,914	79,495	\$ 0.50	15.7%	-53.0%
August	244,501	155,692	\$ 0.64	253,105	183,859	\$ 0.73	160,249	81,634	\$ 0.51	18.1%	-55.6%
September	178,526	134,930	\$ 0.76	231,071	170,539	\$ 0.74	188,856	103,714	\$ 0.55	26.4%	-39.2%
October	264,309	204,827	\$ 0.77	291,345	260,586	\$ 0.89	202,647	110,360	\$ 0.54	27.2%	-57.6%
November	230,496	214,237	\$ 0.93	213,195	196,248	\$ 0.92				-8.4%	
December	201,206	137,582	\$ 0.68	221,195	169,730	\$ 0.77				23.4%	
Total	2,628,258	2,043,591	\$ 0.78	2,910,531	2,281,756	\$ 0.78	1,757,298	1,169,913	\$ 0.67	11.7%	-38.9%

Notes:

Project began tolling on January 10, 2018

Hurricane Florence impacted traffic during September 2018

COVID-19 Pandemic traffic impact began during March 2019

Tropical Storm Isaias made landfall on August 4, 2020

T&R Projection Assumptions - Toll Operations and Policy

- Segment 1 tolling operations moves to 24 hours 7 days a week when Segment 2 tolling begins October 2022
- Segment 3 tolling begins October 2025
- Dynamically tolled to ensure high level of service
 - Transponder based tolling with video enforcement
 - Like current Segment 1, priority on traffic throughput not revenue maximization
 - \$0.06 per mile but not less than \$0.25 per toll gantry
 - Permitted vehicles include passenger cars, pickups/panel/vans, motorcycles
 - Single occupant vehicles tolled
 - Vehicles with 2 or more occupants toll free – requires transponder set to HOV On
 - Motorcycles, buses, active-duty emergency vehicles travel toll free (buses should be equipped with transponder set to HOV On)

I-64 HRELN Investment Grade T&R Study Approach

- Data Assembly and Collection
- Develop Corridor Count and Speed Profiles
- Independent Economic Analysis
- Regional Model Validation and Future Year Demand Estimation
- Development and Calibration of a Corridor Network Model for an Average Weekday and Future Years
- Traffic and Revenue Analysis
- Sensitivity Tests
- Traffic and Revenue Report

Estimated Traffic Growth and Market Share – Total Day

Tolling Location	Year	General Purpose	Express Lane	Total Traffic	Express Lane Share	AAPC
1 [^]	2022	61,675	16,639	78,314	21.2%	-
	2025	64,115	19,000	83,116	22.9%	2.0%
	2035	65,023	19,991	85,014	23.5%	0.2%
	2045	66,058	21,047	87,105	24.2%	0.2%
	2060	67,853	22,405	90,258	24.8%	0.2%
2A	2022	148,634	19,301	167,935	11.5%	-
	2025	152,437	21,525	173,962	12.4%	1.2%
	2035	156,769	24,099	180,868	13.3%	0.4%
	2045	159,186	26,380	185,567	14.2%	0.3%
	2060	162,721	30,814	193,535	15.9%	0.3%
2B	2022	109,518	13,082	122,599	10.7%	-
	2025	113,324	13,847	127,171	10.9%	1.2%
	2035	124,222	16,718	140,941	11.9%	1.0%
	2045	133,597	19,694	153,291	12.8%	0.8%
	2060	147,236	24,741	171,977	14.4%	0.8%
2C	2022	97,667	24,932	122,599	20.3%	-
	2025	101,449	25,722	127,171	20.2%	1.2%
	2035	110,735	30,206	140,941	21.4%	1.0%
	2045	118,793	34,498	153,291	22.5%	0.8%
	2060	130,415	41,562	171,977	24.2%	0.8%
3	2022	95,361	-	95,361	0.0%	-
	2025	82,378	31,041	113,419	27.4%	6.0%
	2035	86,396	35,226	121,622	29.0%	0.7%
	2045	89,614	38,760	128,374	30.2%	0.5%
	2060	95,896	42,952	138,848	30.9%	0.5%

Note: Ramp up not applied.

[^]Traffic at tolling location 1 includes traffic only in the direction of operation of the reversible lanes.

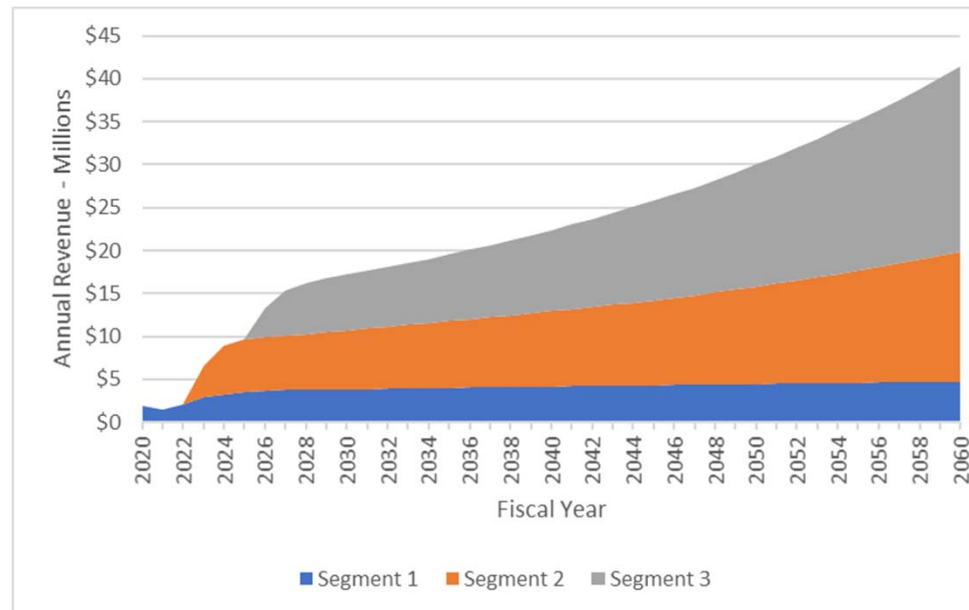
Average Weekday Revenue Estimates by Model Year and Time Period (2019\$)

Time Period	Model Year			
	2025	2035	2045	2060
12 - 5 AM	\$223	\$288	\$348	\$476
5 - 6 AM	\$1,623	\$1,911	\$2,333	\$2,954
6 - 7 AM	\$3,202	\$3,862	\$4,914	\$10,129
7 - 8 AM	\$7,798	\$10,711	\$15,245	\$27,233
8 - 9 AM	\$4,604	\$5,442	\$6,433	\$10,826
9 - 11 AM	\$2,138	\$2,953	\$3,854	\$5,554
11 AM - 1 PM	\$1,673	\$2,419	\$3,191	\$4,737
1 - 2 PM	\$1,329	\$1,827	\$2,305	\$3,439
2 - 3 PM	\$3,075	\$3,710	\$4,593	\$7,394
3 - 4 PM	\$6,136	\$7,642	\$9,739	\$15,430
4 - 5 PM	\$11,326	\$14,700	\$20,118	\$30,305
5 - 6 PM	\$6,130	\$8,574	\$12,139	\$19,816
6 - 7 PM	\$2,996	\$3,690	\$4,544	\$7,566
7 - 11 PM	\$2,221	\$2,781	\$3,314	\$4,192
11 PM - 12 AM	\$158	\$200	\$237	\$304
Daily	\$54,632	\$70,711	\$93,306	\$150,356
Annual % Change		2.6%	2.8%	3.2%
5-9 AM Share	32%	31%	31%	34%
2-6 PM Share	49%	49%	50%	49%
Total Peak	80%	80%	81%	83%

Summary of Annual T&R Forecast - 2019 dollars

Segment	FY2023 ⁽¹⁾		FY2026 ⁽¹⁾		FY2035		FY2045		FY2060	
	Revenue	Share	Revenue	Share	Revenue	Share	Revenue	Share	Revenue	Share
1	\$2,973	45%	\$3,713	28%	\$3,997	20%	\$4,315	17%	\$4,748	11%
2A	\$871	13%	\$1,845	14%	\$2,316	12%	\$2,863	11%	\$3,812	9%
2B	\$484	7%	\$850	6%	\$1,015	5%	\$1,210	5%	\$1,530	4%
2C	\$2,299	35%	\$3,500	26%	\$4,470	23%	\$5,804	23%	\$9,797	24%
2 Total	\$3,654	55%	\$6,195	47%	\$7,801	40%	\$9,878	38%	\$15,138	37%
3	-	0%	\$3,384	25%	\$7,744	40%	\$11,569	45%	\$21,533	52%
Systemwide	\$6,627	100%	\$13,292	100%	\$19,542	100%	\$25,761	100%	\$41,419	100%

⁽¹⁾ 2023 and 2026 revenues reflect ramp up and the October 2022 opening of Segment 2 and October 2025 opening of Segment 3.



