

## AGENDA

### Hampton Roads Transportation Accountability Commission Annual Organizational Meeting of the Commission

June 21, 2018

12:30 p.m.

The Regional Board Room

723 Woodlake Drive, Chesapeake, VA 23320

#### 1. Call to Order

#### 2. Approval of Agenda

#### 3. Public Comment Period (5 Minute Limit)

#### 4. Chair's Comments

#### 5. Consent Items

- *Recommended Action: Approval*

##### A. Minutes of the April 19, 2018 Regular Meeting (Attachment 5A)

##### B. HRTAC FY2019 Administrative Budget (Attachment 5B)

##### C. HRTAC PPTA Guidelines (Attachment 5C)

##### D. HRTAC FY2019-FY2024 Plan of Finance Update (Attachment 5D)

##### E. HRTAC 2045 Plan of Finance Update (Attachment 5E)

##### F. HRTAC Accounting Policy (Attachment 5F)

#### 6. Action Items

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

##### A. Executive Director's Annual Performance Evaluation and Employment Agreement Extension and Applicable Staff Cost of Living Adjustment (Closed Session as Necessary) (Attachment 6A) – Personnel Committee Chair, Michael Hipple - Recommended Action: Discussion/Approval

##### B. Election of FY2019 Officers of the Commission (Attachment 6B) – Nominating Committee Chair Barry Porter - Recommended Action: Nominations/Discussion/Voting

##### C. FY2019 HRTAC Meeting Schedule (Attachment 6C) – Newly Elected HRTAC Chair - Recommended Action: Discussion/Approval

#### 7. Information Items

##### A. HRTAC Monthly Financial Report – Finance Committee Chair Senator Wagner

##### B. VDOT/HRTAC Project Updates, HRBT/Other – VDOT HR Administrator Hall and HRBT Project Director Utterback

##### C. Next HRTAC Regular Meeting – September 20, 2018, 12:30 p.m., Regional Building Board Room if not adjusted by Action Item 6C.

#### 8. Adjournment

**Agenda Item 5A**  
**Consent Item**

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

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

**Date: June 21, 2018**

**Re: April 19, 2018 Regular Meeting Minutes**

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**Recommendation:**

The Commission is asked to approve the Commission's April 19, 2018 Regular Meeting minutes.

**Background:**

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

**Fiscal Impact:**

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

**Suggested Motion:**

**Motion:** The Commission approves and adopts the minutes of the Commission's Regular Meeting on April 19, 2018.



**Hampton Roads Transportation  
Accountability Commission (HRTAC)  
Summary Minutes of the April 19, 2018 Regular Meeting**

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

**HRTAC Members in Attendance:**

Michael Hipple, Chair	McKinley Price
Linda T. Johnson, Vice Chair	Barry T. Porter
Kenneth Alexander	Thomas G. Shepperd
Joel Acree	Frank Rabil
John Cosgrove	John Rowe
Paul Freiling	Christopher Stolle
Herbert Green	Frank Wagner
Chris Jones	Rick West
Louis Jones (in for William D. Sessoms)	David Yancey

**HRTAC Executive Director**

Kevin Page

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

Stephen Brich	John Malbon
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**Other Participants:**

James Baker	Randy Keaton
Marvin Collins	John Lawson
Kit Chope	Randy Martin
Quintin Elliot	Lydia Pettis Patton
Chris Hall	Patrick Roberts
Rick Holcolmb	Doug Smith
Tom Inglima	James Utterback
Michael Johnson	J. Randall Wheeler

**HRTAC Voting Members Absent:**

Donnie Tuck

**HRTAC Ex-Officio Members Absent:**

Jennifer Mitchell	John Reinhart
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\* Denotes Late Arrival or Early Departure

### **Others Recorded Attending:**

Earl Sorey (CH); Brian DeProfio (HA); Bryan Stilley, Jerri Wilson (NN); Thelma Drake, Jeff Raliski, Morgan Wayland (NO); Bob Baldwin (PO); Randolph Cook (SH); Bob Matthias, Douglas Pons, Brian Solis (VB); W. Dewey Hurley (Branscome); Kevin Johnson, Briana Graham, Donna Sayegh (Citizens); Phil Damuth (Damuth Trane); Patrick Andrews, Scott Cummings, Joseph Hill, Rena Hussey, Matt Leary, Tammy West (DMV); Dean McClain (Hampton Roads Chamber of Commerce); George Consolvo, Kevin White (Kaufman & Canoles); Karen McPherson (McPherson Consulting); Rhonda Murray (Navy Region Mid Atlantic); Liang Shan (PFM); Mark Geduldig-Yatrofsky (Portsmouthcitywatch.org); Dianna Howard (VBTP, CTAC); Tony Gibson, Paula Miller, Dawn Odom, Pete Riley (VDOT); Tyson Rosser (VHB); Mark Burns (Wells Fargo Securities); Dawn Merkle (Willcox and Savage); Nancy Collins, Greg Grootendorst, Danetta Jankosky, Whitney Katchmark, Mike Long, Chris Vaigneur (HRPDC); Jennifer Coleman (HRTAC); Rob Cofield, Bob Crum, Mike Kimbrel, John Mihaly, Dale Stith (HRTPO)

### **Approval of Agenda**

Mr. Rick West Moved to add item 5F, a Resolution of Appreciation for Virginia Beach Mayor William D. Sessoms and an amendment to Information Items; Ms. Linda Johnson seconded. The Motion Carried.

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

Ms. Donna Sayegh, Portsmouth citizen, voiced her concern in regards to Public Private Partnership projects and their effects on citizens.

Mr. Mark Geduldig-Yatrofsky agreed with previous comments made in regards to Public Private Partnerships and urged the Commission to have a robust public involvement campaign in any PPTA deal made by the Commonwealth.

### **Consent Items**

- A. **Minutes of December 14, 2017 HRTAC Regular Meeting**
- B. **Authorization of a Public Hearing – Draft HRTAC P3 Guidelines**
- C. **Amendments to Project Agreements relating to Bond Trustee and Tax Covenants**
- D. **De-Allocation of HRTAC Project Funds returned by VDOT – HRTAC Adopted FY2016-FY2023 Funding Plan Adjustments**
- E. **Post Issuance Bond Compliance Policy**

Dr. McKinley Price Moved to approve the consent agenda items; seconded by Ms. Linda Johnson. The Motion Carried.

### **Chair Comments**

Chair Hippie noted the first HRTAC bond sale was successful and welcomed the new Deputy Secretary Quentin Elliott, VDOT Commissioner Stephen Birch, VDOT District Administrator Chris Hall. He further notified the Commission of Mr. James Utterback being named the Hampton Roads Bridge Tunnel Project Manager.

Chair Hipple announced his appointment of the following members to the HRTAC Personnel Committee: himself, Mayor Linda Johnson, Mayor Frank Rabil, and Mayor Donnie Tuck. Additionally, he announced his appointment of the following members to the HRTAC Nominating Committee: Mayor John Rowe, Mayor Frank Rabil and Supervisor Barry Porter.

He thanked the General Assembly members for their hard work in passing the regional gas tax floor and the positive effects it will have on HRTAC in the long run. There was a standing ovation of appreciation for the General Assembly members.

### **Action Items**

#### **A. Authorization of Public Hearing on the FY2019 Administrative Budget**

HRTAC Executive Director, Kevin Page, reviewed the FY2019 Administrative Budget and indicated that the Draft FY2019 Budget had been reviewed and endorsed by the Finance Committee. He highlighted that the basic expenses of HRTAC were reduced from the previous year. He further explained two increases to the budget to account for the TIFIA Loan application and the HRPDC/HRTPO seconded staff charges.

Senator Frank Wagner Moved to endorse the HRTAC FY2019 Administrative Budget and authorize HRTAC Staff to conduct a public hearing; seconded by Senator John Cosgrove. The Motion Carried.

#### **B. Authorization of Public Hearing on the Proposed HRTAC FY2019-FY2024 Plan of Finance Update**

HRTAC Executive Director, Kevin Page, reminded the Commission that the FY2019-2024 Plan of Finance update, developed by the HRTAC Finance Committee and HRTAC's consultant, PFM, was a legislative requirement.

Mr. Page reviewed the updated cost estimates for the Hampton Road Bridge Tunnel (HRBT) project and indicated that the estimates were conservative and aligned with VDOT and the Commonwealth Transportation Board's Six Year Improvement Plan.

Ms. Liang Shan, PFM, briefed the Commission in regards to the recent interest rate increases and stated changes were made to the HRTAC investment portfolio to ensure the financial cushion was unchanged.

Senator Frank Wagner Moved to endorse the Proposed HRTAC FY2019-2024 Plan of Finance Update, Six Year Operating and Capital Program of Projects for the Region's High Priority Projects (With Toll Revenues to HRTAC), and authorize HRTAC Staff to conduct a public hearing; Seconded by Mr. Rick West. The Motion Carried.

#### **C. Authorization of a Public Hearing on the HRTAC Proposed 2045 Plan of Finance Update**

HRTAC Executive Director, Kevin Page, explained that the high priority projects included in the 2040 Long Range Plan of Finance were unaffected and that the Finance Committee made adjustments to deliver the HRBT by 2024 and other potential projects by 2037.

Ms. Liang Shan, PFM, stated that the VDOT estimate for the HRBT project was \$3.66 Billion, which can be completely financed by HRTAC with toll revenues being available to HRTAC and using the historical HRTAC revenue projections. She further stated there would be a \$100 Million gap if HRTAC used VDOTs revenue projections.

Mr. Page noted that the funding plan did not include any SMART SCALE award monies due to the competitive nature of the program.

Mr. Thomas Shepperd confirmed the expectation that the toll revenues would be controlled by HRTAC.

Ms. Shan reviewed the individual projects and costs by fiscal years for FY2019 to FY2024.

Senator Frank Wagner Moved to endorse the Proposed 2045 Long Range Plan of Finance Update for the HRTAC High Priority Projects (With Toll Revenues to HRTAC) and authorizes HRTAC Staff to conduct a public hearing; Seconded by Mr. Rick West. The Motion Carried.

### **Information Items**

#### **A. Legislative Update**

Senator Frank Wagner highlighted the cooperation of the entire Hampton Roads Caucus in regards to the passing of the fuels tax.

#### **B. Regional Fuels Tax Collection**

Mr. Richard Holcomb, Commissioner of Virginia Department of Motor Vehicles (DMV), informed the Commission that DMV collects funds for other State agencies besides HRTAC and stated that modifications had been made to their procedures since legislation passed in 2013.

The Commissioner indicated that the auditing process was efficient and noted the current legislative changes including gas tax floor and collections on a cent per gallon basis will be helpful. Additionally, he reviewed the potential equation for determining the price of the gas tax floor.

Mr. Holcomb indicated that DMV has been given authority to share data with HRTAC, and the new system for collections will begin July 1 2018, with minimal disruptions to the taxpayers.

#### **C. HRTAC Initial HRTF Revenue Bond Sale**

Mr. Kevin Page, HRTAC Executive Director, briefed the Commission on the HRTAC 2018 A bond sale that occurred on January 30, 2018. He noted it was positive and thanked all personnel who assisted.

Ms. Liang Shan, PFM, explained the high demand of the bonds on the open market and indicated HRTAC was able to sell the bonds at a higher price than expected.

**D. HRTAC Monthly Financial Report**

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

Mr. Page briefed the Commission on the current and upcoming activities associated with the TIFIA loan.

**E. VDOT HRTAC Project Update, HRBT**

Mr. James Utterback, VDOT District Administrator, provided an update to the Commission in regards to the status of the Regional Priority Projects.

**Next Meeting**

Annual Organization meeting to be held on June 21, 2018 at 12:30 p.m. in the Regional Building Board Rooms, 723 Woodlake Drive, Chesapeake VA.

**Adjournment**

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 1:38 p.m.

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Michael J. Hipple  
HRTAC Chair

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

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

**Date: June 21, 2018**

**Re: HRTAC FY2019 Administrative Budget**

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**Recommendation:**

Finance Committee Chair Senator Wagner and the Executive Director recommend the Commission adopt the HRTAC FY2019 Administrative Budget.

**Background:**

At its April 19, 2018 Regular meeting, the Commission endorsed the HRTAC FY2019 Administrative Budget and authorized a public hearing to solicit public comments to inform the Commission prior to its action to adopt the budget. On Monday, June 11, 2018, Finance Committee Chair Senator Wagner and the Commission Staff conducted the public hearing. No one from the public spoke and no written comments were received.

**Fiscal Impact:**

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

**Suggested Motion:**

**Motion:** The Commission approves and adopts HRTAC FY2019 Administrative Budget.



## Proposed FY2019 Administrative Budget

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

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

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



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

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

**Date: June 21, 2018**

**Re: HRTAC PPTA Guidelines**

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**Recommendation:**

Finance Committee Chair Senator Wagner and the Executive Director recommend the Commission adopt the HRTAC PPTA Guidelines.

**Background:**

At its April 19, 2018 Regular meeting, the Commission endorsed the Draft HRTAC PPTA Guidelines and authorized a public hearing to solicit public comments to inform the Commission prior to its action to adopt the guidelines. On Monday, June 11, 2018, Finance Committee Chair Senator Wagner and the Commission Staff conducted the public hearing. No one from the public spoke and no written comments were received.

**Fiscal Impact:**

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

**Suggested Motion:**

Motion: The Commission approves and adopts the HRTAC PPTA Guidelines.



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**Hampton Roads Transportation  
Accountability Commission**

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**PPTA Implementation  
Guidelines**

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

**Adopted: \_\_\_\_\_, 2018**

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

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

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

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

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

**B. Purpose of HRTAC’s PPTA Implementation Guidelines**

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

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

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

**C. Coordination with VDOT**

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

**D. HRTAC Objectives**

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

**E. Overview of Process**

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

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

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

If a private entity develops a project concept and submits a proposal for it (“Unsolicited Proposal”), HRTAC is required to provide notice of the Unsolicited Proposal to the public. HRTAC may discontinue its evaluation of any Unsolicited Proposal at any time prior to the procurement stage. If HRTAC finds a proposed transportation facility in an Unsolicited Proposal is in the public interest and HRTAC approves it as a P3 project, HRTAC will solicit the submission of proposals from other private entities (“Competing Proposals”). If HRTAC determines that a transportation facility submitted for approval through an Unsolicited Proposal should not be approved, or if the project is one for which

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HRTAC intends to issue a request for qualifications (“RFQ”), HRTAC will return the Unsolicited Proposal to the private entity submitting it.

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

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

## II. SOLICITED PROPOSALS

### A. Identification of Projects and Solicitation of Proposals

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

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

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

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

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

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

### B. Procedures for Solicited Proposals

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

The ITB or RFP shall specify any information and documents required by HRTAC and the factors that will be used in evaluating the bids or proposals. At the discretion of HRTAC, the solicitation may be composed of two stages, a conceptual stage and a detailed stage. The requirements of proposals at the conceptual and detailed stage as set forth in the Unsolicited Proposals Section of these Guidelines are a guide for Solicited Proposals but an ITB or RFP need not include all such requirements (except those required by law) and

may include additional or other requirements. Thus, it is important that any private entity submitting a Solicited Proposal carefully review the ITB or RFP. Pre-submission conferences may be held as deemed appropriate by HRTAC.

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

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

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

**C. No Fees for RFIs or Solicited Proposals**

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

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

### **III. UNSOLICITED PROPOSALS**

#### **A. Overview**

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

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

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

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

Because of the consequences to a Proposer for untimely submissions, prospective Proposers are strongly urged to monitor HRTAC's website for Notice of Unsolicited Conceptual Proposals (as described in Section III(C)(1) below), RFIs, and notices to accept Unsolicited Proposals.