Fiscal Year Annual T&R Estimates

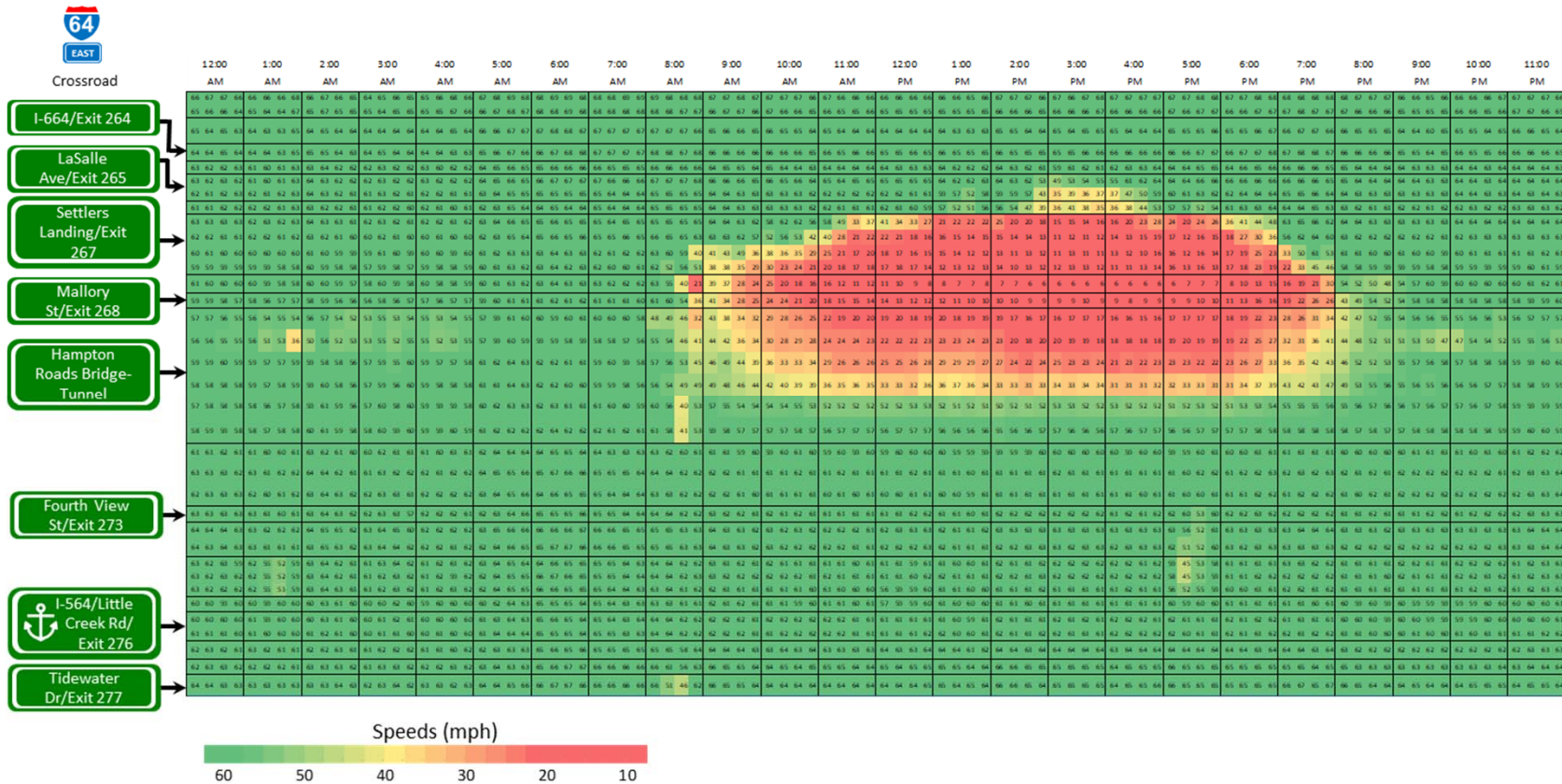
- Segment 2 opens October 2022
- Segment 3 opens October 2025
- Free traffic – about 16 percent on average once all segments in place
- Revenue growth – about 3 percent post ramp-up
- Revenue growth a function of traffic growth and real toll increases

Fiscal Year	in thousands			Gross Toll Revenue (2019\$)
	Toll Transactions	Free Transactions	Total Transactions	
2020	2,502	342	2,844	\$1,945
2021	2,246	324	2,570	\$1,461
2022	2,825	405	3,230	\$2,073
2023	11,840	2,740	14,581	\$6,627
2024	16,475	3,958	20,433	\$8,844
2025	18,163	4,299	22,462	\$9,580
2026	23,903	4,935	28,838	\$13,292
2027	26,736	5,258	31,993	\$15,356
2028	27,746	5,383	33,129	\$16,213
2029	28,240	5,453	33,692	\$16,723
2030	28,614	5,509	34,124	\$17,158
2031	28,995	5,567	34,561	\$17,607
2032	29,380	5,625	35,005	\$18,069
2033	29,772	5,684	35,456	\$18,545
2034	30,169	5,743	35,913	\$19,036
2035	30,573	5,803	36,376	\$19,542
2036	30,946	5,857	36,804	\$20,070
2037	31,289	5,905	37,194	\$20,622
2038	31,636	5,954	37,590	\$21,192
2039	31,987	6,003	37,990	\$21,782
2040	32,343	6,052	38,395	\$22,391
2041	32,703	6,102	38,805	\$23,021
2042	33,068	6,152	39,219	\$23,672
2043	33,437	6,202	39,639	\$24,345
2044	33,811	6,253	40,064	\$25,041
2045	34,189	6,305	40,494	\$25,761
2046	34,546	6,362	40,908	\$26,533
2047	34,880	6,424	41,304	\$27,361
2048	35,218	6,488	41,706	\$28,219
2049	35,559	6,552	42,111	\$29,109
2050	35,905	6,617	42,522	\$30,033
2051	36,254	6,682	42,937	\$30,991
2052	36,608	6,748	43,356	\$31,986
2053	36,965	6,815	43,780	\$33,017
2054	37,327	6,883	44,209	\$34,088
2055	37,692	6,951	44,643	\$35,199
2056	38,062	7,020	45,082	\$36,352
2057	38,436	7,090	45,526	\$37,549
2058	38,814	7,160	45,974	\$38,791
2059	39,197	7,232	46,428	\$40,081
2060	39,583	7,304	46,887	\$41,419

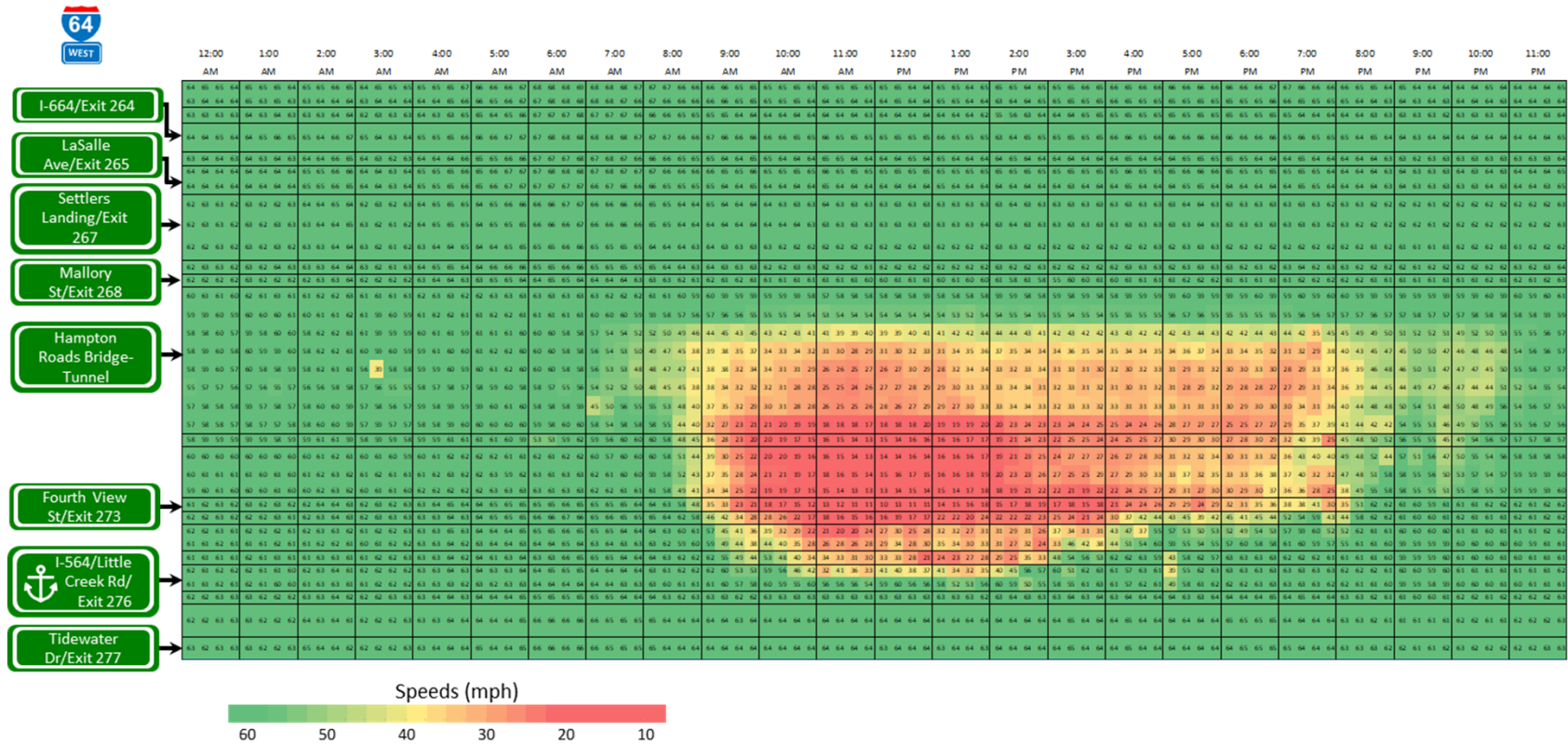
Summer Weekend Traffic and Revenue Study

- Current traffic model represents average weekday conditions
- Value in producing summer weekend models – Friday, Saturday and Sunday summer conditions
- Significant congestion and duration along HRBT corridor
- Need for occupancy field survey to assess share of HOV traffic during summer weekends
- Determine the need to potentially toll all traffic in express lanes during summer weekends regardless of occupancy
- Estimate traffic and revenue potential for summer weekends
- Refine annual estimates of revenue incorporating summer weekend analysis findings
- Study depends on travel returning to normal by June 2021
- Major traffic count program needs to occur to develop baseline of traffic demand to calibrate models to

Eastbound Average Summer Saturday Congestion



Westbound Average Summer Saturday Congestion



IV. HRBT Financing Plan

Construction Funding and Financing Reserve Funding

Construction Budget

(in \$ millions)	Funding Status	Total	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Construction Budget¹		\$3,758	\$291	\$798	\$650	\$707	\$676	\$565	\$71
Funds									
VDOT SMART SCALE	committed and programmed ²	\$200					\$110	\$90	
HRTAC Funding									
HRTF Paygo	programmed ²	\$1,710	\$291	\$55	\$334	\$263	\$256	\$440	\$71
HRTF Senior 2020A Bonds	issued	\$743		\$743					
HRTF 2021 TIFIA Loan ³	closing Q2 CY 2021	\$760			\$316	\$444			
Toll 2021 TIFIA Loan	closing Q2 CY 2021	\$345					\$310	\$35	
Total		\$3,758	\$291	\$798	\$650	\$707	\$676	\$565	\$71

1. \$3,753M cost shown on page 13 of Part One of the Presentation (inclusive of \$23.5M tolling capex costs) plus \$4.5M additional contingency

2. programmed in VDOT and HRTAC's respective Six-Year Improvement Plan

3. HRTAC may issue a HRTF BAN simultaneously with the loan closing (the BAN shall be repaid by the loan at its final maturity)

Financing Reserve Budget (Initial Deposits)

	Amount	Sources
Tolling O&M Reserve	\$2.9M	VDOT
Tolling M&R Reserve	\$5.0M	HRTAC HRTF
Toll Revenue Debt Service Reserve Fund	\$22.4M	HRTAC HRTF
Toll Revenue Stabilization Fund	\$4.0M	HRTAC HRTF
HRTF Debt Service Reserve Fund	\$37.0M	HRTAC HRTF

*All these reserves are expected to be required by TIFIA but cannot be funded by TIFIA loan proceeds.