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

#### **B. Consideration of Unsolicited Proposals**

##### **1. Initial Evaluation**

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

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

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

## **2. Evaluation of Public Interest and Other Considerations**

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

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

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

## **3. Third Party Analysis**

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

### **C. Procurement Stage**

#### **1. Types of Procurement**

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

- a. competitive sealed bidding, as defined in Virginia Code Section 2.2-4302.1, or
- b. competitive negotiation, if it has determined in writing that proceeding through competitive negotiation consistent with VPPA Section 2.2-4302.2 is likely to be advantageous to both HRTAC and the public based upon the factors listed in Section III(B)(2) above.

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

#### **2. Public Notice and Receipt of Competing Proposals**

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

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

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

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

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

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

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

### **3. Procedure for Submission and Consideration of Competing Proposals**

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

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

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

### **4. Substantially Different Competing Proposals**

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

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

III(C)(1) and (2). If the Proposer does not elect to treat the proposal as an Unsolicited Conceptual Proposal, HRTAC will return the proposal.

#### **D. Proposal Review Fees**

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

##### **1. Schedule of Fees**

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

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

##### **2. Reimbursement of Excess Fees Paid**

In the event the total fees paid by the Proposer exceed HRTAC's total costs incurred in processing, reviewing, and evaluating the proposal, HRTAC shall reimburse the difference. Otherwise, any fees paid to HRTAC are non-refundable.

#### **IV. FINDING OF PUBLIC INTEREST**

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

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

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

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

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

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

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

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

**B. Submission of Proposals**

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

Executive Director  
Hampton Roads Transportation Accountability Commission  
723 Woodlake Drive  
Chesapeake, VA 23320

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

**C. Format and Structure of the Proposal**

- The proposal shall be limited to a page size of 8 1/2" x 11", single space and type size shall not be less than 10 point font for each response item;

- All copies shall be printed on at least thirty percent (30%) recycled-content and/or tree-free paper;
- All copies shall be double-sided;
- Covers or binders shall be recyclable, made from recycled materials, and/or easily removable to allow for recycling of pages (proposals with glued bindings that meet all other requirements are acceptable);
- The use of plastic covers or dividers should be avoided;
- The proposal must contain a table of contents;
- Each proposal shall be structured so that it contains the following individual sections in the following order:
  - INTRODUCTION OF PROPOSER
  - PROJECT CHARACTERISTICS
  - PROJECT BENEFIT AND COMPATIBILITY
  - QUALIFICATIONS AND EXPERIENCE
  - PROJECT FINANCING
  - REFERENCES
  - CONFLICT OF INTEREST STATEMENT

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

#### **D. Affected Jurisdictions**

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

HRTAC may request comments from the affected jurisdictions, and the affected jurisdictions shall have sixty (60) days from the date of the request to submit written comments to HRTAC and to indicate whether the proposed qualifying transportation facility will address the needs identified in the appropriate state, regional, or local transportation plan by improving safety, reducing congestion, increasing capacity, enhancing economic efficiency, or any combination thereof as set forth in PPTA Section 33.2-1805. HRTAC will consider comments received within the 60-day period in evaluating proposals. HRTAC is not obligated to suspend or delay its evaluation of any proposal during the 60-day period for the receipt of comments from affected jurisdictions.

## **VI. SPECIAL PROVISIONS FOR UNSOLICITED CONCEPTUAL PROPOSALS AND COMPETING PROPOSALS**

Unsolicited Conceptual Proposals and Competing Proposals at the conceptual stage must comply with Section V and must contain the following information:

### **A. Introduction of Proposer**

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

### **B. Project Characteristics**

- A topographic map (1:2,000 or other appropriate scale) indicating the location of the transportation facility or facilities and the communities that may be affected;

- A description of the project, including the conceptual design and all proposed interconnections with other transportation facilities, including a description of any components, planned initially or for the future, that are expected to generate revenue for the project or the Proposer;
- The proposed schedule for the work on the project, including the estimated time for completion of the construction of the transportation facility and the dates for operation of the facility;
- An estimate of the life-cycle cost of the transportation facility as proposed;
- A statement setting forth the method by which the Proposer proposes to secure any property interests required for the transportation facility or facilities, including whether the Proposer intends for HRTAC to acquire any such property interests;
- Information relating to the current transportation plans, if any, of each affected locality or public entity;
- A list of all permits and approvals required for developing and/or operating improvements to the transportation facility or facilities from local, state, or federal agencies and a projected schedule for obtaining such permits and approvals;
- A list of public utility's, locality's, or political subdivision's facilities, if any, that will be crossed by the transportation facility or facilities and a statement of the plans of the private entity to accommodate such crossings;
- A statement setting forth the private entity's general plans for developing and/or operating the transportation facility or facilities, including identification of any revenue, public or private, or proposed debt or equity investment or concession proposed by the private entity;
- Information on how the private entity's proposal will address the needs identified in the appropriate state, regional, or local transportation plan by improving safety, reducing congestion, increasing capacity, enhancing economic efficiency, or any combination thereof;
- A statement of the risks, liabilities, and responsibilities to be transferred, assigned, or assumed by the private entity for the development and/or operation of the transportation facility, including revenue risk and operations and maintenance;
- Identification and description of any work to be performed by HRTAC or any other public entity;
- Any anticipated adverse social, economic and environmental impacts of the project. Specify the strategies or actions to mitigate known impacts of the project. Indicate if environmental assessments have been completed;

- The projected positive social, economic and environmental impacts of the project;
- Assumptions related to ownership, legal liability, law enforcement and operation of the project and the existence of any restrictions on HRTAC's use of the project;
- Any other assumptions relied on for the project to be successful; and
- Any contingencies that must occur for the project to be successful.

**C. Project Benefit and Compatibility**

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

**D. Qualification and Experience**

- For the purpose of this Subsection, "major contractor or subcontractor" means any entity with whom the Proposer will contract any part of the development, construction, or operation of the proposed P3 Project with a value equal to or greater than 10% of the contract value, or, for P3 Projects over \$50 million, with a value equal to or greater than \$5 million.
- Identity of the legal structure of the firm or consortium of firms making the proposal. Identify the organizational structure for the project, the management approach and how each partner and major subcontractor in the structure fits into the overall team. All members of the Proposer's team, including major subcontractors known to the Proposer must be identified at the time a proposal is submitted for the Conceptual stage. Identified team members and major contractors or subcontractors may not be substituted or replaced once a project is approved and a Comprehensive Agreement is executed without HRTAC's written approval.

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

the firm for the past three (3) years, except as indicated, any of the following conduct:

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

**E. Project Financing**

- A preliminary estimate and estimating methodology of the cost of the work by phase, segment, or both. If costs span a period greater than twelve (12) months, they shall be reported in “year of expenditure” dollars.
- A plan for the development, proposed financing and construction of the project showing the anticipated schedule on which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds, including any anticipated debt service costs. Include any supporting due diligence studies, analyses, or reports.

- A list and discussion of assumptions underlying all major elements of the plan. Assumptions should include all terms, conditions and fees associated with financing given the recommended financing approach. In addition, the complete disclosure of interest rate assumptions should be included and what impact, if any, a change in interest rates would have on the ultimate annual project cost.
- Any proposed user fees and demonstrate that the revenues therefrom will be used solely for programs and projects that are reasonably related to, or benefit the users of, the proposed project.
- Financial information which demonstrates the private entity's financial stability and ability to finance the project.
- A description and analysis (cost/benefit, tax, etc.) to demonstrate the project's financial feasibility.
- The amounts and the terms and conditions for any revenue sources.
- Any aspect of the project that could disqualify the project from obtaining tax-exempt financing.

#### **F. References**

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

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

#### **G. Conflict Of Interest Statement**

Firms must submit an executed copy of the Conflict of Interest Statement. See Exhibit A to these Guidelines.

## **VII. FORMAT FOR SUBMISSIONS OF UNSOLICITED PROPOSALS AND COMPETING PROPOSALS AT THE DETAILED STAGE**

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

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

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

projected return, rate of return, or both, expected useful life of facility and estimated annual operating expenses.

- A detailed discussion of assumptions about user fees or rates, lease payments and other service payments, and the methodology and circumstances for changes and usage of the project over the useful life of the project.
- Update the identification of any known or anticipated public or government support or opposition for the project, including supporting documentation. Discuss the impact of the support or opposition on the project.
- Demonstration of consistency with appropriate HRTAC and/or affected jurisdiction comprehensive development plans (including related land use, environmental and facility standards ordinances, where applicable), transportation plans, the capital improvement plan and capital budget, or indication of the steps required for acceptance into such plans.
- Explanation of how the proposed project would impact the development plans of HRTAC or any affected jurisdiction.
- Description of an ongoing performance evaluation system or database to track key performance criteria, including but not limited to schedule, cash management, quality, worker safety, change orders, and legal compliance.
- Identification of the executive management and the officers and directors of the firm or consortium of firms making the proposal. In addition, identify any known conflicts of interest or other limitations that may impact HRTAC's consideration of the proposal, including the identification of any persons known to the private entity who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to the Virginia State and Local Government Conflict of Interests Act, Title 2.2, Chapter 31 (Section 2.2-3100 et seq.) of the Virginia Code.
- Include a detailed description of any financing plan proposed for the project, a comparison of that plan with financing alternatives that may be available to HRTAC, and all underlying data supporting any conclusions reached in the analysis or the selection by the private entity of the financing plan proposed for the project.
- Identify the proposed plan for obtaining sufficient numbers of qualified workers in all trades or crafts required for the project.
- Provide information on any training programs, including but not limited to apprenticeship programs registered with the U.S. Department of Labor or a

State Apprenticeship Council, in place for employees of the firm and employees of any member of a consortium of firms.

- Information on the level of commitment by the firm to using small, women-owned, or minority businesses in developing and implementing the project.
- For each firm or major subcontractor that will perform construction and/or design activities, a sworn certification by an authorized representative of the firm attesting to the fact that the firm is not currently debarred or suspended by any federal, state or local government entity.
- Description of worker safety training programs, job-site safety programs, accident prevention programs, written safety and health plans, including incident investigation and reporting procedures.
- All anticipated risk factors and methods for dealing with these factors. Describe the methods and remedies associated with any financial default.
- Any local, state or federal resources that the private entity contemplates requesting for the project. Describe the total commitment, if any, expected from HRTAC or other governmental sources (and identify each such source) and the timing of any anticipated commitment. Such disclosure should include any direct or indirect guarantees or pledges of HRTAC's credit or revenue.
- Any other information HRTAC deems necessary or desirable for evaluation of the detailed proposals.

## **VIII. PROPOSAL EVALUATION AND SELECTION CRITERIA**

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

### **A. Project Characteristics**

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

1. Project description, location, and design;
2. Proposed project schedule;
3. Operation of the project and interconnections with the transportation facilities;

4. Technical feasibility and state of the art offerings;
5. Conformity to federal, state and local laws, regulations, codes, guidelines and standards;
6. Environmental impacts;
7. Property impacts;
8. Utility, railroad, cable television provider, locality or political subdivision infrastructure facility impacts;
9. Federal, state and local permits;
10. Maintenance of the project; and
11. Ongoing operations.

**B. Project Benefit and Compatibility**

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

1. Anticipated reduction in congestion;
2. Compatibility with HRTAC's existing funding plan, and with HRTPO's long-range transportation plan;
3. Enhancements to the Hampton Roads regional transportation system;
4. Achievement of performance, safety, mobility, or transportation demand management;
5. Community support or opposition, or both;
6. Public involvement strategy;
7. Compatibility with existing and planned facilities;
8. Compatibility with local, regional, and state economic development efforts; and
9. Compatibility with the land use plans, transportation plans, and capital improvement plans of affected jurisdictions.

**C. Qualifications and Experience**

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

1. Experience with similar projects of the Proposer, Proposer members, and major subcontractors;
2. Reputation, industry experience;
3. Demonstrated record of successful past performance, including timeliness of project delivery, compliance with plans and specifications, quality of workmanship, cost-control and project safety;
4. Demonstrated conformance with applicable laws, codes, standards, regulations, and agreements on past projects;
5. Leadership structure;
6. Project manager's experience;
7. Management approach;
8. Organizational chart, including project staffing plans, the skill levels of the proposed task leaders, workforce, apprenticeship and other training programs offered for the project for the project;
9. Proposed safety plans;
10. Financial soundness, capability, including the ability to obtain required sureties and insurance coverages;
11. Project ownership; and
12. Ethics and integrity.

**D. Project Financing**

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

1. Estimated cost of the project, including debt source, operating costs, etc.;
2. Cost and cost benefit to HRTAC;
3. The impact of any proposed financing on HRTAC's debt burden or credit ratings;
4. Ability to obtain tax-exempt financing;

5. Financial plan, including overall feasibility and reliability of the plan; default implications; degree to which private entity has conducted due diligence investigation of proposed financial plan and results of any such inquiries or studies;
6. Private entity's past performance with similar plans and similar projects;
7. Life-cycle cost analysis;
8. The identity, credit history, and past performance of any third party that will provide financing for the project and the nature and timing of their commitment; and
9. User fees and use of revenue that benefits users. Reasonableness of assumptions underlying financing.

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

#### **E. Other Factors**

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

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

**F. Timelines**

Guidelines for determining applicable timelines are as follows:

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

**IX. INTERIM AND COMPREHENSIVE AGREEMENTS**

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

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

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

**A. Interim Agreement**

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

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

### **1. Interim Agreement Provisions**

Such Interim Agreement may:

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

### **2. Public Comment Prior to Interim Agreement**

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

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

### **B. Comprehensive Agreement**

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

### **1. Public Comment Prior to Comprehensive Agreement**

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

### **2. Certification Prior to Comprehensive Agreement**

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

### **3. Terms of Comprehensive Agreement**

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

- a. Delivery of maintenance, performance and payment bonds or letters of credit in connection with the design, construction, expenses, equipping, maintenance or operation of the qualifying transportation project, in the forms and amounts satisfactory to HRTAC and in compliance with Virginia Code Section 2.2-4337 for those components of the qualifying transportation project that involves construction;
- b. Review and approval of plans and specifications for the qualifying transportation project by HRTAC;
- c. HRTAC's right to inspect the construction of or improvement to qualifying transportation project to ensure compliance with the Comprehensive Agreement, and standards required by HRTAC;
- d. Maintenance of a policy or policies of public liability insurance or an acceptable program of self-insurance, each in form and amount satisfactory to HRTAC and reasonably sufficient to insure coverage of tort liability to the public and employees and to enable the continued operation of the qualifying transportation facility;
- e. Monitoring of the maintenance practices of the private entity by HRTAC and actions that may be taken by HRTAC to ensure the proper maintenance of the qualifying transportation project;
- f. The terms under which the private entity will reimburse HRTAC for services provided by HRTAC;
- g. The terms under which the private entity will file appropriate financial statements in a form acceptable to HRTAC on a periodic basis;
- h. The terms governing the rights and responsibilities of HRTAC and the private entity in the event that the Comprehensive Agreement is terminated or there is a material default by the private entity, including the conditions governing assumption of the duties and responsibilities of the private entity

by HRTAC and the transfer or purchase of property or other interests of the private entity by HRTAC and, in the case of a termination for convenience, compensation or reimbursement for development expenses and fees;

- i. Provisions for such user fees, lease payments, or service payments, if any, as may be established from time to time by agreement of the parties, subject in each case to such limitations as may be required to comply with Federal and state laws, regulations and policies;
- j. Requiring a copy of any service contract to be filed with HRTAC and providing that a schedule of the current user fees or lease payments shall be made available by the private entity to any member of the public upon request;
- k. Guaranteed cost and completion guarantees related to the development and/or operation of the qualified transportation facility and payment of damages for failure to meet the completion guarantee;
- l. The date of termination of the private entity's authority, duties and responsibilities to HRTAC;
- m. The terms and conditions under which HRTAC may contribute financial resources, if any, for the qualifying transportation facility;
- n. The terms and conditions under which HRTAC will be required to pay money to the private entity and the dates and amounts of such payments for the project;
- o. The terms and conditions under which existing site conditions will be assessed and addressed, including the identification of the responsible party for conducting the assessment and taking necessary remedial action;
- p. A provision for the distribution of any earnings in excess of the maximum rate of return negotiating in the Comprehensive Agreement;
- q. Incorporation of the duties of a private entity in the PPTA, the parties, and all terms and conditions required by law;
- r. A provision that all change to the Comprehensive Agreement must be by written amendment; and
- s. A provision requiring funding for adequate staffing by the Virginia State Police for law enforcement services during development and operation of the qualify transportation facility, as determined in consult with the Virginia State Police.

The representations, information and data supplied in support of or in connection with proposals play a critical role in the competitive evaluation process and in the ultimate

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

**C. Additional Notice and Posting Requirements After Execution of Agreement**

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

**D. Reservation of Rights**

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

1. Reject any or all proposals at any time, for any reason. Private entities shall have no recourse against HRTAC for such rejection. A private entity will be notified in writing of such rejection in accordance with these procedures.
2. Terminate evaluation of any and all proposals at any time.
3. Suspend, discontinue and/or terminate negotiations on an Interim Agreement or Comprehensive Agreement at any time prior to their execution by all parties. (See Section VII below.)
4. Negotiate with a private entity without being bound by any provision in its proposal.
5. Request or obtain additional information about any proposal.
6. Issue addenda to and/or cancel any RFP.
7. Revise, supplement or withdraw all or any part of these procedures at any time.

8. Modify any standard fee schedule as stated herein for a specific proposal or for all future proposals.
9. Decline to return any and all fees required to be paid by a private entity hereunder, except for that portion of the initial fees paid by Proposers with an unsolicited conceptual proposal that were not expended by HRTAC in evaluating the proposal if HRTAC declines to accept the proposal for consideration.
10. Request revisions to conceptual or detailed proposals.
11. Treat any proposal which may have certain characteristics in common yet differ in meaningful ways from a previously received proposal as either a competing proposal or a noncompeting unsolicited proposal and proceed accordingly.
12. Submit a proposal for review by outside consultants or advisors selected by HRTAC without notice to the Proposer. Such consultants or advisors shall be advised of and contractually required to agree to maintain the confidentiality of information that has been designated as confidential pursuant to an agreement between HRTAC and the Proposer, and to refer all requests for such information to HRTAC.
13. Modify the stated timeline for consideration, review or negotiation of proposals when deemed necessary by HRTAC in its sole discretion. Written notice will be provided to any affected Proposers when such departures from a stated timeline are deemed significant.

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

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

#### **E. Virginia Freedom of Information Act**

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

In accordance with Section 2.2-3705.6(11) of FOIA, proposals and records voluntarily submitted to HRTAC under the PPTA are subject to disclosure except to the extent that

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

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

Upon timely receipt of a request that designated portions of a proposal be protected from disclosure as confidential and proprietary, HRTAC shall determine whether such protection is appropriate under applicable law and, if appropriate, the scope of such appropriate protection, and shall communicate its determination to the Proposer. Upon a final determination by HRTAC to accord less protection than requested by the Proposer, the Proposer will be accorded an opportunity to withdraw its proposal. A proposal so withdrawn will be treated in the same manner as a proposal not accepted for publication and conceptual-phase consideration as provided below.

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

#### **F. Use of Public Funds**

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

#### **G. Applicability of Other Laws**

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

**X. INDEPENDENT AUDIT**

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

The Proposer shall reimburse HRTAC for the costs for the independent audit and the results of the audit shall be disclosed in accordance with FOIA.

**XI. GOVERNING PROVISIONS**

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

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

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

**Date: June 21, 2018**

**Re: HRTAC FY2019-FY2024 – Plan of Finance Update; Six Year Operating and Capital Program of Projects for the Region’s High Priority Projects (With Toll Revenues to HRTAC)**

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**Recommendation:**

Finance Committee Chair Senator Wagner and the Executive Director recommend the Commission adopt the HRTAC FY2019-FY2024 – Six Year Operating and Capital Program of Projects for the Region’s High Priority Projects (With Toll Revenues to HRTAC) to update the HRTAC-adopted 2016-2023 Financial Plan to include certain modifications for the Region’s High Priority Projects and additional revenues based on new or updated information.

**Background:**

At its April 19, 2018 Regular meeting, the Commission endorsed the Proposed HRTAC FY2019-FY2024 – Six Year Operating and Capital Program of Projects for the Region’s High Priority Projects (With Toll Revenues to HRTAC) and authorized a public hearing to solicit public comments to inform the Commission prior to its action to adopt the six year funding plan. On Monday, June 11, 2018, Finance Committee Chair Senator Wagner and the Commission Staff conducted the public hearing. No one from the public spoke and no written comments were received.

**Fiscal Impact:**

There is a \$4,677,965,218 fiscal impact to the Hampton Roads Transportation Fund in relation to this Action Item.

**Suggested Motion:**

**Motion:** The Commission approves and adopts the HRTAC FY2019-FY2024 – Six Year Operating and Capital Program of Projects for the Region’s High Priority Projects (With Toll Revenues to HRTAC) to update the HRTAC-adopted 2016-2023 Financial Plan.



## Proposed HRTAC FY2019-FY2024 – Six Year Operating and Capital Program of Projects for the Region's High Priority Projects (With Toll Revenues to HRTAC)

### HRTAC Project Costs and Expenses

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

### Funding Sources

	Prior Years	FY	FY	FY	FY	FY	FY	Total
		2019	2020	2021	2022	2023	2024	
VDOT Funds	\$235	\$46	\$64	\$34	\$8			\$386
HRTPO Funds		\$2						\$2
Outside Contribution		\$3						\$3
HRTAC Cost Share	\$448	\$486	\$536	\$855	\$765	\$785	\$805	\$4,678
<b>Total</b>	<b>\$687</b>	<b>\$531</b>	<b>\$599</b>	<b>\$889</b>	<b>\$772</b>	<b>\$785</b>	<b>\$805</b>	<b>\$5,069</b>

Notes:

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

### HRTAC Projected Cash Flow

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

Notes:

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



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

6/21/2018

Project Location	Project Description	User	Source of Funds	Pre-SYIP Funding Activities	Pre-HRTAC Funding Activities	HRTAC FY19	HRTAC FY20	HRTAC FY21	HRTAC FY22	HRTAC FY23	HRTAC FY24			
<b>Operating/HRTF Fees</b>														
HRTAC Districtwide	HRTAC Operating Budget HRTAC Project Initiation Budget Department of Taxation Fees Department of Motor Vehicle Fees	HRTAC HRTAC TAX DMV	HRTAC HRTF HRTAC HRTF HRTAC HRTF HRTAC HRTF	5,530,095 3,195,000 499,518 98,695	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	\$ - \$ 1,334,512 \$ 1,367,875 \$ 1,402,072 \$ 1,437,123 \$ 1,473,052 \$ 1,509,878 \$ 1,528,491 \$ 1,547,309 \$ 1,578,491 \$ 1,609,606	
	Total Operating Costs/HRTF Fees			Total \$ 9,323,308	\$ 543,051	\$ 2,464,512	\$ 2,526,125	\$ 2,589,278	\$ 2,654,010	\$ 2,720,360	\$ 2,788,369	\$ 25,065,962		
<b>Construction Projects</b>														
<b>I-64 Peninsula Widening</b>														
Newport News	I-64 Widening Segment 1 UPC 104905	VDOT	VDOT HRTAC HRTF	100,000,000 29,000,000	\$ 373,590 \$ 29,000,000	\$ - \$ -	\$ 100,000,000 \$ 29,000,000							
	Total			129,000,000	29,373,590								129,000,000	
Newport News, James City County, York County	I-64 Widening Segment 2 PE UPC 106665	VDOT	VDOT HRTAC HRTF	6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000		
	Total			6,000,000									6,000,000	
Newport News, James City County, York County	I-64 Widening Segment 2 ROW/Construction UPC 106665	VDOT	VDOT HRTAC HRTF	153,794,364	\$ -	\$ 16,038,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,832,897	
	Total			153,794,364	16,038,533								169,832,897	
York County	I-64 Widening Segment 3 PE UPC 106689	VDOT	VDOT HRTAC HRTF	10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000	
	Total			10,000,000									10,000,000	
York County	I-64 Widening Segment 3 - RW Construction Construction UPC 106689 - 107970	VDOT	VDOT HRTAC HRTF	29,210,469 12,541,600	\$ - \$ -	\$ 32,000,000 \$ 42,282,068	\$ 25,885,850 \$ 51,651,130	\$ 34,082,658 \$ 6,419,198	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 121,151,977 \$ 112,893,996	
	Total			41,752,069	42,282,068	\$ 77,508,980	\$ 40,501,856						234,045,973	
<b>I-64/I-264 Interchange Improvement</b>														
Norfolk	I-64/I-264 Interchange Improvement Phase I PE/R/W ROW UPC 57048 - 108042	VDOT	VDOT HRTAC HRTF	5,047,700 15,071,063	\$ 5,047,700 \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 5,047,700 \$ 15,071,063		
	Total			20,118,763	5,047,700								20,118,763	
Norfolk	I-64/I-264 Interchange Improvement Phase 1 Construction UPC 57048 - 108042	VDOT	VDOT HRTAC HRTF	87,234,589	\$ -	\$ 41,680,228	\$ 8,108,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,023,653	
	Total			87,234,589	41,680,228	\$ 8,108,836							137,023,653	
Norfolk	I-64/I-264 Interchange Improvement Phase II PE/R/W ROW UPC 17630 - 108041	VDOT	HRPO RSTP VDOT HRTAC HRTF	1,892,000 11,990,900 54,592,576	\$ 1,892,000 \$ 11,990,900 \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 1,892,000 \$ 11,990,900 \$ 54,592,576		
	Total			68,475,476	13,882,900								68,475,476	
Norfolk	I-64/I-264 Interchange Improvement Phase II Construction UPC 17630 - 108041	VDOT	VDOT Outside Contribution HRTAC HRTF	29,346,361 2,871,294	\$ 10,582,222 \$ -	\$ 10,288,526 \$ 17,243,819	\$ 2,756,222 \$ 31,993,778	\$ 7,608,946 \$ 23,919,465	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 50,000,055 \$ 2,871,294 \$ 73,157,062		
	Total			32,217,655	10,582,222	\$ 27,532,345	\$ 34,750,000	\$ 23,919,465	\$ 7,608,946				126,028,411	
Norfolk	I-64/I-264 Interchange Improvement - Phase III PE UPC 106693	VDOT	VDOT HRTAC HRTF	4,850,000	\$ -	\$ 3,750,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000	
	Total			4,850,000		\$ 3,750,000	\$ 1,400,000						10,000,000	
<b>I-64 Southside/High Rise Bridge</b>														
Chesapeake, Suffolk	I- 64 Southside/High Rise Bridge PE UPC 106692	VDOT	VDOT HRTAC HRTF	5,000,000 12,200,000	\$ - \$ -	\$ 5,000,000 \$ 12,200,000								
	Total			17,200,000									17,200,000	
Chesapeake, Suffolk	I- 64 Southside/High Rise Bridge ROW/Construction UPC 106692 - 108990	VDOT	VDOT HRTAC HRTF	54,197,206 16,165,794	\$ - \$ -	\$ 3,404,718 \$ 162,958,282	\$ 35,056,620 \$ 161,520,773	\$ 79,111,371	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 92,657,545 \$ 419,756,220	
	Total			70,363,000	166,363,000	\$ 196,576,394	\$ 79,111,371						512,413,765	
<b>Project Development</b>														
Newport News, Norfolk, Portsmouth, Chesapeake, Suffolk	Third Crossing SEIS Study UPC 106724	VDOT	VDOT HRTAC HRTF	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Total													
Norfolk, Hampton, Newport News	HRCS SEIS Preferred Alternative Refinement PE UPC 110577	VDOT	VDOT HRTAC HRTF	25,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000,000	
	Total			25,000,000									25,000,000	
Newport News, Norfolk, Portsmouth, Chesapeake, Suffolk	Remaining Projects of the Third Crossing SEIS Projects Outside of Alternative A Modified	HRPO	VDOT HRTAC HRTF	7,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000,000	
	Total			7,000,000									7,000,000	
Portsmouth, Chesapeake, Suffolk	Remaining Projects of the Third Crossing SEIS Bowers Hill Environmental Study UPC 111427	VDOT	VDOT HRTAC HRTF	1,640,000	\$ -	\$ 1,950,000	\$ 410,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	
	Total			1,640,000		\$ 1,950,000	\$ 410,000						4,000,000	
Suffolk	Route 460/58/13 PE UPC 106694	VDOT	VDOT HRTAC HRTF	3,194,424	\$ -	\$ 1,666,656	\$ 138,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	
	Total			3,194,424		\$ 1,666,656	\$ 138,920						5,000,000	
<b>Mega-Project Delivery</b>														
Norfolk, Hampton, Newport News	Financing Proceeds - I-64 HRBT Expansion	HRTAC	VDOT HRTAC Toll Revenue	-	\$ -	\$ 195,491,750	\$ 278,035,475	\$ 742,930,780	\$ 762,129,050	\$ 781,807,276	\$ 456,977,458	\$ 345,000,000	\$ 3,217,371,789	
	Total					\$ 195,491,750	\$ 278,035,475	\$ 742,930,780	\$ 762,129,050	\$ 781,807,276	\$ 456,977,458	\$ 345,000,000	\$ 3,217,371,789	
	<b>Total Development/Construction Project Costs</b>			Total \$ 677,840,340	\$ 58,886,412	\$ 528,754,580	\$ 596,929,605	\$ 886,463,472	\$ 769,737,996	\$ 781,807,276	\$ 801,977,458	\$ 5,043,510,727		
	<b>Total Estimated Operating and Capital Costs</b>				\$ 687,163,648	\$ 59,429,463	\$ 531,219,092	\$ 599,455,730	\$ 889,052,750	\$ 772,392,006	\$ 784,527,636	\$ 804,765,827	\$ 5,068,576,689	
	<b>Estimates Carried into Out Years as Place Holders</b>				Less Than \$100,000	\$ 23,912,636	\$ 27,994,412	\$ 45,693,244	\$ 63,670,693	\$ 34,082,658	\$ 7,608,946	\$ -	\$ 3,080,177	
	<b>Mega-Project Under Development - Not Under Contract</b>				Less Than \$100,000	\$ 2,871,294	\$ 1,892,000	\$ 1,892,000	\$ 1,892,000	\$ 1,892,000	\$ 1,892,000	\$ 1,892,000	\$ 2,871,294	
					Total HRTAC Share	\$ 447,607,718	\$ 29,543,051	\$ 485,525,848	\$ 535,785,037	\$ 854,970,092	\$ 764,783,060	\$ 784,527,636	\$ 804,765,827	\$ 4,677,365,218
	<b>HRTAC Funding Sources</b>													
	HRTF .7% local Sales Tax Funds by Year				\$ 574,131,352	\$ 145,212,261	\$ 139,500,000	\$ 142,500,000	\$ 145,800,000	\$ 148,800,000	\$ 151,800,000	\$ 154,800,000	\$ 1,594,331,352	
	HRTF 2.1% Fuel Tax Funds by Year *				\$ 51,686,469	\$ -	\$ 48,600,000	\$ 51,600,000	\$ 52,200,000	\$ 52,600,000	\$ 53,100,000	\$ 53,700,000	\$ 389,786,469	
	HRTAC Toll Revenue				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,585,251	
	HRTAC Investment Income				\$ 2,148,214	\$ -	\$ 363,855	\$ 4,500,000	\$ 8,300,000	\$ 9,700,000	\$ 4,600,000	\$ 1,000,000	\$ 45,774,643	
	HRTAC HRTF Revenue Debt (Reimbursement)				\$ 4,974,643	\$ -	\$ 5,800,000	\$ 10,300,000	\$ 10,300,000	\$ 8,800,000	\$ 3,600,000	\$ -	\$ 183,177,908	
	HRTAC HRTF Revenue Debt				\$ 183,177,908	\$ 44,000,000	\$ -	\$ 31,814,853	\$ 533,095,465	\$ 729,249,237	\$ 160,442,005	\$ 529,242,277	\$ 108,515,889	
	HRTAC Toll Revenue Debt (TFTA)				\$ -	\$ -	\$ -	\$ 31,814,853	\$ 533,095,465	\$ 729,249,237	\$ 160,442,005	\$ 529,242,277	\$ 108,515,889	
	Total HRTAC Funding Sources				\$ 816,116,686	\$ 29,543,051	\$ 230,214,853	\$ 745,795,465	\$ 947,249,237	\$ 375,242,005	\$ 740,459,093	\$ 664,784,124	\$ 5,085,331,600	
	<b>HRTAC Funding Uses</b>													
	HRTAC State				\$ 447,607,718	\$ 29,543,051	\$ 485,525,848	\$ 535,785,037	\$ 854,970,092	\$ 764,783,060	\$ 784,527,636	\$ 804,765,827	\$ 4,677,365,218	
	HRTAC Debt Service				\$ -	\$ -	\$ 25,854,075	\$ 33,487,450	\$ 60,550,200	\$ 68,149,950	\$ 86,558,575	\$ 86,558,575	\$ 370,997,737	
	HRTAC Toll Revenue Debt Service				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Total Funding Uses				\$ 447,607,718	\$ 29,543,051	\$ 511,379,923	\$ 569,272,487	\$ 915,520,292	\$ 832,933,010	\$ 871,086,211	\$ 891,324,402	\$ 5,048,962,955	
	<b>Deobligated Funds From Previous Projects</b>													
	Carryover from Previous Years				\$ -	\$ -	\$ 924,140,194	\$ 642,975,124	\$ 819,498,102	\$ 851,227,046	\$ 393,536,042	\$ 262,908,924	\$ -	
	Total Available HRTAC HRTF				\$ 816,116,686	\$ 189,576,116	\$ 1,154,359,047	\$ 1,388,770,588	\$ 1,766,747,338	\$ 1,226,469,051	\$ 1,133,995,135	\$ 927,993,047	\$ -	
	Total HRTAC HRTF Funds Unobligated				\$ 573,785,617	\$ 160,033,065	\$ 642,975,124	\$ 819,498,102	\$ 851,227,046	\$ 393,536,042	\$ 262,908,924	\$ 36,368,645	\$ -	
	<b>Pre-SYIP Funding Activities</b>													
	<b>Pre-HRTAC Funding Activities</b>													