** The Tolling M&R Reserve and the Toll Revenue Stabilization Fund can receive certain amounts of HRTF funding after these initial deposits when toll revenues are insufficient.

Source One: HRTF Paygo Cash

- \$1,710M total paygo cash towards construction, including
 - To date, none has been spent (so far, the HRBT project cost has been paid with the Series 2020A's bond proceeds)
- \$68M total paygo cash towards financing reserves (as initial deposits)
 - The Tolling M&R Reserve and the Toll Revenue Stabilization Fund can receive certain amounts of HRTF funding after initial deposits when toll revenues are insufficient during operation.
- Current cash balance is \$1,190M
- HRTAC has typically sought to maintain a General Fund cash balance of not less than \$100M
 - The cash balance is projected to fall to \$200M in FY 2026 at the end of HRBT construction in the pro-forma cash flow

Source Two: HRTF Senior Lien Series 2020A

- \$614,615,000 par amount sold at a premium price (120.98%) in October 2020
 - Generated \$743M net proceeds to pay for construction
 - The sale took place prudently and promptly after the HRBT NTP was issued
 - Market conditions warranted a single sale and a 40-year term
- Received high quality credit ratings:
 - “Aa2” (Stable Outlook) by Moody’s
 - “AA” (Stable Outlook) by S&P
- True Interest Cost of 3.36%; arbitrage yield of 2.14%
- Received \$1,268M total orders (211% oversubscription)
 - Individual maturity subscription levels range from 45% to 973%
- Underwriting Syndicate:
 - Senior: Bank of America Securities
 - Co-Managers: Citigroup Global Markets, J.P. Morgan, Loop Capital Markets, UBS Financial Services, Wells Fargo Securities
- To date, all HRBT payments have been paid with the Series 2020A Bonds; the remaining bond proceeds are approximately \$105M.

Source Three: 2021 HRTF TIFIA Loan

- Applying for \$743M (subject to change), on parity with the 2019 Loan at the HRTF Subordinate Lien level
- HRTAC expects to receive the same credit ratings as the 2019 HRTF TIFIA Loan
- HRTAC expects to have the same debt provisions as the 2019 HRTF TIFIA Loan
- The 2019 Loan is expected to be refinanced and combined with the 2021 Loan into one TIFIA loan agreement, payable from the HRTF at the Subordinate Lien level
- Refinancing means changing the existing 2019 Loan interest rate to the market rate at the time of the 2021 Loan's closing, which currently would result in savings

TIFIA Bond Anticipation Notes (BANs) – Concepts

- In December 2019, HRTAC issued HRTF TIFIA BANs that generated \$21 million present value benefits.
- TIFIA BANs are frequently used for the following reasons:
 - avoid complications with multiple TIFIA Loan draws
 - potential interest cost savings
 - can earn investment earnings from the BANs proceeds before they are spent

Interest Cost Difference			
	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

2021 HRTF TIFIA BANs – Preliminary Analysis

- Based on assumptions as of November 25, 2020, the estimated net present value benefit of the 2021 TIFIA BAN is approximately \$22M

- A table of assumptions can be found below.

Assumptions	
Delivery Date	7/1/2021
Coupon	5.00%
Yield	0.95%
TIFIA Rate	2.37%
PV Rate	2.23%
First Draw Date	1/1/2022
Maturity Date	7/1/2025
Fund Earnings Rate	0.25%

	No BANs Scenario			BANs Scenario			
FY	TIFIA DS	PV	Ending Balance	TIFIA DS	Interest Earnings	PV	Ending Balance
2021							
2022			385,912,201		(2,060,270)	(2,027,636)	
2023			776,405,344		(514,060)	(495,954)	
2024			793,838,169		(173,794)	(163,678)	
2025	8,890,878	8,138,972	802,774,939		(74,483)	(68,685)	794,488,757
2026	17,929,118	16,143,422	802,774,939	17,434,695		15,698,243	794,488,757
2027	20,824,104	18,326,435	799,879,952	20,318,056		17,880,797	791,605,396
2028	20,835,817	17,935,997	796,926,355	20,332,893		17,502,784	788,663,660
2029	20,847,162	17,553,266	793,913,565	20,347,428		17,132,213	785,662,968
2030	25,466,991	20,956,556	786,232,138	24,952,006		20,532,214	778,012,387
2031	25,546,484	20,561,965	778,346,779	25,039,596		20,153,423	770,158,694
2032	28,862,789	22,713,286	767,017,371	28,351,223		22,310,037	758,874,782
2033	34,142,013	26,266,142	750,225,203	33,509,779		25,779,191	742,261,927
2034	34,441,744	25,915,946	732,809,217	33,821,260		25,448,527	725,031,915
2035	34,745,421	25,571,362	714,753,423	34,137,202		25,123,233	707,168,928
2036	35,053,117	25,232,373	696,041,457	34,457,689		24,803,294	688,656,775
2037	35,364,903	24,898,566	676,656,564	34,782,807		24,488,306	669,478,881
2038	35,680,853	24,570,284	656,581,593	35,112,642		24,178,606	649,618,279
2039	36,001,040	24,247,260	635,798,988	35,447,286		23,873,933	629,057,598
2040	36,396,067	23,975,832	614,220,252	35,786,828		23,574,274	607,779,058
2041	36,663,463	23,622,143	591,895,072	36,067,527		23,237,997	585,764,458
2042	36,933,182	23,274,012	568,804,553	36,351,106		22,907,059	562,995,168
2043	37,205,251	22,931,205	544,929,356	36,637,605		22,581,230	539,452,114
2044	37,479,698	22,593,697	520,249,683	36,927,069		22,260,490	515,115,776
2045	37,756,550	22,261,177	494,745,268	37,219,539		21,944,530	489,966,171
2046	38,035,837	21,933,859	468,395,370	37,515,059		21,633,565	463,982,844
2047	38,285,713	21,593,598	441,210,627	37,813,675		21,327,399	437,144,857
2048	38,528,844	21,253,879	413,138,476	38,056,388		20,993,299	409,430,780
2049	38,773,162	20,919,149	384,156,695	38,300,362		20,664,109	380,818,678
2050	39,018,665	20,589,546	354,242,543	38,545,595		20,339,969	351,286,097
2051	39,265,350	20,264,906	323,372,742	38,792,086		20,020,716	320,810,056
2052	39,513,212	19,945,175	291,523,463	39,039,834		19,706,296	289,367,033
2053	39,762,248	19,630,179	258,670,321	39,288,838		19,396,538	256,932,950
2054	39,806,457	19,220,604	224,994,351	39,539,095		19,091,508	223,483,166
2055	40,056,299	18,916,543	190,270,418	39,787,259		18,789,489	188,992,458
2056	40,307,294	18,617,062	154,472,533	40,036,568		18,492,020	153,435,011
2057	40,559,437	18,322,062	117,574,095	40,287,017		18,199,001	116,784,403
2058	40,812,722	18,031,537	79,547,879	40,538,601		17,910,427	79,013,592
2059	41,067,143	17,745,388	40,366,021	40,791,314		17,626,200	40,094,900
2060	41,322,695	17,463,529		41,045,149		17,346,234	
Total	1,232,181,723	752,136,914		1,206,411,080	(2,822,608)	730,191,198	
PV Benefit				21,945,716			

HRTF Revenue Performance and Forecast

- HRTF has been performing well in recent months – better than the Stress Test Revenue assumption used in Spring 2020.
- Moody's estimates state tax revenues will be down 5.5% in 2020 from 2019 and down 11.2% in 2021 from 2019; To date the HRTF is performing better.
- VDOT will provide an updated six-year forecast in December, which will be the basis for an updated long-term projection replacing the existing Stress Test Revenue assumption

Month of Sales	HRTF Revenues			Monthly YOY Growth		Cumulative YTD Growth		
	FY 2019	FY 2020	FY 2021	2020 to 2019	2021 to 2020	2020 to 2019	2021 to 2020	2021 to 2019
July	16,855,085	18,296,967	18,160,166	8.55%	-0.75%	8.55%	-0.75%	7.74%
August	17,122,129	18,464,447	18,178,204	7.84%	-1.55%	8.19%	-1.15%	6.95%
September	27,998,195	17,099,111		0.59%		5.66%		
October	17,535,601	17,273,926		-1.49%		3.83%		
November	15,290,239	17,256,806		12.86%		5.48%		
December	20,880,878	19,603,838		-6.12%		3.16%		
January	14,927,140	15,042,705		0.77%		2.87%		
February	14,095,090	14,280,446		1.32%		2.70%		
March	16,686,508	15,824,410		-5.17%		1.83%		
April	17,947,999	14,564,037		-18.85%		-0.38%		
May	23,769,228	20,947,128		-11.87%		-1.80%		
June	10,083,174	12,559,618		24.56%		-0.48%		
Total	213,191,266	201,213,437						