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

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

**Date: June 21, 2018**

**Re: HRTAC 2045 Long Range Plan of Finance Update**

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**Recommendation:**

Finance Committee Chair Senator Wagner and the Executive Director recommend the Commission adopt the HRTAC 2045 Long Range Plan of Finance Update.

**Background:**

At its April 19, 2018 Regular meeting, the Commission endorsed the HRTAC 2045 Long Range Plan of Finance Update and authorized a public hearing to solicit public comments to inform the Commission prior to its action to adopt the plan. On Monday, June 11, 2018, Finance Committee Chair Senator Wagner and the Commission Staff conducted the public hearing. No one from the public spoke and no written comments were received.

**Fiscal Impact:**

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

**Suggested Motion:**

**Motion:** The Commission approves and adopts HRTAC 2045 Long Range Plan of Finance Update and authorizes the Chair to communicate the plan to the Hampton Roads Transportation Planning Organization for its use.



## HRTAC 2045 Long Range Plan of Finance Update

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

- HRTAC, using HRTF revenues and toll revenues, can fund HRBT costs of **\$3,662M** costs (SEIS Alternative A scope) with 2024 completion.
- No other anticipated SMART SCALE funds are assumed for HRBT.
- Other projects – High Rise Bridge Phase II, Bower's Hill Interchange, Rt 460/58/13, and Ft. Eustis can still be completed in the same time frame of 2037-2038.
  - \$345M toll revenue debt is assumed to pay HRBT. If HRTAC does not collect toll revenues, HRTAC will fund \$345M less HRBT costs - \$3,317M in total
  - Trend HRTF Projection provides \$3,662M for HRBT, VDOT 2017 Revenue Projection provides \$3,562M for HRBT
    - \$100M less funding availability for HRBT in the FY2019-FY2024 HRTAC Six-Year Funding Plan.



**Agenda Item 5F**  
**Consent Item**

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

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

**Date: June 21, 2018**

**Re: HRTAC Accounting Policy and Procedures**

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**Recommendation:**

The Executive Director recommends that the Commission approve the HRTAC Accounting Policy and Procedures.

**Background:**

HRTAC continues to develop its internal policies and procedures. HRTAC's auditor suggested that the Commission develop written Accounting Policy and Procedures. HRTAC Staff gathered information and developed the document, which incorporates previous accounting policy related actions, for the Commission's review and approval.

**Fiscal Impact:**

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

**Suggested Motion:**

**Motion:** The Commission approves and adopts the HRTAC Accounting Policy and Procedures.





## **ACCOUNTING POLICIES AND PROCEDURES**

**Adopted June \_\_\_\_, 2018**

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## I. Introduction

The purpose of this manual is to describe all accounting policies and procedures currently in use at the Hampton Roads Transportation Accountability Commission (HRTAC) and to ensure that the financial statements conform to generally accepted accounting principles (GAAP); assets are safeguarded; and all finances are managed with accuracy, efficiency, and transparency.

Any HRTAC staff with a role in the management of fiscal and accounting operations is expected to comply with the policies and procedures in this manual.

These policies herein will be reviewed annually and revised as needed by HRTAC staff and approved by the Executive Director and Finance Committee of the Commission.

### Adoption, Revisions, and Incorporations

Description	Activity	Date
Interim Policies for Management of Cash, Bank Accounts, and Credit and Debit Cards	Adoption, Incorporation	October 15, 2015
Procurement of Goods and Services, Including Procedures for Certain Small Purchases	Adoption, Incorporation	October 15, 2015
Statement of Investment Policy	Adoption, Incorporation	June 16, 2016
Hampton Roads Transportation Fund Revenue Bonds Post-Issuance Bond Compliance Policy	Adoption, Incorporation	April 19, 2018

## **II. Division of Responsibilities**

The following is a list of personnel who have fiscal and accounting responsibilities:

### ***Commission***

1. Reviews and approves annual budget.
2. Reviews annual and periodic financial statements and information.
3. Reviews Executive Director's performance annually and establishes salary.
4. Chair and Co-Chair to be authorized signers on the bank accounts.
5. Reviews and approves all contracts over \$25,000.
6. Reviews and approves all non-budgeted expenditures.

### ***Finance Committee Chair***

1. Reviews and approves wire transfers.

### ***Executive Director***

1. Reviews and approves all financial reports.
2. Develops for approval and executes an approved annual budget.
3. Reviews and approves all issued checks and/or check signing procedures.
4. Reviews and approves all contracts.
5. Approves all bank transfers and wires prior to Finance Committee Chair approval.
6. Is on-site signatory for all bank accounts.
7. Reviews completed monthly bank reconciliations, journal entries and check register.

### ***Chief Financial Officer (CFO)***

1. Approves all bank transfers.
2. Approves all wire transfers.
3. Reviews all financial reports.
4. Is on-site signatory for all bank accounts.
5. Reviews completed monthly bank reconciliations, journal entries and check register.

### ***Accounting Manager***

1. Overall responsibility for data entry into accounting system and integrity of accounting system data.
2. Processes invoices and prepares checks for signature.
3. Makes bank deposits.
4. Processes payroll.
5. Processes all wire transfers.
6. Maintains general ledger.
7. Prepares monthly and year-end financial reports.
8. Reconciles all bank accounts.
9. Mails vendor checks.
10. Manages Accounts Receivable.
11. Assists Executive Director with the development of annual and program budgets.

### **III. Chart of Accounts and General Ledger**

HRTAC has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The general ledger is automated and maintained using accounting software, and should be reviewed periodically by HRTAC staff for any unusual transactions.

### **IV. Cash Receipts**

*Cash receipts generally arise from Sales and Use Tax and Fuels Tax (Note: bond generated reimbursement revenues are covered in the bond revenue section.)*

The principal steps in the cash receipts monthly process are:

1. The HRTAC Staff receives an email from an authorized Virginia Department of Transportation (VDOT) official indicating HRTAC member localities' tax contributions.
2. Simultaneously, VDOT submits a request to Treasury to have the funds transferred to HRTAC.
3. The HRTAC Accounting Manager will receive an email from Virginia Department of Accounts confirming a wire transfer.
4. The HRTAC Accounting Manager reviews the obligation to debt service and follows the steps of the Waterfall detailed in HRTAC's HRTF Series 2018A Master Indenture. (See Section XIII.)
5. The HRTAC Accounting Manager then notifies the HRTAC financial advisor and Executive Director of the remaining balance and any outstanding payments to others and requests to be advised on the best strategy for the deposit of funds into HRTAC's laddered portfolio.
6. The recommendation of the Executive Director is transmitted by the HRTAC Accounting Manager via email to the Chair of the Finance Committee for approval.
7. Upon receipt of approval by the Finance Committee Chair, the funds are deposited into the respective account.

### **V. Bank Account Transfers**

Bank accounts and relationships with investment institutions must be authorized and established pursuant to resolutions adopted from time to time by the Commission.

Fluid cash checking account balances are monitored to assure adequate funds are available to cover the expenses of the Commission. The HRTAC Accounting Manager receives approval of total transfer amount from the Finance Committee chair and recommends to the Executive Director when a transfer should be made. Once all approvals have been obtained a wire transfer sheet is generated and approved by the Executive Director and the CFO. The HRTAC Accounting Manager initiates the electronic bank transfer and it must be approved on line by the CFO. A copy of the approvals and wire transfer is retained in the accounting department.

Electronic funds transfers, using the Automated Clearing House (“ACH”) network, such as direct debit payments, may be made from the Commission’s bank accounts, subject to the following:

1. ACH transfers/direct debit payments shall be used solely for the following:
  - Employee payroll
  - Treasury payments of payroll-related taxes
  - Employee expense reimbursements which have been duly approved
  - Recurring monthly payment obligations of the Commission, such as rent and utilities, that are contemplated by the Commission’s operating budget.
2. For the avoidance of doubt, an ACH transfer/direct debit shall not under any circumstance be used to pay any personal charge of any employee.
3. All ACH transfers/direct debit payments must be implemented/effective by the CFO or his or her designee, provided that such person is acting in accordance with written instructions (which may be given electronically) from the Chair (or Vice Chair) of the Finance Committee and the Executive Director.
4. All ACH transfers/direct debit payments will be tracked through the monthly bank statements and reconciled to the accounting system transactions.

## **VI. Cash Disbursements and Expense Allocations**

1. All cash, checks and other payments received by the Commission shall be recorded in the Commission’s books and records and deposited into a Commission bank account, which deposit in the case of cash or checks should be made within 24 business hours of receipt.
2. No cash withdrawals are permitted from any Commission bank account.
3. No Commission check may be made payable to “cash” or “bearer.”
4. Commission checks must be kept in a secure location and executed in accordance with the Commission’s Bylaws and applicable resolutions, which presently require dual signatures. When made, checks shall be copied and recorded in the Commission’s books and records, including its check ledger.

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions
5. Meeting expenses
6. Employee reimbursements

Checks are processed monthly and invoices submitted to the HRTAC Accounting Manager by the first of the third week of the month will be processed and paid by Friday of the same week. The HRTAC Accounting Manager will assign the general ledger account code.

Requests for cash disbursements are submitted to Accounting in two ways:

1. Original invoice
2. Employee expense report or reimbursement request

Every employee reimbursement or purchase request must be documented on the approved form with receipts, and business nature before reimbursement approval. Specific documentation for each category is:

**Lodging** - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

**Meals and Entertainment** - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose.

**Other Expenditures** - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

All requests for payment will be reviewed by the designated staff for:

1. Expenditure and amount and appropriate allocation information. Once verified, payment will be processed and will be submitted to the Executive Director for approval and signature. All checks require a second signature from an authorized Commission member or staff member.
2. All documentation will be appropriately filed.

## **VII. Procurement of Goods and Services, Including Procedures for Certain Small Purchases (Adopted October 15, 2015)**

### **General**

The Virginia Public Procurement Act (“VPPA”) covers contracts made by the Hampton Roads Transportation Accountability Commission (the “Commission” or “HRTAC”) with nongovernmental contractors for the purchase or lease of goods, or for the purchase of services, insurance, or construction (as those terms are defined in the VPPA). The VPPA seeks, among other things, to enable public bodies in the Commonwealth to obtain high quality goods and services at reasonable costs. This Policy, including its small purchases procedures, is adopted to provide the Commission’s members, officers and employees with direction regarding the VPPA and its implementation.

Under the VPPA, covered contracts must be awarded after competitive sealed bidding, or competitive negotiation, as provided in the VPPA, unless otherwise authorized by law.

### **Exemptions**

Without limiting the exemptions under the VPPA that may be applicable from time to time, neither the competitive sealed bidding nor competitive negotiation procedures apply to:

Contracts negotiated and awarded to a source that is determined in writing to be the sole source available for that which is to be procured: in order to use this exemption under Section 2.2-4303(E) of the VPPA, all requirements of the exemption, including the written determination and public notice requirements, must be observed; the written determination may be made by the Commission’s Executive Director if funds for the applicable contract are available under the Commission’s then-applicable operating budget, but copies of such determinations must be given to the Finance Committee within five (5) business days after being made.

Contracts awarded in case of emergency: however, such procurement shall be made with such competition as is practicable under the circumstances. In order to use this exemption under Section 2.2-4303(F) of the VPPA, all requirements of the exemption, including the written determination and public notice requirements must be observed; the written determination may be made by the Commission’s Executive Director if funds for the applicable contract are available under the Commission’s then-applicable operating budget, but copies of such determinations must be given to the Finance Committee within five (5) business days after being made.

Purchases made from another public body’s contract, even if the Commission did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was a cooperative procurement being conducted on behalf of other public bodies; however, this exemption under Section 2.2-4304 of the VPPA is subject to the limitations set forth therein.

Single or term contracts for goods and services that fit within the dollar limitations and other parameters set forth in Section 2.2-4303(G) of the VPPA if they are entered into pursuant to small purchases procedures that have been adopted by the Commission in writing; the Commission's small purchases procedures are set forth in the chart below; these procedures may not be used for single or term contracts for transportation-related construction.