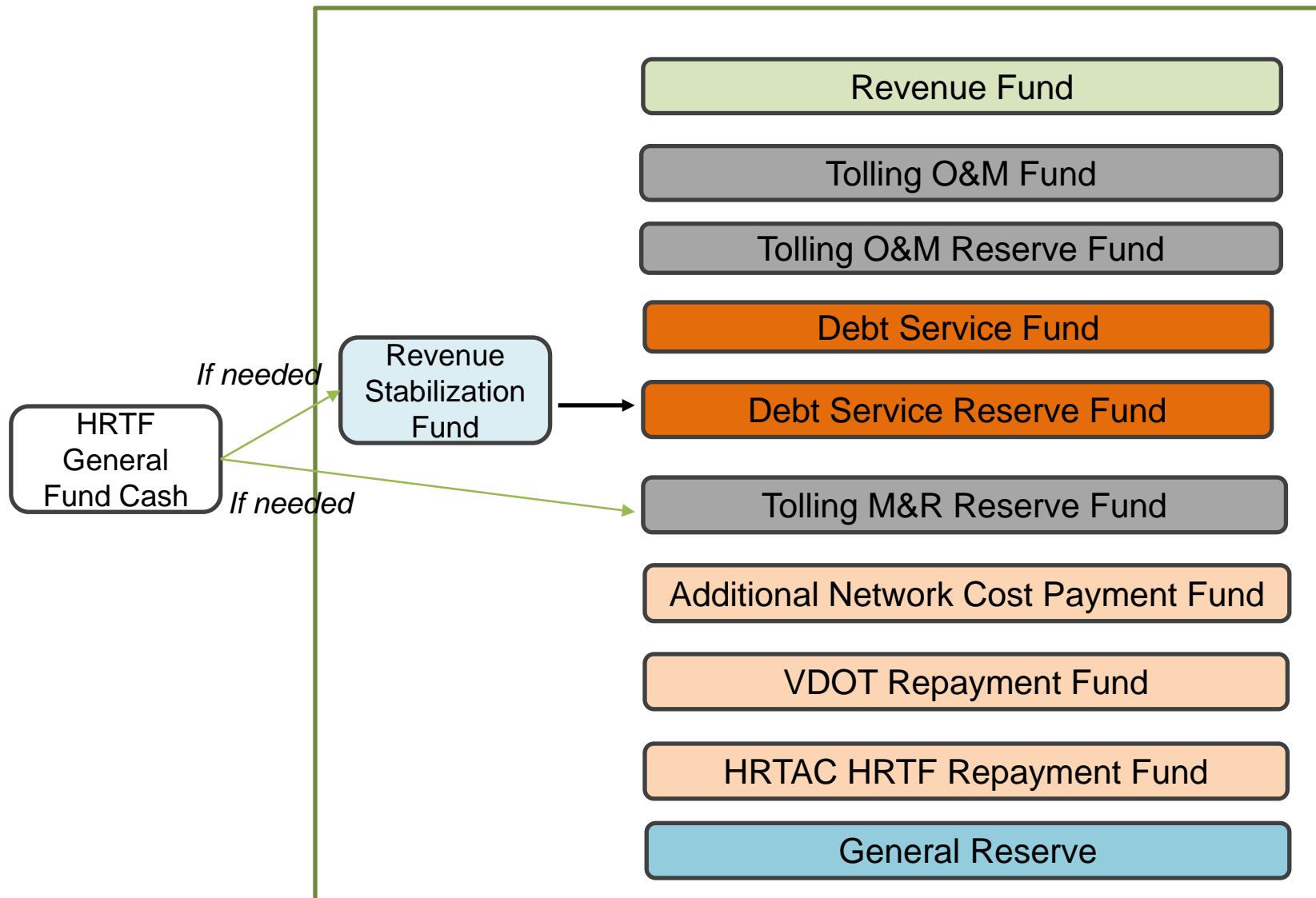
Source Four: 2021 Toll TIFIA Loan

- Applying for \$345M (subject to change), same amount specified in the PAFA
- Inaugural debt under the Master Toll Indenture
- Toll revenue debt structured to receive limited HRTF funding for initial deposits in three toll financing reserves

Tolling O&M Reserve	\$2.9M
Tolling M&R Reserve	\$5.0M
Toll Revenue Debt Service Reserve Fund	\$22.4M
- In addition, toll revenue debt structured to receive HRTF funding via two credit enhancements (funding only needed in the event that toll revenues and certain reserves are not sufficient):
 - Toll Revenue Stabilization Fund: Used to replenish the debt service reserve if drawn upon; Limited to \$4M per annum
 - Tolling M&R Reserve: Used to pay toll collection system capital maintenance; subject to a cumulative cap
 - The cumulative cap is the total estimated expenditure from FY 2026 to the final maturity of the toll debt as estimated by a Consulting Engineer
 - The initial amount of the cap is \$148M
 - The cap may be adjusted based on engineering estimates, in particular if/when the HRELN is expanded with additional segments
- Similar to the HRTF TIFIA loan, the strategy of utilizing a BAN as interim funding before drawing the Toll TIFIA Loan will be explored for economic benefits.

Toll Revenue Flow of Funds

- The flow of funds follows the revenue priorities is set forth in the MTA



Toll Revenue Debt

Additional Bonds Test and Rate Covenants

Definitions:

- Net Revenues = Gross Revenues – Tolling O&M expenditures
- Debt Service Coverage Ratio (DSCR) = Projected Net Revenues/Annual Debt Service
- All-in Cost Coverage Ratio (ACCR) = (Projected Net Revenues + Uncommitted Funds deposited in the General Reserve)/(Annual Debt Service + Annual Deposits to Tolling M&R Reserve)

[Note: Annual Deposits to the Tolling M&R Reserve only include deposits from current period toll revenues and shall not include payments from the HRTF, if any]

Additional Bonds Test		Rate Covenant	
DSCR	ACCR	DSCR	ACCR
1.45x	1.10x	1.25x	1.00x

Additional Bonds Test: meet coverage requirements prior to issue more debt

Rate Covenant: toll rate subject to increase if coverage requirements are not met

V. HRBT Financing Actions

Master Toll Indenture

- Purpose and function
- Similarities/Differences to HRTF Indenture
- Principal provisions
 - Pledge of Toll Revenues
 - Ability to Issue on Differing Lien Levels
 - Flow of Funds
 - Additional Bond Requirements
 - Principal Covenants – Toll Rate Covenant
 - Incorporates various TIFIA elements

Bond Validation

Purpose:

- Obtain a court determination, prior to issuance, that the Toll Revenue Bonds will be valid and legally payable obligations.
- Can eliminate costly court challenges.
- Ensures that pledging Toll Revenues for payment of the Toll Revenue Bonds is legal, which enhances the attractiveness of the Toll Revenue Bonds as investments and protects issuers, toll customers, and bond investors.
- Confirms that the imposition of Toll Revenues in the manner specified in the HRTAC Act and the issuance of the Toll Revenue Bonds are lawful.

Authorizations necessary by Commission Action

- Resolutions to approve Toll Revenue Financing Documents, including issuance of TIFIA Toll Revenue Bonds;
- Resolutions to approve Tolling Policy and Submission to the Commissioner of VDOT in accordance with the Master Tolling Agreement;
- Resolutions to approve HRTF Commitments to support Toll Revenue Bonds
- Resolutions to approve Bond Validation proceeding
- Reimbursement Resolution for HRELN
- Approval of Details of TIFIA transaction(s)
 - for HRTF TIFIA: principal documents are an HRTF supplemental indenture and TIFIA loan agreement – 2021 Loan (new money for the HRBT project) and 2019 Loan (refinancing);
 - for Toll Revenue TIFIA: principal documents are a Toll Revenue supplemental indenture and TIFIA loan agreement
- Approval of BAN transaction (potential)
 - principal documents are an HRTF supplemental indenture and offering document for public sale of BANs

Milestone Decision Tree

Targeting July 2021 TIFIA Closing

- December 2020 – Commission understanding of Commission Finance Plan and Commission Finance Team to continue the TIFIA transactions
- January 2021 – Commission approval of Bond Validation – which will mean that Toll Revenue Financing Documents are also approved, so that these can be a part of the validation proceedings
- January 2021 – Commission approval of Tolling Policy and authorization to submit to the Commissioner of VDOT in accordance with the Master Tolling Agreement
- 1-2 months prior to TIFIA Loan Closing – Commission action to approve details of TIFIA transaction(s)
- 1-2 months prior to TIFIA Loan Closing – analysis of economic case for BANs, in which case, Commission action to approve BAN transaction

VI. Six Year Improvement Plan Update

Six-Year Improvement Plan Update Items Overview

- Administration and Operating Budget - Investment Grade Traffic and Revenue Study and TIFIA Loan Application Additional Costs
 - \$702,500.00
 - Source of funds: HRTF
- Bowers Hill Study Extension to College Drive (UPC 111427)
 - \$3,904,630.00
 - Source of funds: HRTF de-obligated 460/58/13 Study Funds
- HRBT Project Toll Facility Collection Equipment Construction and Integration (UPC 118376)
 - \$23,500,000.00
 - Source of funds: HRBT Project PAFA Contingency
- Phase 1 Preliminary Engineering for Hampton Roads Express Lanes Network Segments 1, 4A, 4B, and 4C
 - \$26,959,125.00
 - Source of funds: HRTF
 - Three project agreements:
 - Segment 1 (UPC 117840) - \$5,621,500.00
 - Segments 4A/4B (UPC 117839) - \$5,916,425.00
 - Segment 4C (UPC 117841) - \$15,421,200.00

Proposed Six-Year Improvement Plan

Project Costs and Expenses & Funding Sources

HRTAC Project Costs and Expenses

	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total	HRTAC Cost Share	VDOT Funds	Other Local	Outside Contribution
Operating/HRTF Fees	\$20	\$8	\$8	\$9	\$9	\$10	\$10	\$74	\$74			
I-64 Peninsula Widening	\$491	\$41						\$531	\$310	\$221		
I-64/I-264 Interchange Improvement	\$330	\$24	\$8					\$362	\$290	\$67	\$2	\$3
I-64 Southside/High Rise Bridge	\$448	\$79						\$527	\$432	\$95		
Project Development	\$42	\$4						\$46	\$46			
HRBT	\$441	\$1,129	\$714	\$546	\$532	\$381	\$20	\$3,762	\$3,562	\$200		
HRELN	\$10	\$37	\$94	\$217	\$252	\$229	\$78	\$916	\$889			
Total	\$1,782	\$1,322	\$823	\$771	\$793	\$620	\$108	\$6,219	\$5,604	\$583	\$2	\$3

Funding Sources

	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
VDOT Funds	\$342	\$34	\$8		\$110	\$90		\$583
Other Local Funds	\$5							\$5
HRTAC Cost Share	\$1,435	\$1,288	\$816	\$771	\$683	\$530	\$108	\$5,630
Total	\$1,782	\$1,322	\$823	\$771	\$793	\$620	\$108	\$6,219

HRTAC Projected Cash Flow

FY 2021 to FY 2026

HRTAC Projected Cash Flow

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
HRTF .7% local Sales Tax Funds	\$127	\$133	\$137	\$143	\$145	\$148	\$833
HRTF 2.1% Fuel Tax Funds	\$58	\$60	\$60	\$61	\$61	\$61	\$360
Total HRTF Revenue	\$185	\$192	\$198	\$204	\$206	\$209	\$1,193
							\$0
HRTAC Toll Revenues						\$16	\$16
HRTF Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HRTF Investment Income	\$1	\$2	\$2	\$2	\$2	\$1	\$9
HRTAC HRTF Revenue Debt Proceeds	\$1,136	\$844	\$374	\$244			\$2,598
HRTAC Toll Revenue Debt Proceeds				\$389	\$408		\$797
Total HRTAC Revenue	\$1,322	\$1,037	\$573	\$839	\$616	\$226	\$4,613
HRTAC Share	\$1,288	\$816	\$771	\$683	\$530	\$108	\$4,195
HRTF and Toll Revenue Debt Service	\$40	\$75	\$66	\$83	\$102	\$139	\$506
HRTF and Toll Revenue Debt Service Reserve (Initial Deposit)		\$29	\$1	\$1	\$1	\$108	\$140
Tolling O&M Costs						\$11	\$11
Tolling M&R Reserve and Toll Revenue Stabilization Fund (Initial Deposit)						\$9	\$9
Toll Revenue Repayment to VDOT							
Total HRTAC Expenditure	\$1,327	\$920	\$839	\$767	\$633	\$376	\$4,861
<i>Revenue/Expenditure Difference Balanced by Cash on Hand</i>	<i>(5)</i>	<i>\$118</i>	<i>(266)</i>	<i>\$72</i>	<i>(17)</i>	<i>(150)</i>	<i>(248)</i>
HRTAC Unobligated Funds							
Beginning Fund Balance	\$384	\$379	\$497	\$231	\$303	\$286	
Annual Deposit/(Draws)	(\$5)	\$118	(\$266)	\$72	(\$17)	(\$150)	(248)
Ending Fund Balance	\$379	\$497	\$231	\$303	\$286	\$136	