<u>Estimated Cost of Small Purchase</u>	<u>Procedure with Small Purchase</u>
When the aggregate or the sum of all phases is expected to be <u>less than</u> \$500	<p>Purchase may be made upon receipt of one (1) or more written or telephone quotes.</p> <p>As applicable, complete either (a) a Purchase Approval Form (attached hereto as <u>Exhibit A</u>) or (b) a Credit Card Form (attached hereto as <u>Exhibit B</u>), and submit such form to the Executive Director for approval. Once approval is granted, instruct vendor to invoice HRTAC for payment or charge to HRTAC credit card, as applicable.</p>
When the aggregate or the sum of all phases is expected to be <u>between</u> \$500 and \$1,499	<p>Requires at least three (3) attempted telephone, catalog, eVA Quick Quote, or electronic/written quotes to be obtained. Efforts should be made to obtain one or more of those quotes from vendors listed in the Department of Small Business and Supplier Diversity database as being SWaM (Small, Women-owned and Minority-owned Business) certified or DBE (Disadvantaged Business Enterprise) certified.</p> <p>Complete a Purchase Approval Form, attach quotes and submit to the Executive Director for approval. The form will then be submitted to the Chief Financial Officer ("CFO") and Executive Director for budgetary and final approvals respectively. After CFO and Executive Director approvals have been obtained, order and have vendor invoice directly.</p>
When the aggregate or the sum of all phases is expected to be <u>between</u> \$1,500 and \$4,999	<p>Requires at least three (3) attempted written (which may be electronic) quotes, including eVA Quick Quotes, to be obtained. Efforts should be made to obtain one or more of those quotes from vendors listed in the Department of Small Business and Supplier Diversity database as being SWaM certified or DBE certified.</p> <p>Complete a Purchase Approval Form, attach quotes and forward to the Executive Director for approval. It will then be submitted to the CFO and Executive Director for budgetary and final approvals respectively. After CFO and Executive Director approvals have been obtained, order and have vendor invoice directly.</p>

<p>When the aggregate or the sum of all phases is expected to be <u>between</u> \$5,000 and \$25,000</p>	<p>Requires at least four (4) attempted written (which may be electronic) quotes, including eVA Quick Quotes, to be obtained. Efforts should be made to obtain one or more of those quotes from vendors listed in the Department of Small Business and Supplier Diversity database as being SWaM certified or DBE certified.</p> <p>Complete a Purchase Approval Form and a Requisition Form (attached hereto as <u>Exhibit C</u>), attach quotes, and forward to the Executive Director for approval. It will then be submitted <del>to the Computer Network Manager (if applicable) and on</del> to the CFO and Executive Director for budgetary and final approvals respectively. After the CFO and Executive Director have approved the Requisition, it and all attachments (quotes, Purchase Approval Form, etc.) will be submitted to the Procurement Officer who will create a Purchase Order ("PO"), submit the PO to the vendor, send a copy of the PO to appropriate employees involved, and establish the PO in the accounting system.</p>
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NOTE: Re-quotes may be required should none of the research produce prices, quality or quantities desired. Should re-quotes be required, approval by the Executive Director must be obtained before contacting vendors. ALL responding vendors must be contacted for the opportunity to re-quote.

**EXHIBIT A**

**Purchase Approval Form**

## HRTAC PURCHASE APPROVAL FORM

Date of Request: \_\_\_\_\_

Pursuant to the Small Purchases Procedures included in the HRTAC "Policy Relating to Procurement of Goods and Services, Including Procedures for Certain Small Purchases" (the "Purchasing Policy") the undersigned purchaser (the "Purchaser") hereby requests approval to make the following purchase(s):

Description of Item(s)	Proposed Use/ Reason	Expense Code*

\* If applicable.

Below please provide a summary of quotes obtained for the above described item(s), and, if applicable, attach written quotes. ***Please see the Purchasing Policy for the required number and form of quotes.***

	Vendor/Supplier	Summary of Quoted Price (If applicable, please provide price per unit and total price.)	SWaM or DBE	Additional Comments
1				
2				
3				
4				

**Based on the information above, Purchaser recommends the following vendor/supplier:**

Once approval is granted by the Executive Director and, for purchases over \$500, the Chief Financial Officer, Purchaser may make the purchase described above and should instruct the vendor/supplier to invoice HRTAC. Purchaser is responsible for retaining documentation of the purchase and reconciling it to the applicable invoice.

**Purchaser:**

---

Print Name: \_\_\_\_\_

---

Date \_\_\_\_\_

**Approved by Executive Director:**

---

Print Name: \_\_\_\_\_

---

Date \_\_\_\_\_

**Approved by Chief Financial Officer:**

*(Required for purchases over \$500)*

---

Print Name: \_\_\_\_\_

---

Date \_\_\_\_\_

## **EXHIBIT B**

### **Credit Card Form**

**HRTAC**  
**Credit Card Form**  
**(Relating to Purchases Made with Card)**

Date of Request: \_\_\_\_\_

Vendor/Supplier: \_\_\_\_\_

Pursuant to the Small Purchases Procedures included in the HRTAC "Policy Relating to Procurement of Goods and Services, Including Procedures for Certain Small Purchases," the undersigned (the "User") hereby requests approval to use the HRTAC  credit card /  debit card (**check applicable box**) to make the following purchase(s):

Description of Item	Proposed Use/ Reason	Projected Amount	Expense Code**
<b>Total:*</b> \$ _____			

\*Total may not exceed \$500.00. \*\* If applicable.

Once approval is granted by the Executive Director (as indicated by his or her signature below), User may use the HRTAC credit card or debit card (as indicated above) to make the purchase(s) described above. User is responsible for retaining documentation of purchases and reconciling them to the monthly credit/debit card statement.

**By signing below, User agrees to the following:**

*The use of Commission issued debit/credit cards (a "Purchase Card") is an important privilege that is intended to facilitate business by the Commission. Adherence to the Commission's Purchase Card Policy is vital in ensuring not only the continuation of this privilege, but also in ensuring that neither you nor the Commission is subjected to financial hardship or public criticism.*

*I, the undersigned User, have read and understand the Commission's Purchase Card Policy. I agree to abide by all provisions of the Purchase Card Policy, and understand that violations of the Policy could result in legal or disciplinary actions, including termination.*

**User:**

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Date

**Approved by Executive Director:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Date

**EXHIBIT C**

**Purchase Requisition Form**

**HRTAC**  
**Requisition Form**  
**(For Use with Small Purchases Between \$5,000 and \$25,000)**

Date of Request: \_\_\_\_\_

Pursuant to the Small Purchases Procedures included in the HRTAC "Policy Relating to Procurement of Goods and Services, Including Procedures for Certain Small Purchases" the undersigned (the "Requestor") hereby requests approval to make the following purchase(s):

SHIPPING ADDRESS	SPECIAL INSTRUCTIONS
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Note: Attach copies of the Purchase Approval Form and the quotes obtained.

Once approval is granted by the Executive Director and the Chief Financial Officer, Requestor may make the purchase described above and should instruct the vendor/supplier to invoice HRTAC. Requestor is responsible for retaining documentation of the purchase and reconciling it to the applicable invoice.

**Requestor**

Print Name: \_\_\_\_\_

\_\_\_\_\_ Date

**Approved by Executive Director:**

Print Name: \_\_\_\_\_

\_\_\_\_\_ Date

**Approved by Chief Financial Officer:**

Print Name: \_\_\_\_\_

\_\_\_\_\_ Date

## **VIII. Credit/Debit Card Policy and Charges**

1. This Policy applies to any and all debit cards and credit cards (each, a "Purchase Card") issued in respect of the Commission or its accounts and is adopted to provide the Commission's members, officers and employees direction regarding the authorized uses of such Purchase Cards and the steps that must be followed to issue and monitor them.
2. The Executive Director shall be authorized to obtain one credit card in the name of the Commission, which credit card shall have an aggregate monthly transaction limit of \$15,000, and a single purchase limit of \$2,000. The purpose of obtaining a credit card is to facilitate transactions effected on behalf of the Commission, not to utilize a line of credit.
3. The Executive Director is also authorized to obtain debit cards, provided that there shall not be more than three debit cards issued and outstanding from time to time and the maximum available funds under each such card shall be \$1,000.
4. Purchase Cards (credit and debit) shall be used by authorized Commission officers or employees solely to pay for small purchases made in accordance with the Commission's small purchases procedures. At no time may any Purchase Card be used for any type of personal charge. See below for illustrative "Authorized Uses" and "Unauthorized Uses."
5. Illustrative authorized uses of Purchase Card(s) include the following:
  - a) Travel costs:
    - Airfare
    - Lodging
    - Shuttle service
    - Rental vehicles
    - Gasoline for rental vehicles
    - Gasoline for personal vehicles when used and documented usage is for official Commission business.
  - b) Purchases:
    - Meals
    - Office supplies
    - Express mail service and freight service
6. Illustrative unauthorized uses of Purchase Card(s) include the following:
  - Personal meals
  - Personal telephone usage and movie rentals included in lodging bills associated with official business purposes
  - Cash advances

- Purchases by persons who are not officers, members or employees of the Commission
- Purchases prohibited by the Virginia Public Procurement Act or applicable Commission policies
- Purchases in which one or more users of a Purchase Card break a purchase of the same or related goods or services into multiple purchases to circumvent the usage limits or other limitations described herein or any other applicable Commission policy

7. All charges will be billed directly to the Commission, reconciled and paid, or disputed, monthly. Purchase logs must be maintained as each purchase is made. A new purchase log must be established at the beginning of each new billing cycle. The cardholder is responsible for retaining documentation of purchases and returns and reconciling them, with the aid of the purchasing log, to the monthly charge card statement. At the end of the billing cycle, the cardholder shall deliver the documentation to the CFO together with a written certification that the goods and services identified therein were purchased in accordance with this policy.

8. Prior to issuance and usage of a Purchase Card, each authorized person shall be required to read and sign the statement below regarding the use of a Purchase Card:

*The use of Commission issued debit/credit cards (a "Purchase Card") is an important privilege that is intended to facilitate business by the Commission. Adherence to the Commission's Purchase Card Policy is vital in ensuring not only the continuation of this privilege, but also in ensuring that neither you nor the Commission is subjected to financial hardship or public criticism.*

*I, (Name of Certifying Person), have read and understand the Commission's Purchase Card Policy. I agree to abide by all provisions of the Purchase Card Policy and understand that violations of the Policy could result in legal or disciplinary actions, including termination.*

---

*Signature*

---

*Date*

## **IX. Accruals**

To ensure a timely close of the General Ledger, HRTAC may book accrual entries. Some accruals will be made as recurring entries.

## **X. Bank Account Reconciliations**

1. All bank statements are opened, date stamped and forwarded to the Accounting Manager who prepares the reconciliation and reviews for any unusual activity.
2. A timely reconciliation including: as a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. Statements will be verified that voided checks are appropriately defaced, filed, and any checks that are outstanding over six months will be investigated.
4. The completed bank reconciliation is attached to the applicable bank statement, along with all documentation will be retained for filing purposes. Before filing, the reconciliation package is forwarded to the CFO for review and approval. Once approved, it is returned to the Accounting Manager for filing.
5. An internal circulation reconciliation report will be generated and reviewed by the Executive Director and CFO.

## **XI. Property and Equipment**

Property and equipment includes items such as; but are not limited to:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements

It is the organization's policy to capitalize all items which have a unit cost greater than five thousand dollars (\$5,000). Items purchased with a value or cost less than five thousand dollars (\$5,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

Computer Hardware	36 months
Office Equipment	60 months
Office Furniture	60 months

Computer Software	36 months
Leasehold improvements	Length of lease

1. A Fixed Asset Log is maintained by HRTAC staff including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, and life of asset.
2. The Log will be reviewed and amended by HRTAC staff when appropriate and all changes to the log shall be made in writing by the Accounting Manager.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. Depreciation will be recorded no less than annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

## **XII. Payroll Processing**

1. Timesheets are to be prepared by all staff on the approved form and submitted semi-monthly no later than 3 days before payday. Should the payday fall on a weekend or holiday, the timesheets are to be submitted the 3<sup>rd</sup> day prior to the weekend or holiday. Exceptions to the submittal date may occur and will be communicated accordingly.
2. Timesheets are to be kept on a daily basis and completed electronically.
3. Any corrections to timesheets are to be made by making a single line through the error and writing in the correction. Correction fluid and/or tape are not allowable.
4. Timesheets are to be signed and dated by the employee and the employee's supervisor for submission to the designated staff.
5. Payroll will be processed in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.
6. Paychecks will be distributed on the 15<sup>th</sup> and last day of the month. If the 15<sup>th</sup> and/or the last day of the month fall on a weekend or holiday the paychecks will be distributed the day before.
7. All employees will be paid by direct deposit.
8. Federal and State taxes will be paid electronically on the date of the payroll.
9. All quarterly federal and state payroll reports will be prepared and filed appropriately.

10. All W-2 statements are issued to employees prior to January 31<sup>st</sup> of the following year for the prior calendar year.

### **XIII. Financial Reports**

The HRTAC Accounting Manager will prepare the monthly Hampton Roads Transportation Fund (HRTF) financial report for review by the Executive Director and CFO. The HRTF Report will be included in the HRTAC agendas and include: Totals Sheet, Sales and Use Tax received, Fuels Tax received, Projects Allocation, Projects Expenditures and a Summary Page.

A Cash Balance report is prepared for the Executive Director and Finance Committee Chair.

Periodic and annual financial reports will be submitted to the Finance Committee and Commission for review and approval.

## **XIV. Bonds and Post Issuance Bond Policy**

### Proceeds from Bond Issuance

Once the proceeds are received from commercial close of the bond sale, the underwriter disburses the monies as follows:

- 1) Pay Cost of Issuance Invoices
- 2) Reimburse HRTAC for money paid on Projects covered under Adopted Reimbursement Resolutions
- 3) Invest remaining bond proceeds in SNAP until HRTAC authorizes payments for eligible projects

### Revenue Distribution Waterfall Post Bond Issuance

When the monthly HRTF revenues transfer/deposit is received (Sales & Use Tax and Fuels Tax), HRTAC will distribute the funds in accordance with the HRTAC HRTF Series 2018A Master Indenture 'Waterfall' as follows:

- 1) Debt Service Funds
- 2) Debt Service Reserve Funds (if any)
- 3) Rebate Fund (if necessary)
- 4) Interest Payment
- 5) Operating Account
- 6) Operating Reserve Account
- 7) General (remainder)

**HAMPTON ROADS TRANSPORATION FUND REVENUE  
BONDS  
POST-ISSUANCE BOND COMPLIANCE POLICY  
(Adopted April 19, 2018)**

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

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

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

## Allocation of Bond Proceeds

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

Responsibility for this category: Executive Director

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

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<sup>1</sup> Also refer to Exhibit A for bond issue-specific items.