Hampton Roads Transportation Accountability Commission



Agenda Item 5F
Action Item

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

From: Kevin B. Page, Executive Director

Date: December 8, 2020

**Re: Amendment to the Approved FY2021-2026 HRTAC Six Year Improvement Plan
– Recommendation to Fund HRBT Project Toll Facility Collection Equipment
Construction and Integration and Request Authorization to Conduct a Public
Hearing**

Recommendation:

The Commission is being asked to endorse the Staff recommendation to: i. Amend the Approved FY2021-2026 HRTAC Six Year Improvement Plan to add the Hampton Roads Bridge Tunnel Toll Facility Collection Equipment Construction and Integration as a project of the I-64 Hampton Roads Bridge Tunnel Expansion Project; and, ii. Request Authorization of the Commission to authorize the Executive Director to conduct a Public Hearing to receive public comments on the proposed amendment.

Background:

The Project Agreement for Funding and Administration for the I-64 Hampton Roads Bridge-Tunnel Expansion Project ('PAFA') executed by and between VDOT and HRTAC and the Commission's approved funding and debt management plans include toll collections and toll sourced financing of the Commission's obligations to support the I-64 Hampton Roads Bridge Tunnel Expansion Project ('HRBT Project'). As project development and financing has matured, the need for the inclusion of the physical construction and integration of the toll collection facility for the HRBT project has been identified. Working with VDOT, the toll collection facility construction and integration project will be added as an element of the HRBT Project and revenues will be provided through the identified project contingency funds provided for in the PAFA. A Commission authorized public hearing will need to be conducted to receive public input in relation to the proposed amendment to add the HRBT Project Toll Facility Collection Equipment Construction and Integration Project and identified source of project funding.

Fiscal Impact

There is a \$23,500,000.00 fiscal impact relating to this action item that will be sourced through the HRBT project contingency line item identified in the HRBT Project PAFA.



Suggested Motion

Motion. Motion is to endorse the Staff recommendation to: i. Amend the Approved FY2021-2026 HRTAC Six Year Improvement Plan to add the Hampton Roads Bridge Tunnel Toll Facility Collection Equipment Construction and Integration as a project of the I-64 Hampton Roads Bridge Tunnel Expansion Project; and, ii. Request Authorization of the Commission for the Executive Director to conduct a public hearing.

Agenda Item 5G
Acton Item

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

From: Kevin B. Page, Executive Director

Date: December 8, 2020

RE: Amendment to the Approved FY2021-2026 HRTAC Six Year Improvement Plan – Recommendation to Fund Phase 1 Preliminary Engineering for Hampton Roads Express Lanes Network Segments 1, 4A, 4B, and 4C and Request Authorization to Conduct a Public Hearing

Recommendation:

The Finance Committee is asked to: i. Recommend to the Commission for approval of the proposed amendment to the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan to fund Phase 1 Preliminary Engineering for Hampton Roads Express Lanes Network Segments 1, 4A, 4B, and 4C; ii. Request Authorization of the Commission for the Executive Director to conduct a Public Hearing to receive public comments on the proposed amendment and, iii. Authorize the Finance Committee Chair to communicate the Committee's recommendation to the Commission at its December 10, 2020 Regular Meeting.

Background:

The Master Agreement for Development and Tolling of the Hampton Roads Express Lanes Network (a.k.a the 'Master Tolling Agreement') executed by and between VDOT and HRTAC provides for the development of segments of the Hampton Roads Express Lanes Network ('HRELN'). The HRELN is included in the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan allowing for project specific elements to be added over time. Working with VDOT, the early phases of the development of project readiness has matured to the need for more defined project scope and cost estimates. HRTAC Staff and professional advisors to the HRELN project feel that the need for the initial phase of Preliminary Engineering of the construction of the roadway and tolling facility is warranted and can be provided for through engagement with VDOT. In discussions with VDOT, the initial phase ('Phase 1') of Preliminary Engineering will be conducted for the full scope of the project that will be Segments 4A (Jefferson to the I-664 interchange), 4B (Mercury Boulevard to LaSalle), 4C (LaSalle to Settlers Landing), and Segment 1 (I-564 Interchange to the I-264 Interchange). Phase 1 Preliminary Engineering is the next phase of project development and is critical to the Commission in understanding estimated project costs and engineering challenges ahead as the segments of the HRELN development are evaluated to advance. A Commission authorized public hearing will need to be conducted to receive public input in relation to the proposed amendment to the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan to fund Phase 1



Preliminary Engineering for Hampton Roads Express Lanes Network Segments 1, 4A, 4B, and 4C.

Fiscal Impact:

There is a combined fiscal impact to the Hampton Roads Transportation Fund of \$26,959,125.00 associated with this Action Item. VDOT proposes accomplishing Phase 1 Preliminary Engineering through three project agreements:

Segment 1 – UPC 117840 - \$5,621,500.00

Segment 4A/4B – UPC 117839 - \$5,916,425.00

Segment 4C – UPC 117841 - \$15,421,200.00

Suggested Motion:

Motion is that the Finance Committee: i. Recommends to the Commission for approval of the proposed amendment to the Approved FY2021-FY2026 HRTAC Six Year Improvement Plan to fund Phase 1 Preliminary Engineering for Hampton Roads Express Lanes Network Segments 1, 4A, 4B, and 4C; and, ii. Requests Authorization of the Commission for the Executive Director to conduct a Public Hearing to receive public comments on the proposed amendment; and iii. Authorizes the Finance Committee Chair to communicate the Committee's recommendation to the Commission at its December 10, 2020 Regular Meeting.



**HAMPTON RO ADS TRANSPORTATION FUND
FINA NCIAL RE PORT
FY2014 – FY2021
Period Ending August 31, 2020**

The HRTAC staff has prepared the attached August 2020 financial report based on data received to date from the Virginia Department of Transportation.

<u>Revenues</u>	<u>Inception to August 2020</u>	<u>FY2021 YTD</u>	<u>August 2020</u>
Total Gross Revenues¹	2,391,000,078	58,678,744	19,217,118
State Sales & Use Tax ¹	949,721,028	26,541,453	13,328,767
Local Fuels Tax ¹	308,532,367	9,796,917	4,849,437
Interest	3,987,362	40,849	20,084
Investment Income	71,467,159	1,110,942	364,694
Bond Proceeds	1,036,103,580	--	--
HRRTF	21,188,582	21,188,582	654,135

<u>Expenditures</u>	<u>Inception to August 2020</u>	<u>FY2021 YTD</u>	<u>August 2020</u>
Total Expenditures	931,741,441	10,328,859	6,260,604
Projects	847,686,688	2,089,463	2,089,463
Total DMV & Dept. of Tax Admin. Fees	909,463	--	--
Investment Fees	1,399,576	39,753	19,905
Bond Interest Expenses	72,202,154	7,761,888	3,880,944
Operating Expenses	9,543,559	437,756	270,292