## **Investment of Bond Proceeds**

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

Responsibility for this category: Executive Director

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

## **Use of Bond Financed Facilities**

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

Responsibility for this category:      Executive Director

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

## **Changes in Terms**

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

Responsibility for this category: Executive Director

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

## **Record Retention**

Responsibility for this category: Executive Director

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

## Continuing Disclosure Requirements

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

Responsibility for this category:      Executive Director

<i>Task</i>	<i>Responsible Party</i>	<i>Frequency of Review</i>
<p>Manage preparation and dissemination of required annual disclosures of financial and operational information, including:</p> <p style="margin-left: 20px;">(a) Audited financial statements of the Commission; and</p> <p style="margin-left: 20px;">(b) Updated operating data of the type described in the Official Statement for the Series 2018A Bonds in (i) Table I: "Historical Hampton Roads Transportation Fund Revenues," (ii) Appendix E, Table 1: "HRTF Revenues Fiscal Year 2014 to Date," (iii) Appendix E, Table 2: "Hampton Roads Transportation Fund (HRTF) Revenues and Expenditures," and (iv) Appendix E, Table 3: "Hampton Roads Transportation Fund (HRTF) Transportation Project Expenditures."</p>	_____	Annual
<p>Review required event notices list (applicable events must be disclosed on EMMA no more than ten (10) business days after their occurrence):</p> <p style="margin-left: 20px;">(a) Principal and interest payment delinquencies;</p> <p style="margin-left: 20px;">(b) Non-payment related defaults, if material;</p> <p style="margin-left: 20px;">(c) Unscheduled draws on any debt service reserves maintained with respect to the bonds, reflecting financial difficulties;</p> <p style="margin-left: 20px;">(d) Unscheduled draws on any credit enhancement maintained with respect to the bonds, reflecting financial difficulties;</p> <p style="margin-left: 20px;">(e) Substitution of credit or liquidity providers, or their failure to perform;</p> <p style="margin-left: 20px;">(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds;</p> <p style="margin-left: 20px;">(g) Modifications to rights of bondholders, if material;</p> <p style="margin-left: 20px;">(h) Bond calls, if material, and tender offers;</p> <p style="margin-left: 20px;">(i) Defeasance of all or any portion of the bonds;</p> <p style="margin-left: 20px;">(j) Release, substitution, or sale of property securing repayment of the bonds, if material;</p> <p style="margin-left: 20px;">(k) Rating changes;</p> <p style="margin-left: 20px;">(l) Bankruptcy, insolvency, receivership or similar event of the issuer;</p> <p style="margin-left: 20px;">(m) Consummation of a merger, consolidation, or acquisition involving the issuer or the sale of all or substantially all of the assets of the issuer, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such a transaction; and</p> <p style="margin-left: 20px;">(n) Appointment of a successor or additional bond trustee or the change of name of a trustee, if material.</p>	_____	As events arise

## Voluntary Disclosure

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

Responsibility for this category: Executive Director

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

## EXHIBIT A

### TRANSACTION CHECKLIST

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

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

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

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

4. <b>Local Disclosure.</b> Any Virginia and/or local requirements.		
<b>C. MISCELLANEOUS REQUIREMENTS</b>		
1. <b>Investments.</b> Compliance with permitted investments.		
2. <b>Derivatives.</b> Ongoing compliance with derivatives contracts, including any posting of collateral.		

## XV. Investment Policy

### STATEMENT OF INVESTMENT POLICY (Adopted June 16, 2016)

#### A. INTRODUCTION

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

#### B. SCOPE

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

#### C. OBJECTIVES

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

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

#### D. STANDARD OF PRUDENCE

Public funds held and invested by HRTAC shall be held in trust for the citizens of the member jurisdictions and any investment of such funds shall be made with the care, skill, prudence, and

diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

## **E. DELEGATION OF AUTHORITY**

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

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

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

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

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

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

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

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

## **G. AUTHORIZED INVESTMENTS**

Subject to applicable state laws, federal laws, bond resolutions, and in the case of the LGIP, VIP and Virginia SNAP funds, adoption by the Commission of necessary Resolutions, HRTAC's Investment Portfolio may be invested in the following Authorized Investments. The Executive

Director may, but shall not be obligated to, impose additional requirements and restrictions to ensure that HRTAC's goals are met.

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

8. **Bank Deposits and Non-Negotiable Certificates of Deposit.** Demand deposits, time deposits, and other deposits that comply with all aspects of SPDA or with §2.2-4518 with a final maturity no greater than two (2) years.
9. **Repurchase Agreements.** In overnight repurchase agreements provided that the following conditions are met:
  - a. the contract is fully secured by deliverable U.S. Treasury and Federal Agency/Government Sponsored Enterprise obligations as described in paragraphs 1 and 2 above, including the maximum maturity of three (3) years, having a market value at all times of at least one hundred and two percent (102%) of the amount of the contract;
  - b. a Master Repurchase Agreement or specific written Repurchase Agreement governs the transaction;
  - c. the securities are free and clear of any lien and held by an independent third party custodian acting solely as agent for HRTAC, provided such third party is not the seller under the repurchase agreement;
  - d. a perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the City;
  - e. the counterparty is a:
    - i. primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or
    - ii. a bank, savings and loan association, or diversified securities broker-dealer having at least \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; and
  - f. the counterparty meets the following criteria:
    - i. a long-term credit rating of at least 'AA' or the equivalent from an NRSRO.
    - ii. has been in operation for at least 5 years, and
    - iii. is reputable among market participants.
10. **Money Market Mutual Funds (Open-Ended Investment Funds).** Shares in open-end, no-load investment funds provided such funds are registered under the Investment Company Act of 1940 and provided that the fund is rated at least "AAAm" or the equivalent by an NRSRO. The mutual fund must comply with all requirements of Rule 2(a)-7, or any successor rule, of the United States Securities and Exchange Commission, provided the investments by such funds are restricted to investments otherwise permitted by the Code of Virginia for political sub-divisions.
11. **Local Government Investment Pool (LGIP).** A specialized commingled investment program that operates in compliance with Government Accounting Standards Board's Statement 79 ("GASB 79) that was created in the 1980 session of the General Assembly (Code of Virginia §2.2-4700 et seq.) designed to offer a convenient and cost-effective investment vehicle for

public funds. The LGIP is administered by the Treasury Board of the Commonwealth of Virginia and is rated AAAm by Standard & Poor's.

12. **Virginia Investment Pool (VIP).** A commingled investment program organized as a local government investment pool with oversight provided by a shareholder elected board of trustees. VIP is designed for the investment of longer-term monies that are not necessary for near term disbursement. VIP has a bond fund rating from Standard and Poor's of AAf/S1.
13. **Virginia State Non-Arbitrage Program's (Virginia SNAP) SNAP Fund.** A specialized commingled investment program that operates in compliance with GASB 79 and that was authorized by the Government Non-Arbitrage Act in 1989 (Code of Virginia §2.2-4700 et seq.). Virginia SNAP and the SNAP Fund are administered by the Treasury Board of the Commonwealth of Virginia. Virginia SNAP offers several investment options, including the SNAP Fund, and arbitrage rebate reporting services that are specifically designed for the investment of tax exempt bond proceeds.

## H. PORTFOLIO DIVERSIFICATION

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

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

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

## **I. MAXIMUM MATURITY**

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

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

## **J. SECURITY DOWNGRADES**

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

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

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

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

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

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

- 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
- 2) Proof of Financial Institution Regulatory Authority ("FINRA") certification
- 3) Proof of state registration;
- 4) Certification of having read and understood and agreeing to comply with the HRTAC's investment policy;
- 5) Evidence of adequate insurance coverage;

- 6) A sworn statement by an authorized representative of the broker/dealer pledging to adhere to "Capital Adequacy Standards" established by the Federal Reserve Board and acknowledging the broker/dealer understands that the HRTAC has relied upon this pledge; and
- 7) any additional information requested by the Executive Director in evaluating the creditworthiness of the institution.

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

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

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

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

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

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

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

Any firm engaged by HRTAC to provide investment services shall:

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

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

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

## **O. SAFEKEEPING AND CUSTODY**

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

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

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

## **P. RECORDS AND REPORTS**

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

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

## **Q. PERFORMANCE STANDARDS**

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

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

## **XVI. Fiscal Policy Statements**

1. All cash accounts owned by HRTAC will be held in financial institutions which are insured by the FDIC.
2. All capital expenditures which exceed five thousand dollars (\$5,000) will be capitalized.
3. No salary advances will be made under any circumstances.
4. Reimbursements will be paid upon complete expense reporting and approval using the official HRTAC Reimbursement form. Reimbursements to the Executive Director will be authorized by the Commission Chair.
5. The Executive Director, CFO and two designated Commission members are the signatories on HRTAC's bank accounts. All disbursements require a second signature by an authorized Commission or staff member. Each set of signatures must be either the Executive Director or CFO, AND one of the two Commission members.
6. Bank statements will be reconciled monthly and all statements will be given to the CFO for review.
7. Accounting and personnel records will be kept in locked file cabinets in the finance department or human resources department and only parties with financial and/or HR responsibilities will have access.

## XVII. Records Retention

1. **Purpose.** The purpose of this policy is to ensure that the Hampton Roads Transportation Accountability Commission (“HRTAC”) is compliant with federal and state requirements for records retention.
2. **General.** The Virginia Public Records Act (Code of Virginia §§ 42.1-76 et seq.) defines public records: “Public record” or “record” means recorded information that documents a transaction or activity by or with any public officer, agency or employee of an agency. Regardless of physical form or characteristic, the recorded information is a public record if it is produced, collected, received or retained in pursuance of law or in connection with the transaction of public business. The medium upon which such information is recorded has no bearing on the determination of whether the recording is a public record.
3. **Specific Requirements of Policy.** HRTAC documents shall be maintained for the periods indicated in the schedules adopted by the Library of Virginia in accordance with the Public Records Act.
4. **Electronic Records.** Electronic records will be handled as if they were paper documents. If there is sufficient reason to keep an email message, the message should be printed in paper copy and kept in the appropriate file or moved to an “archive” computer file folder.
5. **Safekeeping.** The Executive Director shall designate a staff member with responsibility for compliance with this policy. HRTAC documents shall be maintained in a safe, and secure, and accessible manner. Electronic files will be backed up as needed.
6. **Destruction of Documents.** Financial and employee related documents will be destroyed by shredding. Document destruction will be suspended immediately upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

## XVIII. 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.

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

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

**Date: June 21, 2018**

**Re: Executive Director's Annual Performance Evaluation (Closed Session as Necessary)**

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**Recommendation:**

The Commission is asked to approve the Personnel Committee's report of the Annual Evaluation of the Executive Director and a 2.5 percent Cost of Living Adjustment (COLA) rate for all current staff that is included in the FY2019 Proposed Budget and Personnel Committee's recommendation to extend the Executive Director's employment agreement to December 31, 2024.

**Background:**

The Executive Director's Employment Agreement calls for the annual review and evaluation of the Executive Director's performance. The Commission's Personnel Committee met on May 21, 2018 to discuss the member submitted Executive Director's performance surveys. It was found by the Committee that the Executive Director met or exceeded expectations on all categories. The Personnel Committee agreed to recommend a 2.5 percent Cost of Living (COLA) for all Commission Staff. The Personnel Committee also discussed the importance of continuity of its executive director through the end of the HRBT project, an anticipated completion at the end of calendar year 2024. The Personnel Committee agreed to recommend that the Commission extend the HRTAC Executive Director's employment agreement under its existing terms through the end of Calendar Year 2024.

**Fiscal Impact:**

There is a \$6,269 combined direct fiscal impact in relation to this Action Item for the 2.5 percent COLA for all Commission staff. The 2.5 percent COLA cost is included in the FY2019 Budget.

**Suggested Motion:**

Motion: Approve the Personnel Committee's recommendation of a 2.5 percent Cost of Living adjustment for all Commission Staff and approve the annual performance evaluation report of the Executive Director and to authorize the HRTAC Chair to execute and deliver an amendment to the Executive Director's Employment Agreement reflecting the Cost of Living Adjustment and extension of employment term to December 31, 2024.



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

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

**Date: June 21, 2018**

**Re: Election of FY2019 Officers of the Commission**

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**Recommendation:**

The Nominating Committee recommends that the Commission adopt the proposed FY2019 Slate of Officers.

**Background:**

Sections III.A. and IV.A. of the HRTAC Amended and Reinstated Bylaws of the Commission Requires that the Commission annually elect from its voting Members a Chair and a Vice-Chair at its Annual Organizational Meeting. At its April 19, 2018 Regular Meeting, the HRTAC Chair appointed a Nominating Committee. The Nominating Committee members conferred with each other informally and agreed that the current Chair and Vice Chair were performing their duties well, and both the Chair and Vice Chair have indicated that they would serve a second term. No members of the Nominating Committee had suggestions of others nor have they heard from Commissioners of others who have indicated their desire to be considered. The Nominating Committee has named the FY2019 Slate of Officers as Michael Hipple (James City County Supervisor), Chair and Linda Johnson (Suffolk Mayor), Vice Chair.

**Fiscal Impact:**

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

**Suggested Motion:**

Motion is the Commission adopts the proposed FY2019 Slate of Officers by roll call vote for Chair and Vice Chair.

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

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

**Date: June 21, 2018**

**RE: FY2019 HRTAC Meeting Schedule**

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**Recommendation:**

The Executive Director recommends approval of the proposed meeting schedule of the Commission for FY2019.

**Background:**

The Commission meets regularly on a quarterly basis. The proposed meeting schedule below identifies the quarterly meeting dates of the Commission for FY2019. Special Meetings may be called by the Chair in accordance with Article IV, C. of the Second Amended and Restated Bylaws of HRTAC.

**Meeting Dates and Times for FY2019:**

Thursday, September 20, 2018, 12:30 p.m. – Regular Meeting

Thursday, December 13, 2018, 12:30 p.m. – Regular Meeting (Holiday timing)

Thursday, March 21, 2019, 12:30 p.m. – Regular Meeting (General Assembly Short Session)

Thursday, June 20, 2019, 12:30 p.m. – Annual Organizational Meeting (Election of Officers)

**Suggested Motion:**

Motion is to approve the proposed meeting schedule of the Commission for FY2019.

**FY 2019 Hampton Roads Regional Meetings**  
**(July 1, 2018 – June 30, 2019)**  
**HRPDC/HRTPO/HRTAC/HRMFFA**

Date	HRTPO 10:30 AM	HRPDC 12:30 PM	HRMFFA 10:30 AM	HRTAC 12:30 PM
JULY 19, 2018	✓	✓		
AUGUST 29, 2018	✓ **	✓ **		
SEPTEMBER 20, 2018			✓	✓
OCTOBER 18, 2018	✓ *	✓ *		
NOVEMBER 15, 2018	✓	✓		
DECEMBER 13, 2018			✓	✓
JANUARY 17, 2019	✓	✓		
FEBRUARY 21, 2019	✓	✓		
MARCH 21, 2019			✓	✓
APRIL 18, 2019	✓	✓		
MAY 16, 2019	✓	✓		
JUNE 20, 2019			✓ *	✓ *

*\*Annual Meeting*

*\*\*Annual HRPDC/HRTPO Joint Legislative Meeting with Hampton Roads General Assembly Caucus (10:30 AM)*





## HAMPTON ROADS TRANSPORTATION FUND

### FINANCIAL REPORT

FY2014 – FY2018

As of April 30, 2018

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

### **Revenues**

Total Gross Revenues (Inception to April 30, 2018): \$ 1,352,188,006

- State Sales and Use Tax : 601,722,988
- Local Fuels Tax : 154,451,023
- Interest : 2,201,687
- Investment Income: 10,542,235
- Bond Proceeds: 583,270,073

### **Expenditures**

Total Expenditures (Inception to April 30, 2018): \$228,706,107

- Project Construction: 216,869,338
- Total DMV and Dept. of Tax Administrative Fees: 598,214
- Investment Fees: 859,548
- Bond Expenses: 7,443,411
- Operating Expenses: 2,935,596

### **Cash Balance**

Ending Cash Balance: \$1,123,481,899

### **Encumbered Balance**

Balance of Encumbered (through FY2022): \$1,014,058,757

Allocation: 1,230,928,095

- Less Construction Expenditures: 216,869,338

Hampton Roads Transportation Accountability Commission ("HRTAC") Portfolio Summary as of May 31, 2018				
Account	Balance at Cost	Balance at Market	Yield at Cost	Yield at Market
<b>PFM Managed - Core Portfolio</b>	\$126,422,473.16	\$124,878,560.35	1.55%	2.43%
<b>PFM Managed - Enhanced Cash Portfolio</b>	\$201,126,911.30	\$200,149,319.91	1.72%	2.32%
<b>Union Checking</b>	\$1,000,000.00	\$1,000,000.00	0.00%	0.00%
<b>Union Sweep</b>	\$9,620,786.57	\$9,620,786.57	0.99%	0.99%
<b>Union Money Market</b>	\$12,710,836.65	\$12,710,836.65	0.03%	0.03%
<b>Union General</b>	\$41,535,441.77	\$41,535,441.77	0.00%	0.00%
<b>LGIP<sup>1</sup></b>	\$351,721,087.69	\$351,721,087.69	1.92%	1.92%
<b>SNAP<sup>2</sup></b>	\$363,727,915.10	\$363,727,915.10	2.06%	2.06%
<b>Total</b>	<b>\$1,107,865,452.24</b>	<b>\$1,105,343,948.04</b>		

<sup>1</sup> Current LGIP yield source: [www.trs.virginia.gov/cash/lgip](http://www.trs.virginia.gov/cash/lgip).