Cash Balance

August 31, 2020 Ending Cash/Cash Equivalents **\$ 1,459,258,637**

Encumbered Balance

Balance of Encumbered (through FY2027) **\$ 3,780,014,112**

Allocation 4,627,700,801

Less: Project Expenditures 847,686,688

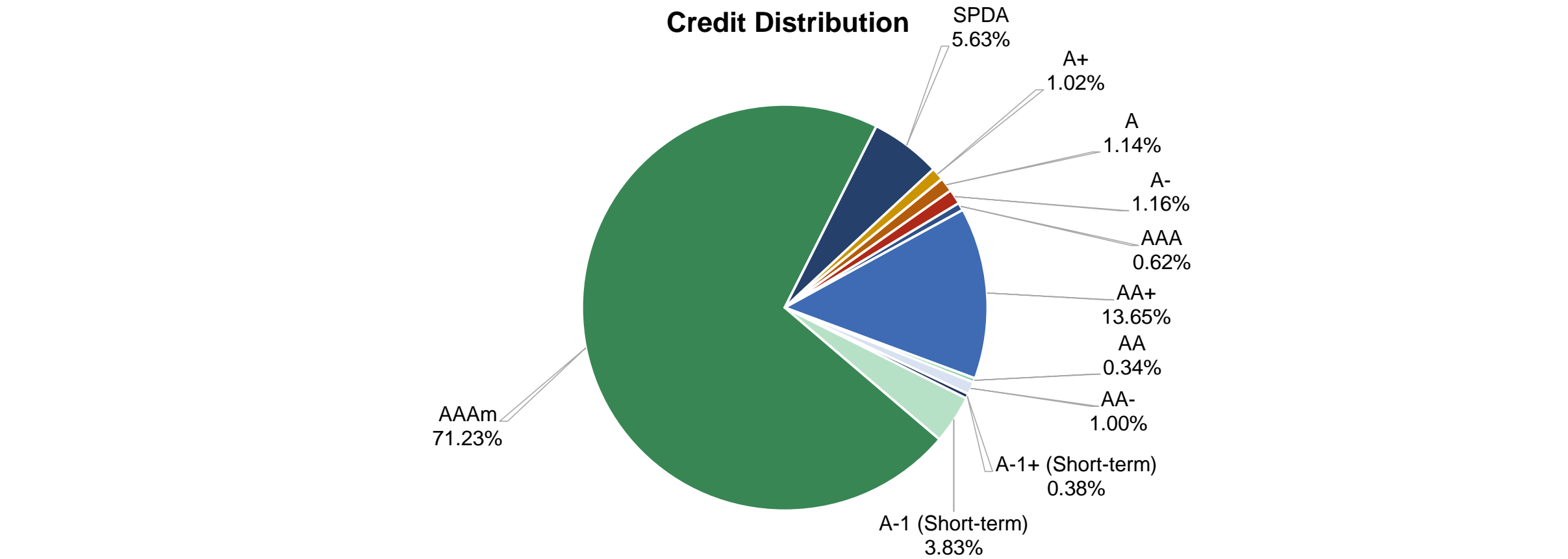
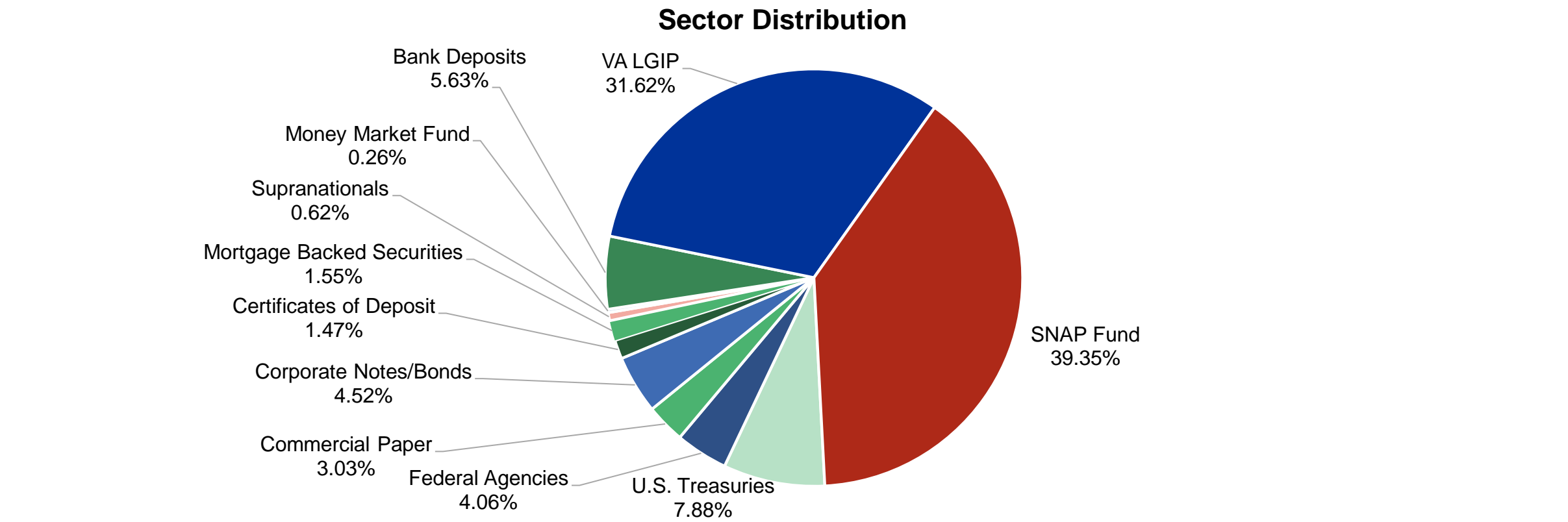
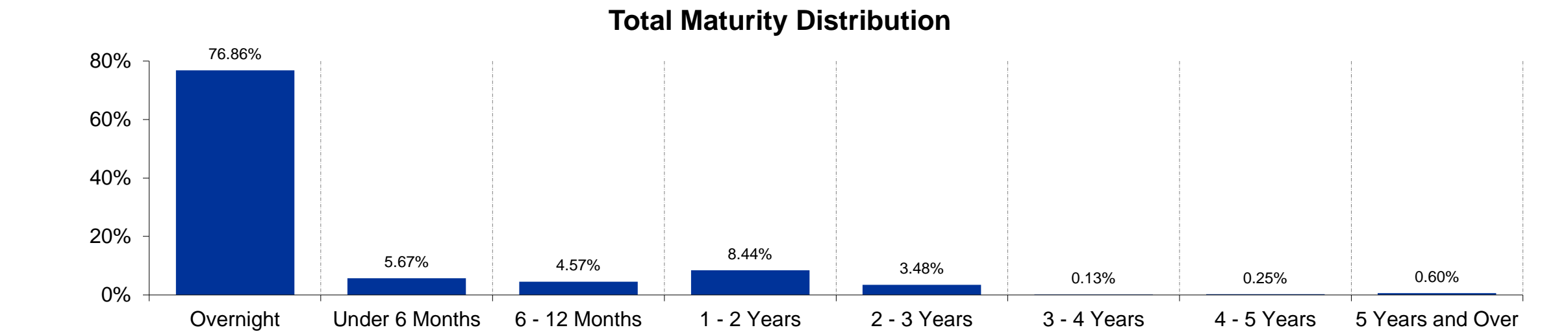
¹ Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in previous periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues.

Hampton Roads Transportation Accountability Commission

Summary of Cash and Investments

For August 2020

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	0.07%
Union Sweep	0.50%	0.50%	8,062,078	8,062,078	0.55%
Union Money Market	0.50%	0.50%	3,906	3,906	0.00%
Union General	0.50%	0.50%	72,464,257	72,464,257	4.97%
VA LGIP	0.26%	0.26%	458,325,316	458,325,316	31.40%
Enhanced Cash Portfolio	1.57%	0.30%	210,053,119	211,618,967	14.50%
Core Portfolio	1.83%	0.44%	134,754,641	137,669,562	9.43%
SNAP Fund	0.30%	0.30%	570,265,719	570,265,719	39.08%
Total			\$ 1,454,929,036	\$ 1,459,409,806	100.00%



All charts are based on market value as of 8/31/20

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

Hampton Roads Transportation Accountabiliy Commission
Interest and Investment Income
Inception - August 2020

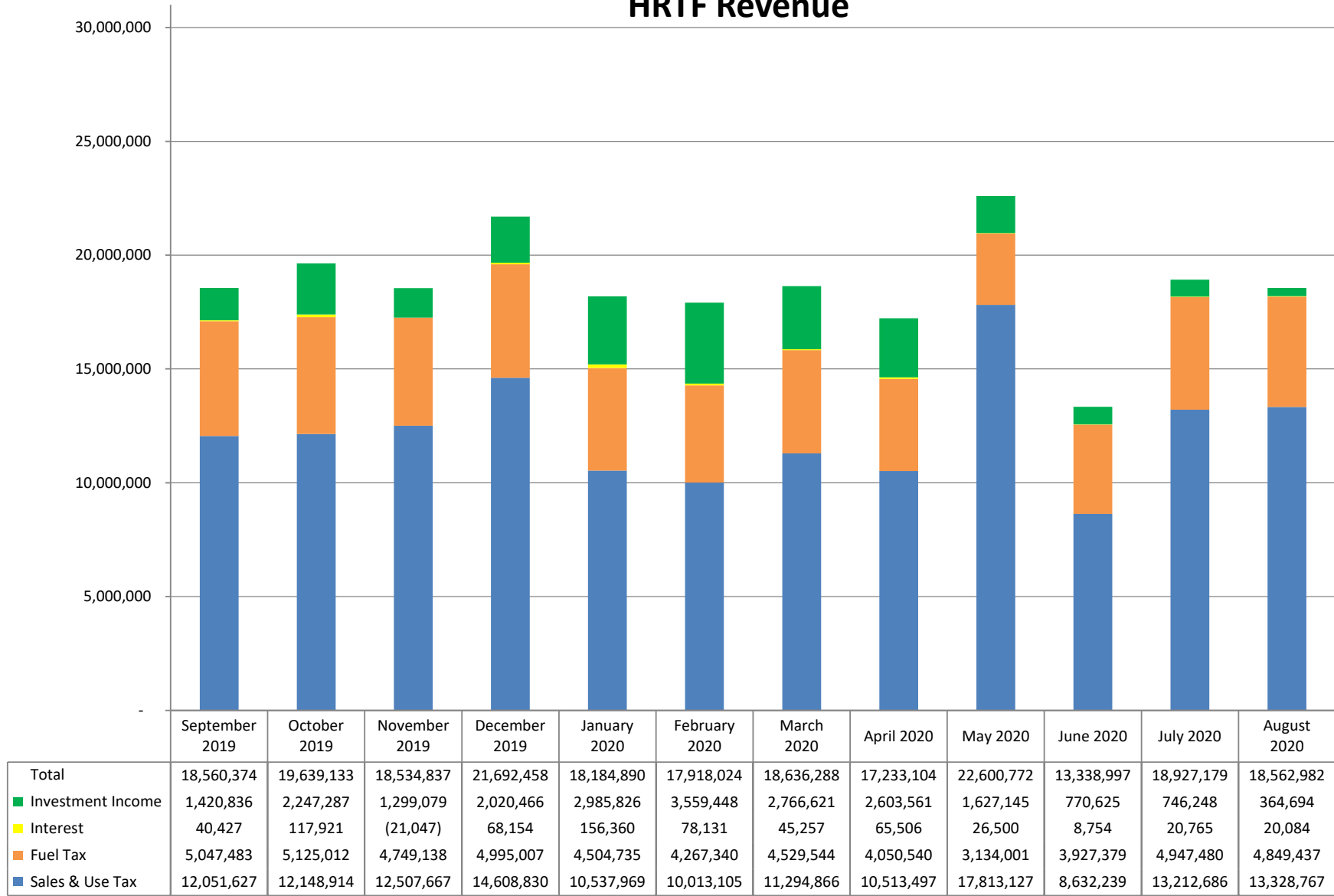
	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>Total</u>
HRTF Interest Income	\$ 363,854	\$ 1,027,959	\$ 272,261	\$ 291,738	\$ 321,499	\$ 1,000,093	\$ 669,108	\$ 40,849	\$ 3,987,362
HRTF Investment Income	<u>-</u>	<u>368,310</u>	<u>3,993,773</u>	<u>980,870</u>	<u>8,868,404</u>	<u>29,869,111</u>	<u>26,275,750</u>	<u>1,110,942</u>	<u>\$ 71,467,159</u>
Total	<u>\$ 363,854</u>	<u>\$ 1,396,269</u>	<u>\$ 4,266,033</u>	<u>\$ 1,272,608</u>	<u>\$ 9,189,903</u>	<u>\$ 30,869,204</u>	<u>\$ 26,944,858</u>	<u>\$ 1,151,791</u>	<u>\$ 75,454,521</u>

Notes:

"HRTF Interest Income" includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments.

"HRTF Investment Income" in FY2019 and FY2020 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 Assessment 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

	Gross Revenue							Expenditures						Balance
	Sales & Use			Investment	Bond				Dept of Tax	Investment	Bond	Operating		7/1/13 - 8/31/20
	Tax	Fuels Tax	Interest	Income	Proceeds	HRRTF	Total	Projects	Admin Fee	Fees	Expenses	Expenses	Total	
July 2013 - August 2019	\$ 803,057,731	\$ 254,405,271	\$ 3,360,550	\$ 49,055,324	\$ 583,270,073		\$ 1,693,148,949	\$ 548,146,611	\$ 826,678	\$ 1,165,780	\$ 41,542,063	\$ 5,650,784	\$ 597,331,916	\$ 1,095,817,033
September 2019	12,051,627	5,047,483	40,427	1,420,836			18,560,374	18,399,487	-	19,029	2,154,506	172,956	20,745,978	1,093,631,429
October 2019	12,148,914	5,125,012	117,921	2,247,287			19,639,133	14,129,508	-	19,696	2,154,506	349,475	16,653,185	1,096,617,377
November 2019	12,507,667	4,749,138	(21,047)	1,299,079			18,534,837	21,970,226	-	19,099	2,154,506	76,246	24,220,076	1,090,932,139
December 2019	14,608,830	4,995,007	68,154	2,020,466	452,833,507		474,525,965	12,188,878	-	19,789	2,960,177	1,059,078	16,227,922	1,549,230,182
January 2020	10,537,969	4,504,735	156,360	2,985,826			18,184,890	19,348,861	-	19,751	3,880,944	171,694	23,421,249	1,543,993,823
February 2020	10,013,105	4,267,340	78,131	3,559,448			17,918,024	32,785,799	-	18,480	3,880,944	171,762	36,856,984	1,525,054,863
March 2020	11,294,866	4,529,544	45,257	2,766,621			18,636,288	44,512,900	-	19,830	3,880,944	239,547	48,653,221	1,495,037,929
April 2020	10,513,497	4,050,540	65,506	2,603,561			17,233,104	12,842,838	-	19,243	3,880,944	149,574	16,892,600	1,495,378,433
May 2020	17,813,127	3,134,001	26,500	1,627,145			22,600,772	16,011,917	-	19,872	3,880,944	162,423	20,075,156	1,497,904,049
June 2020	8,632,239	3,927,379	8,754	770,625			13,338,997	105,260,202	82,785	19,255	(5,930,212)	902,264	100,334,294	1,410,908,752
July 2020	13,212,686	4,947,480	20,765	746,248		20,534,447	39,461,626	-	-	19,848	3,880,944	167,463	4,068,255	1,446,302,123
August 2020	13,328,767	4,849,437	20,084	364,694	-	654,135	19,217,118	2,089,463	-	19,905	3,880,944	270,292	6,260,604	1,459,258,636
Total 12 Months	\$ 146,663,297	\$ 54,127,095	\$ 626,812	\$ 22,411,835	\$ 452,833,507	\$ 21,188,582	\$ 697,851,128	\$ 299,540,078	\$ 82,785	\$ 233,796	\$ 30,660,090	\$ 3,892,775	\$ 334,409,525	
Grand Totals	\$ 949,721,028	\$ 308,532,367	\$ 3,987,362	\$ 71,467,159	\$ 1,036,103,580	\$ 21,188,582	\$ 2,391,000,077	\$ 847,686,689	\$ 909,463	\$ 1,399,576	\$ 72,202,154	\$ 9,543,559	\$ 931,741,441	
Less Balance of Encumbered (through FY2027)														\$ (3,780,014,112)
Total Net Available														\$ (2,320,755,477)

Notes:

November 2018 Wholesale Fuels Tax revenue includes a \$9,865,900 Special Audit Assessment 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.

June 2019 Sales & Use Tax revenue includes \$7,424,592 of FY2019 AST Estimated Sales & Use Tax revenue

For audit purposes, the January through December 2019 investment income and bond expenses have been updated to reflect the gain on investments (on bond proceeds) held by the trustee and the full bond interest expense.

June 2019 Department of Taxation Administrative Fee is a \$199,993 fee charged by the Department of Motor Vehicles for fuels tax audit costs.

December 2019 Revenues include proceeds from the issuance of Intermediate Lien Bond Anticipation Notes, Series 2019A, dated December 17, 2019.

Table 1 - Total HRTF Revenues
Hampton Roads Transportation Fund (HRTF)
Total of Sales & Use and Fuels Taxes
Fiscal Year 2021

Locality	Total FY2014 - FY2020	Previous FY2021	August 2020	Total YTD FY2021	Total
<i>Chesapeake</i>	\$ 223,633,516	\$ 3,407,993	\$ 3,252,924	\$ 6,660,917	\$ 230,294,433
<i>Franklin</i>	13,388,549	198,543	204,852	403,395	13,791,944
<i>Hampton</i>	89,038,564	1,275,492	1,340,611	2,616,103	91,654,667
<i>Isle of Wight</i>	19,466,436	246,386	286,111	532,497	19,998,933
<i>James City</i>	54,046,414	706,353	634,821	1,341,173	55,387,588
<i>Newport News</i>	130,358,262	2,022,210	1,841,834	3,864,044	134,222,306
<i>Norfolk</i>	171,444,852	2,595,168	2,592,148	5,187,316	176,632,169
<i>Poquoson</i>	3,233,039	45,901	51,912	97,813	3,330,852
<i>Portsmouth</i>	43,286,558	599,816	683,326	1,283,142	44,569,700
<i>Southampton</i>	6,426,959	95,589	92,005	187,593	6,614,553
<i>Suffolk</i>	62,657,267	970,047	1,145,480	2,115,526	64,772,793
<i>Virginia Beach</i>	325,024,589	5,046,190	5,066,401	10,112,591	335,137,180
<i>Williamsburg</i>	25,350,751	260,335	271,362	531,696	25,882,447
<i>York</i>	54,559,268	690,144	714,419	1,404,563	55,963,831
Total ^d	1,221,915,024	18,160,166	18,178,204	36,338,370	1,258,253,394
Interest ^a	3,946,512	20,765	20,084	40,849	3,987,362
Investment Income ^b	70,356,217	746,248	364,694	1,110,942	71,467,159
Bond Proceeds	1,036,103,580	-	-	-	1,036,103,580
HRRTF Income	-	20,534,447	654,135	21,188,582	21,188,582
Total Revenues	2,332,321,334	39,461,626	19,217,118	58,678,744	2,391,000,078
Project Expenses	(845,597,225)	-	(2,089,463)	(2,089,463)	(847,686,688)
DMV & Dept. of Tax Admin Fees	(909,463)	-	-	-	(909,463)
Investment Fees (Sterling&PFMAM)	(1,359,823)	(19,848)	(19,905)	(39,753)	(1,399,576)
Bond Interest Expenses ^e	(64,440,266)	(3,880,944)	(3,880,944)	(7,761,888)	(72,202,154)
Operating Expense	(9,105,803)	(167,463)	(270,292)	(437,756)	(9,543,559)
Cash Balance	\$ 1,410,908,753	\$ 35,393,371	\$ 12,956,513	\$ 48,349,884	\$ 1,459,258,637
Less Balance of Encumbered	(3,782,103,576)				(3,780,014,112)
Net Available Cash	(2,371,194,823)				(2,320,755,475)
Updated forecast ^c	\$ 1,215,454,951	16,196,979	\$ 16,341,208	\$ 32,538,187	\$ 1,247,993,138
Total Revenue - Forecast (under)/over	\$ 6,460,073	\$ 1,963,187	\$ 1,836,996	\$ 3,800,183	\$ 10,260,256

Notes:

^a Includes interest from Union Bank money market, sweep, and general accounts, as well as Regional Tax Interest/Interest Refund Adjustments.

^b FY2019 and FY2020 include income from PFMAM (US Bank), LGIP, and SNAP accounts. FY2014-2018 includes income from Sterling and Union Bank.

^d Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 1A - State Sales & Use Tax

Hampton Roads Transportation Fund (HRTF)

State Sales & Use Tax

Fiscal Year 2021

Locality	Total FY2014 - FY2020	Previous FY2021	August 2020	Total YTD FY2021	Total
<i>Chesapeake</i>	\$ 167,101,988	\$ 2,479,713	\$ 2,368,914	\$ 4,848,626	\$ 171,950,614
<i>Franklin</i>	7,099,174	96,833	89,303	186,136	7,285,311
<i>Hampton</i>	65,011,642	884,221	912,278	1,796,499	66,808,141
<i>Isle of Wight</i>	10,958,098	140,823	181,903	322,727	11,280,824
<i>James City</i>	44,784,453	550,689	523,485	1,074,175	45,858,628
<i>Newport News</i>	101,448,008	1,520,113	1,403,875	2,923,989	104,371,997
<i>Norfolk</i>	134,953,873	1,918,923	1,929,549	3,848,472	138,802,345
<i>Poquoson</i>	2,275,728	31,431	38,746	70,177	2,345,905
<i>Portsmouth</i>	29,916,585	376,948	481,485	858,433	30,775,018
<i>Southampton</i>	2,735,028	29,180	38,411	67,591	2,802,619
<i>Suffolk</i>	40,302,525	575,376	683,390	1,258,766	41,561,291
<i>Virginia Beach</i>	255,804,258	3,920,443	3,954,726	7,875,169	263,679,427
<i>Williamsburg</i>	19,633,099	199,625	209,968	409,593	20,042,692
<i>York</i>	41,155,115	488,367	512,732	1,001,100	42,156,214
Total ¹	<u>\$ 923,179,574</u>	<u>\$ 13,212,686</u>	<u>\$ 13,328,767</u>	<u>\$ 26,541,453</u>	<u>\$ 949,721,028</u>
Updated Forecast	<u>914,271,042</u>	<u>11,385,881</u>	<u>11,454,204</u>	<u>22,840,085</u>	<u>937,111,127</u>
Diff(under)/over	8,908,532	1,826,805	1,874,563	3,701,368	12,609,901

¹ Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 1B - Local Fuels Tax

Hampton Roads Transportation Fund (HRTF)

Local Fuels Tax

Fiscal Year 2021

Locality	Total FY2014 - FY2020	Previous FY2021	August 2020	Total YTD FY2021	Total
<i>Chesapeake</i>	56,531,528	\$ 928,280	\$ 884,011	\$ 1,812,291	\$ 58,343,819
<i>Franklin</i>	6,289,375	101,710	115,548	217,259	6,506,633
<i>Hampton</i>	24,026,922	391,271	428,333	819,604	24,846,526
<i>Isle of Wight</i>	8,508,339	105,563	104,208	209,770	8,718,109
<i>James City</i>	9,261,961	155,663	111,335	266,999	9,528,960
<i>Newport News</i>	28,910,253	502,096	437,959	940,055	29,850,309
<i>Norfolk</i>	36,490,980	676,245	662,599	1,338,844	37,829,824
<i>Poquoson</i>	957,311	14,470	13,166	27,635	984,946
<i>Portsmouth</i>	13,369,972	222,868	201,842	424,709	13,794,682
<i>Southampton</i>	3,691,931	66,408	53,594	120,002	3,811,933
<i>Suffolk</i>	22,354,741	394,671	462,089	856,760	23,211,501
<i>Virginia Beach</i>	69,220,331	1,125,748	1,111,674	2,237,422	71,457,753
<i>Williamsburg</i>	5,717,652	60,710	61,393	122,103	5,839,754
<i>York</i>	13,404,154	201,777	201,686	403,463	13,807,617
Total ¹	<u>\$ 298,735,450</u>	<u>\$ 4,947,480</u>	<u>\$ 4,849,437</u>	<u>\$ 9,796,917</u>	<u>\$ 308,532,366</u>
Updated Forecast	301,183,909	4,811,098	4,887,004	9,698,102	310,882,011
Diff(under)/over	(2,448,459)	136,382	(37,567)	98,815	(2,349,645)

Note: November 2018 Wholesale Fuels Tax revenue included a \$9,865,900 Special Audit Assessment adjustment sourced from vendor audit settlement.