<sup>2</sup> Current SNAP yield source: [www.vasnap.com/current-rates](http://www.vasnap.com/current-rates).

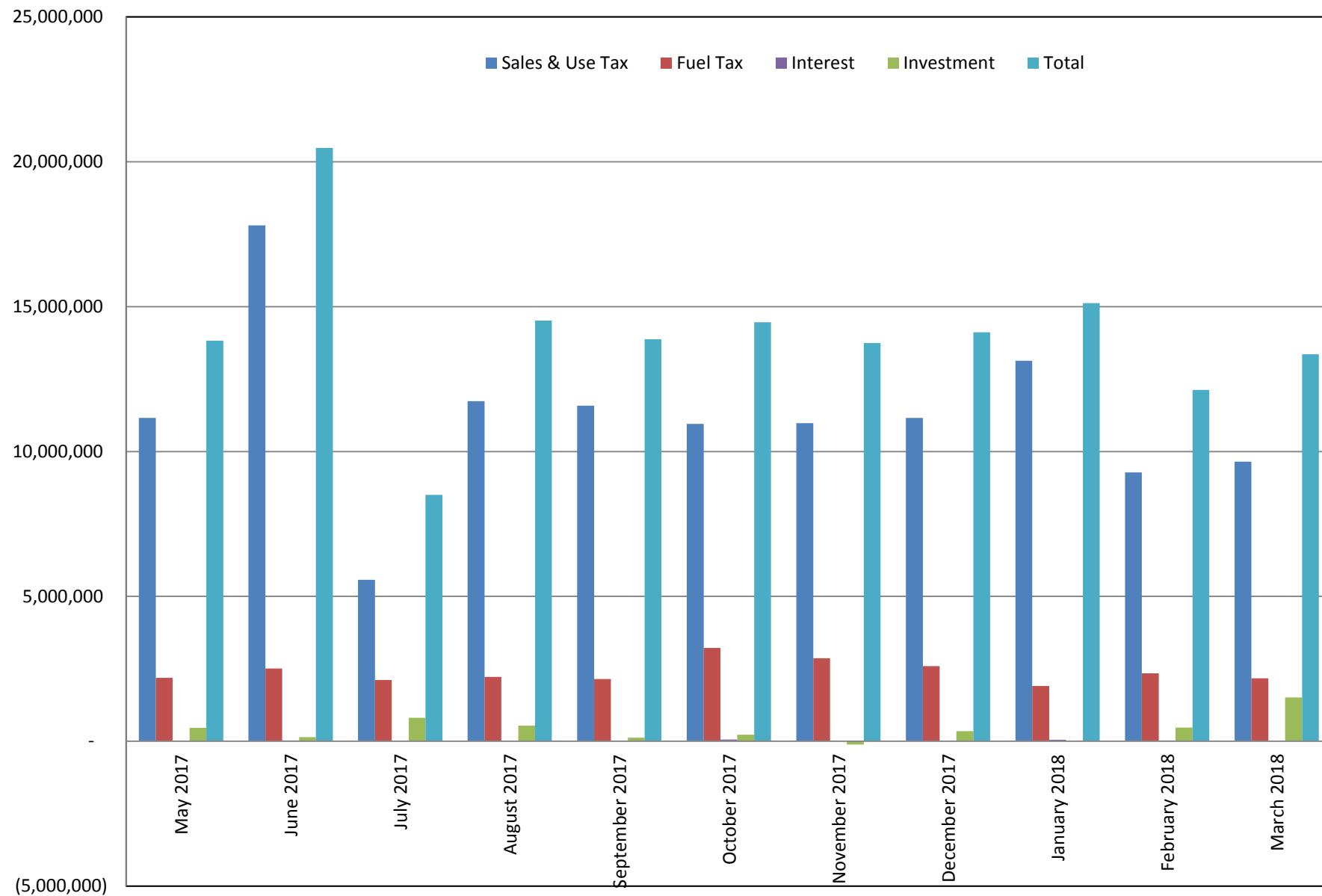
Hampton Roads Transportation Accountability Commission  
Interest and Investment Income  
Inception - April 2018

	FY2014	FY2015	FY2016	FY2017	FY2018	Total
HRTF Interest Income	363,855	1,027,958	272,261	291,738	245,875	2,201,687
HRTF Investment Income	-	368,309	3,993,773	980,870	5,199,283	<u>10,542,235</u>
Total	363,855	1,396,267	4,266,033	1,272,608	5,445,158	12,743,922

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

	Gross Revenue					Expenditures						Cummulative Balance 7/1/13 - 03/31/17	
	Sales & Use Tax		Fuel Tax		Interest	Investment		Dept of Tax		Investment			
	Sales & Use Tax	Fuel Tax	Interest	Income	Total	Construction	Admin Fee	Fees	Bond Expenses	Total	Operating Expenses		
July 2013 - April 2017	\$ 466,883,322	\$ 125,270,084	\$ 1,921,319	\$ 4,735,552	\$ 598,810,277	\$ 90,936,125	\$ 598,214	\$ 602,610	\$ 2,032,551	\$ 94,169,499	\$ 504,640,778		
May 2017	11,163,834	2,188,487	7,285	467,771	13,827,377	3,394,550	-	19,046		85,117	3,498,714	514,969,441	
June 2017	17,803,673	2,508,420	27,208	139,630	20,478,931	16,962,152	-	26,493		69,409	17,058,054	518,390,318	
July 2017	5,576,511	2,112,352	9,551	807,469	8,505,882	-	-	19,077		74,772	93,849	526,802,352	
August 2017	11,741,262	2,225,581	12,129	541,206	14,520,177	-	-	19,092		41,983	61,075	541,261,454	
September 2017	11,584,493	2,149,365	17,494	126,412	13,877,763	4,877,831	-	26,565		110,061	5,014,457	550,124,760	
October 2017	10,955,037	3,223,638	55,802	225,426	14,459,903	14,687,445	-	19,120		47,771	14,754,335	549,830,328	
November 2017	10,978,313	2,868,507	8,364	(112,532)	13,742,652	25,681,280	-	18,516		158,400	25,858,197	537,714,783	
December 2017	11,160,940	2,595,554	13,000	344,512	14,114,006	17,625,556	-	27,217	30,000	62,929	17,745,702	534,083,086	
January 2018	13,136,088	1,911,499	50,649	21,604	15,119,840	16,833,224	-	19,180	175,000	73,543	17,100,947	532,101,980	
February 2018	9,277,902	2,345,825	26,162	472,937	12,122,826	13,923,265	-	17,354	3,300,396	71,907	17,312,921	526,911,885	
Bond Proceeds	-	-	-	-	583,270,073	-	-	-	-	-	-	1,110,181,958	
March 2018	9,653,043	2,175,834	14,047	1,510,926	13,353,850	8,607,495	-	19,211	1,967,782	67,100	10,661,588	1,112,874,219	
April 2018	11,808,571	2,875,877	38,679	1,261,322	15,984,450	3,340,415	-	26,068	1,970,232	40,055	5,376,770	1,123,481,899	
Total 12 Months	\$ 134,839,666	\$ 29,180,939	\$ 280,368	\$ 5,806,683	\$ 753,377,729	125,933,213	\$ -	\$ 256,939	\$ 7,443,411	\$ 903,046	\$ 134,536,608		
Grand Totals	601,722,988	154,451,023	2,201,687	10,542,235	1,352,188,006	216,869,338	598,214	859,548	7,443,411	2,935,596	228,706,107		
Less Balance of Encumbered (through FY2022)												\$ (1,014,058,757)	
Total Net Available												109,423,142	

# HRTF Revenue



**Table 1 - Total HRTF Revenues**

Hampton Roads Transportation Fund (HRTF)

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

Locality	Total FY2014 - FY 2017	Previous FY2018	April 2018	Total YTD FY2018	Total
<i>Chesapeake</i>	\$ 114,985,401	\$ 22,049,832	\$ 3,233,013	\$ 25,282,845	\$ 140,268,246
<i>Franklin</i>	5,369,194	1,127,547	131,378	1,258,925	6,628,119
<i>Hampton</i>	46,180,660	8,530,583	1,124,352	9,654,935	55,835,596
<i>Isle of Wight</i>	9,950,877	1,883,751	236,904	2,120,655	12,071,533
<i>James City</i>	28,587,671	5,269,477	638,538	5,908,015	34,495,686
<i>Newport News</i>	66,706,250	12,228,181	1,536,465	13,764,646	80,470,896
<i>Norfolk</i>	86,298,842	16,117,034	2,132,953	18,249,987	104,548,829
<i>Poquoson</i>	1,563,499	238,471	30,648	269,120	1,832,619
<i>Portsmouth</i>	21,954,713	3,784,207	506,014	4,290,221	26,244,934
<i>Southampton</i>	2,953,969	541,127	55,711	596,839	3,550,808
<i>Suffolk</i>	29,658,369	5,566,985	672,588	6,239,573	35,897,942
<i>Virginia Beach</i>	169,080,447	30,619,198	3,523,504	34,142,702	203,223,149
<i>Williamsburg</i>	13,827,614	2,562,480	280,528	2,843,008	16,670,622
<i>York</i>	28,700,309	5,152,871	581,850	5,734,721	34,435,030
<b>Total</b>	<b>625,817,818</b>	<b>115,671,745</b>	<b>14,684,448</b>	<b>130,356,193</b>	<b>756,174,011</b>
Interest	1,955,812	207,195	38,679	245,875	2,201,687
Investment Income (Sterling&PFMAM/ Union/LGIP/SNAP)	5,342,953	3,937,960	1,261,322	5,199,283	10,542,235
Bond Proceeds	-	583,270,073	-	583,270,073	583,270,073
<b>Total Revenues</b>	<b>633,116,583</b>	<b>703,086,974</b>	<b>15,984,450</b>	<b>719,071,424</b>	<b>1,352,188,006</b>
Construction	(111,292,828)	(102,189,965)	(3,340,415)	(105,576,510)	(216,869,338)
DMV and Dept of Tax Admin Fees	(598,214)	-	-	-	(598,214)
Investment Fees (Sterling&PFMAM)	(648,149)	(184,135)	(26,068)	(211,399)	(859,548)
Bond Expenses	-	(5,473,179)	(1,970,232)	(7,443,411)	(7,443,411)
Operating Expense	(2,187,077)	(682,474)	(40,055)	(748,519.69)	(2,935,596)
Cash Balance	518,390,316	594,557,221	10,607,680	605,091,583	1,123,481,899
Less Balance of Encumbered					(1,014,058,757)
Net Available Cash					109,423,142
Updated Forecast	658,745,037	109,231,290	12,408,546	121,639,836	780,384,873
Total Revenue - Forecast (under)/over	(30,971,407)	6,440,455	2,275,902	8,716,357	(22,255,050)

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

**Hampton Roads Transportation Fund (HRTF)**

***State Sales & Use Tax***

***Fiscal Year 2018***

Locality	Total FY2014 - FY 2017	Previous FY2018	April 2018	Total YTD FY2018	Total
<i>Chesapeake</i>	\$ 89,270,404	\$ 17,193,695	\$ 2,199,639	\$ 19,393,335	\$ 108,663,739
<i>Franklin</i>	3,804,591	710,862	102,664	813,527	4,618,118
<i>Hampton</i>	35,655,491	6,246,552	828,273	7,074,825	42,730,316
<i>Isle of Wight</i>	5,731,108	1,059,043	152,613	1,211,656	6,942,764
<i>James City</i>	25,149,785	4,673,693	554,372	5,228,065	30,377,850
<i>Newport News</i>	54,119,914	10,503,957	1,347,241	11,851,197	65,971,111
<i>Norfolk</i>	72,166,247	13,840,213	1,775,681	15,615,894	87,782,141
<i>Poquoson</i>	1,178,660	225,413	29,855	255,268	1,433,928
<i>Portsmouth</i>	15,986,660	2,899,295	408,395	3,307,689	19,294,349
<i>Southampton</i>	1,317,996	287,706	31,030	318,736	1,636,732
<i>Suffolk</i>	20,605,661	4,126,323	549,927	4,676,249	25,281,910
<i>Virginia Beach</i>	137,449,742	26,205,418	3,132,810	29,338,229	166,787,971
<i>Williamsburg</i>	10,990,948	1,965,249	240,509	2,205,758	13,196,706
<i>York</i>	22,423,620	4,126,170	455,562	4,581,732	27,005,352
<b>Total</b>	<b>\$ 495,850,828</b>	<b>\$ 94,063,589</b>	<b>\$ 11,808,571</b>	<b>\$ 105,872,160</b>	<b>\$ 601,722,988</b>
Updated Forecast	493,271,042	90,932,824	10,787,305	101,720,129	594,991,171
Diff(under)/over	2,579,786	3,130,765	1,021,266	4,152,031	6,731,817

**Table 1B - Local Fuels Tax**

Hampton Roads Transportation Fund (HRTF)

*Local Fuels Tax*

*Fiscal Year 2018*

Locality	Total FY2014 - FY 2017	Previous FY2018	April 2018	Total YTD FY2018	Total
<i>Chesapeake</i>	\$ 25,714,997	\$ 4,856,136	\$ 1,033,374	\$ 5,889,510	\$ 31,604,508
<i>Franklin</i>	1,564,603	416,684	28,714	445,398	2,010,001
<i>Hampton</i>	10,525,169	2,284,031	296,079	2,580,111	13,105,280
<i>Isle of Wight</i>	4,219,769	824,708	84,292	908,999	5,128,769
<i>James City</i>	3,437,887	595,784	84,165	679,949	4,117,836
<i>Newport News</i>	12,586,337	1,724,224	189,224	1,913,449	14,499,785
<i>Norfolk</i>	14,132,595	2,276,821	357,272	2,634,093	16,766,688
<i>Poquoson</i>	384,838	13,058	794	13,852	398,690
<i>Portsmouth</i>	5,968,053	884,912	97,619	982,532	6,950,585
<i>Southampton</i>	1,635,974	253,421	24,681	278,102	1,914,076
<i>Suffolk</i>	9,052,708	1,440,663	122,661	1,563,324	10,616,032
<i>Virginia Beach</i>	31,630,704	4,413,780	390,694	4,804,473	36,435,178
<i>Williamsburg</i>	2,836,667	597,231	40,019	637,250	3,473,917
<i>York</i>	6,276,689	1,026,701	126,289	1,152,989	7,429,678
<b>Total</b>	<b>129,966,991</b>	<b>\$ 21,608,155</b>	<b>2,875,877</b>	<b>\$ 24,484,032</b>	<b>\$ 154,451,023</b>
Updated Forecast	164,600,002	18,298,466	1,621,241	19,919,707	184,519,709
Diff(under)/over	(34,633,011)	3,309,689	1,254,636	4,564,325	(30,068,686)