1 Beginning in June 2020, State Sales Tax and Local Fuels Tax are recorded either one month (sales tax) or two months (fuels tax) earlier than in prior accounting periods, due to additional information received from the Commonwealth of Virginia on the timing of the source transactions for tax revenues. The change is retroactive and the prior year amounts have been restated.

Table 1C - HRRTF Revenue

Hampton Roads Regional Transit Fund (HRRTF)

Fiscal Year 2021

Locality	Previous FY2021	August 2020	Total YTD FY2021	Total
<i>Chesapeake</i>	\$ 158,738	\$ 164,004	\$ 322,742	\$ 322,742
<i>Hampton</i>	26,025	37,409	63,435	63,435
<i>Newport News</i>	46,160	79,167	125,328	125,328
<i>Norfolk</i>	77,078	78,027	155,104	155,104
<i>Portsmouth</i>	23,165	42,066	65,232	65,232
<i>Virginia Beach</i>	203,280	253,461	456,742	456,742
Total	<u>\$ 534,447</u>	<u>\$ 654,135</u>	<u>\$ 1,188,582</u>	<u>\$ 1,188,582</u>
Annual Transit Revenue	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>	<u>20,000,000</u>
Total Revenues	<u>20,534,447</u>	<u>654,135</u>	<u>21,188,582</u>	<u>21,188,582</u>
Interest	-	-	-	-
Cash Balance	<u>\$ 20,534,447</u>	<u>\$ 654,135</u>	<u>\$ 21,188,582</u>	<u>\$ 21,188,582</u>
Forecast	<u>20,401,867</u>	<u>483,497</u>	<u>20,885,364</u>	<u>20,885,364</u>
Total Revenue - Forecast (under)/over	132,580	170,638	303,218	303,218

Table 2 - Allocations

Hampton Roads Transportation Fund (HRTF)

Allocations

Fiscal Year 2021

Project	Total FY2014 - FY2020	Previous FY2021	August 2020	Total YTD FY2021	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905 - Segment 1 - Construction	\$ 11,608,385	\$ -	\$ -	\$ -	\$ 11,608,385
UPC 106665 - Segment 2 - PE/ROW/Construction	175,832,897	-	-	-	175,832,897
UPC 109790/106689 - Segment 3 - PE	10,000,000	-	-	-	10,000,000
UPC 109790/106689 - Segment 3 - Construction	112,893,996	-	-	-	112,893,996
<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	137,023,653	-	-	-	137,023,653
UPC 17630/108041 - Phase II - PE/ROW	54,592,576	-	-	-	54,592,576
UPC 17630/108041 - Phase II - Construction	73,157,062	-	-	-	73,157,062
UPC 106693 - Phase III - PE & ROW	10,000,000	-	-	-	10,000,000
<i>I-64 Southside Widening/High-Rise Bridge</i>					
UPC 106692 - Phase I - PE	12,200,000	-	-	-	12,200,000
UPC 106692/108990 - Phase I - ROW/Construction	419,756,220	-	-	-	419,756,220
<i>I-64 HRBT Expansion Project</i>					
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	3,004,569,251	-	-	-	3,004,569,251
UPC 115009 - I-64 HRBT Expansion Project Owers Oversight	548,900,330	-	-	-	548,900,330
<i>HRCS Preferred Alternative Refinement - HRBT</i>					
UPC 110577 - SEIS	30,000,000	-	-	-	30,000,000
460/58/13 Connector Study - UPC 106694 - PE	1,095,368	-	-	-	1,095,368 *
Bowers Hill Interchange Study - UPC 111427	4,000,000	-	-	-	4,000,000
<i>HR Regional Connector Study - HRTPO</i> <i>(Remaining Projects of Third Crossing)</i>	7,000,000	-	-	-	7,000,000
Total	<u>\$ 4,627,700,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,627,700,801</u>

* Remaining project funds were deallocated based on action Consent Item 5B of the 11/21/2019 HRTAC Regular Meeting. SPA Floatdown agreement with VDOT was executed 12/11/2019.

Table 3 - Expenditures
Hampton Roads Transportation Fund (HRTF)
Expenditures
Fiscal Year 2021

Project	Total FY2014 - FY2020	Previous FY2021	August 2020	Total YTD FY2021	Total
<i>I-64 Peninsula Widening</i>					
<i>UPC 104905/111926 - Segment 1 - PE/Construction</i>	\$ 11,608,384	\$ -	\$ -	\$ -	\$ 11,608,384
<i>UPC 106665 - Segment 2 - PE/ROW/Construction</i>	154,979,139	-	2,246	2,246	154,981,385
<i>UPC 109790/106689 - Segment 3 - PE</i>	5,468,986	-	4,771	4,771	5,473,757
<i>UPC 109790/106689 - Segment 3 - Construction</i>	-	-	-	-	-
<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>	119,720,152	-	23,212	23,212	119,743,364
<i>UPC 17630/108041 - Phase II - PE/ROW</i>	54,592,299	-	-	-	54,592,299
<i>UPC 17630/108041 - Phase II - Construction</i>	16,266,772	-	52,532	52,532	16,319,305
<i>UPC 106693 - Phase III - PE & ROW</i>	2,201,527	-	31,788	31,788	2,233,315
<i>I-64 Southside Widening/High-Rise Bridge</i>			-		
<i>UPC 106692 - Phase I - PE</i>	12,189,098	-	-	-	12,189,098
<i>UPC 106692/108990 - Phase I - ROW/Construction</i>	116,813,882	-	1,784,284	1,784,284	118,598,166
<i>I-64 HRBT Expansion Project</i>			-		
<i>UPC 115008 - I-64 HRBT Expansion Project D-B Contract</i>	276,300,147	-	-	-	276,300,147
<i>UPC 115009 - I-64 HRBT Expansion Project Owners Oversight</i>	25,730,830	-	185,152	185,152	25,915,982
<i>HRCS Preferred Alternative Refinement - HRBT UPC 110577 - SEIS</i>	28,800,287	-	-	-	28,800,287
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	1,095,368	-	-	-	1,095,368
<i>Bowers Hill Interchange Study - UPC 111427</i>	2,064,879	-	5,477	5,477	2,070,356
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	2,694,413	-	-	-	2,694,413
Total	<u>\$ 845,597,225</u>	<u>\$ -</u>	<u>\$ 2,089,463</u>	<u>\$ 2,089,463</u>	<u>\$ 847,686,688</u>

Table 3A - Bond-Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)

Bond Reimbursements

Fiscal Year 2021

Project	Total FY2014 - FY2020	Previous FY2021	August 2020	Total YTD FY2021	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905/111926 - Segment 1 - PE/Construction	\$ 10,063,882	\$ -	\$ -	\$ -	\$ 10,063,882
UPC 106665 - Segment 2 - PE/ROW/Construction	154,979,139	-	2,246	2,246	154,981,385
UPC 109790/106689 - Segment 3 - PE	5,468,986	-	4,771	4,771	5,473,757
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	119,720,152	-	23,212	23,212	119,743,364
UPC 17630/108041 - Phase II - PE/ROW	54,592,299	-	-	-	54,592,299
UPC 17630/108041 - Phase II - Construction	16,266,772	-	52,532	52,532	16,319,304
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	116,813,882	-	1,784,284	1,784,284	118,598,166
<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</i>	-	-	-	-	-
<i>(Remaining Projects of Third Crossing)</i>	-	-	-	-	-
Total	\$ 505,165,273	\$ -	\$ 1,867,045	\$ 1,867,045	\$ 507,032,318

Table 3B - Non-Bond Reimbursed Expenditures

Hampton Roads Transportation Fund (HRTF)

Expenditures
Fiscal Year 2021

Project	Total FY2014 - FY2020	Previous FY2021	August 2020	Total YTD FY2021	Total
<i>I-64 Peninsula Widening</i>					
UPC 104905/111926 - Segment 1 - PE/Construction	\$ 1,544,502	\$ -	\$ -	\$ -	\$ 1,544,502
UPC 106665 - Segment 2 - PE/ROW/Construction	-	-	-	-	-
UPC 109790/106689 - Segment 3 - PE	-	-	-	-	-
UPC 109790/106689 - Segment 3 - Construction	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>		-			
UPC 57048/108042 - Phase I - PE/ROW	-	-	-	-	-
UPC 57048/108042 - Phase I - Construction	-	-	-	-	-
UPC 17630/108041 - Phase II - PE/ROW	-	-	-	-	-
UPC 17630/108041 - Phase II - Construction	-	-	-	-	-
UPC 106693 - Phase III - PE & ROW	2,201,527	-	31,788	31,788	2,233,315
<i>I-64 Southside Widening/High-Rise Bridge</i>		-			
UPC 106692 - Phase I - PE	-	-	-	-	-
UPC 106692/108990 - Phase I - ROW/Construction	-	-	-	-	-
<i>I-64 HRBT Expansion Project</i>		-			
UPC 115008 - I-64 HRBT Expansion Project D-B Contract	276,300,147	-	-	-	276,300,147
UPC 115009 - I-64 HRBT Expansion Project Owners Oversight	25,730,830	-	185,152	185,152	25,915,982
<i>HRCS Preferred Alternative Refinement - HRBT UPC 110577 - SEIS</i>	28,800,287	-	-	-	28,800,287
<i>460/58/13 Connector Study - UPC 106694 - PE</i>	1,095,368	-	-	-	1,095,368
<i>Bowers Hill Interchange Study - UPC 111427</i>	2,064,879	-	5,477	5,477	2,070,356
<i>HR Regional Connector Study - HRTPO (Remaining Projects of Third Crossing)</i>	2,694,413	-	-	-	2,694,413
Total	<u>\$ 340,431,951</u>	<u>\$ -</u>	<u>\$ 222,418</u>	<u>\$ 222,418</u>	<u>\$ 340,654,369</u>