**Table 2 - Allocations**

**Hampton Roads Transportation Fund (HRTF)**  
**Allocations**  
**Fiscal Year 2018**

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

**Table 3 - Expenditures**

**Hampton Roads Transportation Fund (HRTF)**  
**Expenditures**  
**Fiscal Year 2018**

Project	Total FY2014 - FY 2017	Previous FY2018	April 2018	Total YTD FY2018	Total
<i>I-64 Peninsula Widening</i>					
- UPC 104905 (Segment 1) -Construction	\$ 1,544,502	\$ -	\$ -	\$ -	\$ 1,544,502
- UPC 106665 (Segment 2) - PE & Construction	49,326,465	41,315,931	263,878	41,579,809	90,906,275
- UPC 106689 (Segment 3) - PE	-	4,379,037	35,472	4,414,509	4,414,509
- UPC 106689 (Segment 3) - ROW & Construction	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
- UPC 17630/108041 - PE/ROW	24,549,786	9,144,215	707,992	9,852,206	34,401,993
- UPC 57048 - PE/ROW	8,941,701	13,271,062	1,571,795	14,842,857	23,784,559
- UPC 57048 - Construction of Phase 1	17,353,214	22,357,605	-	22,357,605	39,710,818
- UPC 106693 - PE - Phase 3	-	-	-	-	-
<i>UPC 106694</i>	-	-	-	-	-
<i>UPC 111427</i>	-	-	-	-	-
<i>HR Regional Connectors Study</i>	-	57,913	-	104,043	104,043
<i>HRCS - UPC 110577 - SEIS</i>	-	9,171,204	744,106	9,915,309	9,915,309
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - PE</i>	9,577,159	2,492,999	17,173	2,510,172	12,087,330
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - ROW &amp; Construction</i>	-	-	-	-	-
<b>Total</b>	<b>\$ 111,292,827</b>	<b>\$ 102,189,965</b>	<b>\$ 3,340,415</b>	<b>\$ 105,576,510</b>	<b>\$ 216,869,337</b>

**Table 4 - Bond Reimbursements**

**Hampton Roads Transportation Fund (HRTF)**  
***Bond Reimbursements***  
***Fiscal Year 2018***

Project	Total FY2014 - FY 2017	Previous FY2018	April 2018	Total YTD FY2018	Total
<i>I-64 Peninsula Widening</i>					
- <i>UPC 104905 (Segment 1) -Construction</i>	\$ -	\$ -	\$ -	\$ -	\$ -
- <i>UPC 106665 (Segment 2) - PE &amp; Construction</i>	-	90,642,397	263,878	90,906,275	90,906,275
- <i>UPC 106689 (Segment 3) - PE</i>	-	4,379,037	35,472	4,414,509	4,414,509
- <i>UPC 106689 (Segment 3) - ROW &amp; Construction</i>	-	-	-	-	-
<i>I-64/264 Interchange Improvement</i>					
- <i>UPC 17630/108041 - PE/ROW</i>	-	33,694,001	707,992	34,401,993	34,401,993
- <i>UPC 57048 - PE/ROW</i>	-	22,212,764	1,571,795	23,784,559	23,784,559
- <i>UPC 57048 - Construction of Phase 1</i>	-	39,710,818	-	39,710,818	39,710,818
- <i>UPC 106693 - PE - Phase 3</i>	-	-	-	-	-
<i>Third Crossing - UPC 106724 - SEIS</i>	-	-	-	-	-
<i>Remaining Projects of Third Crossing- UPC 106724</i>	-	-	-	-	-
<i>HR Regional Connectors Study</i>	-	-	-	-	-
<i>HRCS - UPC 110577 - SEIS</i>	-	-	-	-	-
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - PE</i>	-	12,070,158	17,173	12,087,330	12,087,330
<i>I-64 Southside/High-Rise Bridge - UPC 106692 - ROW &amp; Construction</i>	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 202,709,174</b>	<b>\$ 2,596,309</b>	<b>\$ 205,305,483</b>	<b>\$ 205,305,483</b>

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

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

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

**Project Financial Summary:**

<u>Project Budget (\$122,551,685):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 4,135,000	\$ 2,738,567	\$ ( 724,824)
○ RW \$ 5,901,490	\$ 32,494	\$ (5,866,490)
○ CN \$ 112,515,195	<u>\$ 108,555,766</u>	<u>\$ (3,648,315)</u>
	\$ 111,326,827	\$ (10,239,629)

**Project Schedule:**

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

**Project Status:**

- Completion achieved on 01 December 2017

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

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

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

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

**Project Financial Summary:**

<u>Project Budget (\$175,832,897):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 6,000,000	\$ 2,411,589	\$ 0
○ RW \$ 1,511,548	\$ 429,780	\$ ( 901,770)
○ CN \$ 168,321,349	<u>\$ 107,040,598</u>	<u>\$ (22,983,408)</u>
	\$ 109,881,967	\$ (23,885,178)

**Project Schedule:**

NTP	February 2016
Project Completion	May 2019
Schedule Status	On Schedule

**Project Status:**

- Completed I-64 EB traffic shift to Phase 2 in Sections A and B (west of Exit 243)
- Continued Phase I pavement section construction for I-64 EB and WB (east of Exit 243)
- Bridge deck placements completed at Jefferson Avenue Bridges
- Continued bridge deck placements at Yorktown Road Bridges and westbound Burma Road Bridge

**I-64 Westbound Traffic Shift to Phase 2 in Sections A and B**

### I-64 Peninsula Widening- Segment III

#### Project Scope:

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

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

#### Project Financial Summary:

<u>Project Budget (\$244,045,973):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 10,000,000	\$ 4,484,276	\$ 0
○ RW \$ 12,000,000	\$ 17,997	\$ 0
○ CN \$ 222,045,973	<u>\$ 7,053,696</u>	\$ 0
	\$11,555,969	

#### Project Schedule:

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

#### Project Status:

- Field Surveys and utility designations are complete. Borings will be complete by mid-June
- Scope validation supporting documentation was received on May 23<sup>rd</sup>. VDOT evaluating documentation provided
- Contractor to begin Interstate Maintenance in July 2018
- A Citizen Information Meeting is scheduled for June 27, 2018 at Bruton High School from 5 to 7pm



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

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

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

**Project Financial Summary:**

<u>Project Budget (\$158,730,023):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 10,135,307	\$ 10,135,307	\$ 0
○ RW \$ 11,571,063	\$ 19,254,071	\$ 7,683,008
○ CN \$ 137,023,653	<u>\$ 59,998,850</u>	\$ 0
	\$ 89,388,228	

**Project Schedule:**

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

**Project Status:**

- Continued constructing columns and cap beams for Bridge B-602 approach to Curlew Drive Overpass
- Began overhead sign structure installation on I-64 W
- Installed Stay in Place deck pans and reinforcement steel at B-605 and B-603

**Overhead Sign Structures I 64 W****B-603 Looking Toward Kempsville Road**

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

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

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

**Project Financial Summary:**

<u>Project Budget (\$194,503,887):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 14,082,810	\$ 14,055,619	\$ 0
○ RW \$ 54,392,666	\$ 35,451,121	\$ 0
○ CN \$ 126,028,411	\$ 6,053,501	\$ 0
	\$ 55,560,241	

**Project Schedule:**

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

**Project Status:**

- Continuing building demolition
- Began relocation of Newtown Road Sewer and Water Main
- Continued Cleveland Street and Greenwich Road ground improvements

**Parcel 016 Demolition - Business Park Drive**

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

### Project Scope:

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

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

### Project Financial Summary:

<u>Project Budget (\$524,613,765):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 12,200,000	\$ 12,175,084	\$ 0
○ RW \$ 18,726,000	\$ 114,408	\$ 0
○ CN \$ 493,687,765	<u>\$ 38,065,886</u>	\$ 0
	\$ 50,355,378	

### Project Schedule:

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

### Project Status:

- Conducting coordination meetings with permitting agencies, railroad companies, and other stakeholders for permit and ROW acquisition
- Roadway, bridge and ROW design submittals by the Design-Builder under review by VDOT
- Provided VDOT response to scope validation supporting documentation to GPC on 5/18/18
- GPC planning to begin mobilizing for construction in June 2018





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

Hampton Roads District  
1700 N. Main Street  
Suffolk

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

**Refinement of Preferred Alternative**

**Project Scope:**

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

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

**Project Financial Summary:**

<u>Project Budget (\$25,000,000):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$25,000,000	\$ 14,313,668	\$ 0
○ RW \$ 0	\$ 0	\$ 0
○ CN \$ 0	<u>\$ 0</u>	<u>\$ 0</u>
	\$ 14,313,668	

**Project Schedule:**

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

**Project Status:**

- Project in procurement; contract award anticipated in early 2019

## Route 460/58/13 Connector

### Study Scope:

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

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

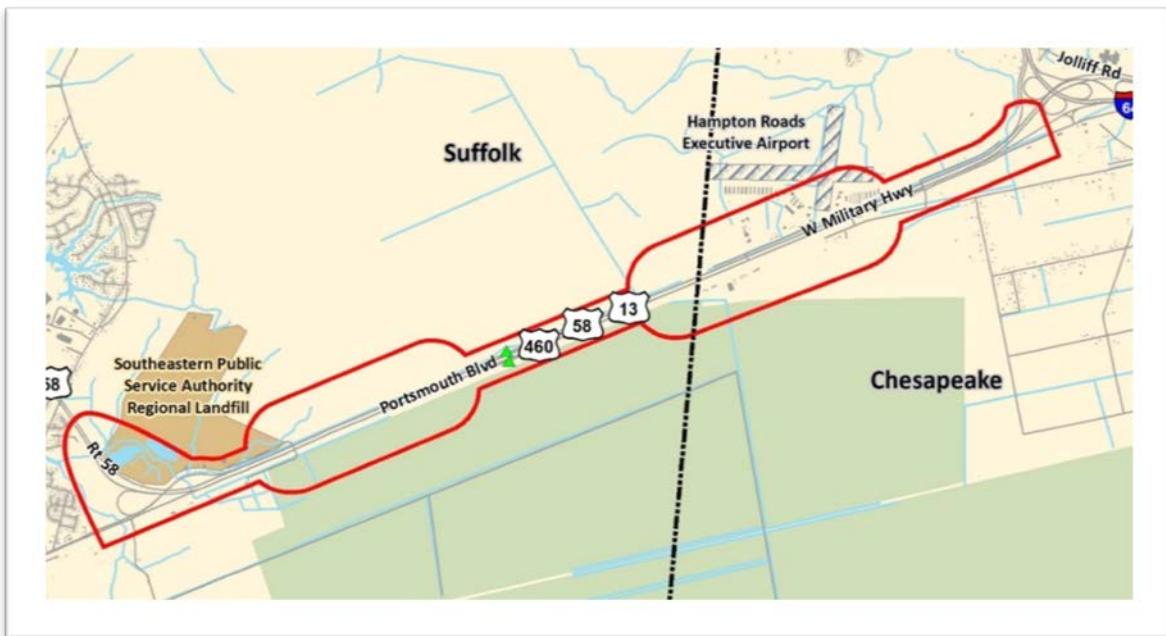
### Study Financial Summary:

<u>Project Budget (\$5,000,000):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
o PE \$ 5,000,000	\$ 681,418	\$ 0
o RW \$ 0	\$ 0	\$ 0
o CN \$ 0	<u>\$ 0</u>	\$ 0
	<b>\$ 681,418</b>	

## Study Schedule:

### Study Status:

- Completing technical studies and compiling Environmental Assessment (EA) documentation for Federal Highway Administration review
- Anticipate EA available for public review and comment late summer/early Fall 2018



## I-64/I-264- Phase III

### Project Scope:

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

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

### Project Financial Summary:

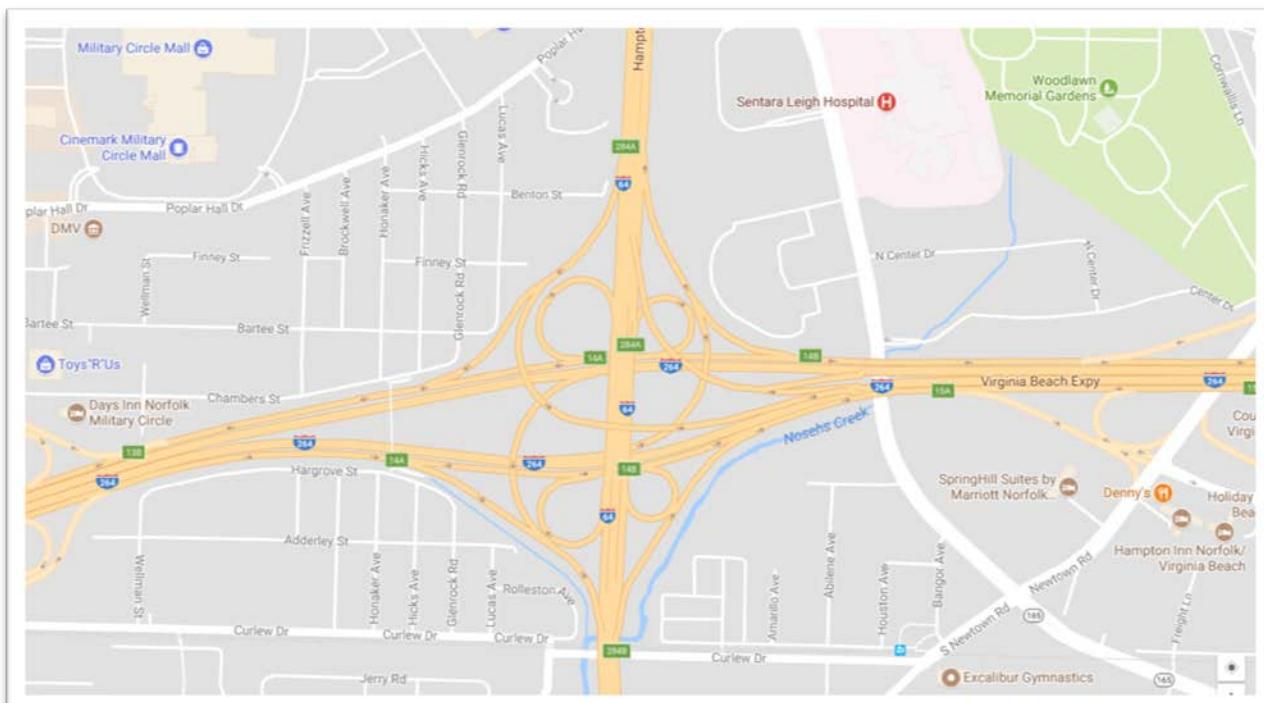
<u>Project Budget (\$10,000,000):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
○ PE \$ 10,000,000	\$ 46,815	\$ 0
○ RW \$ 0	\$ 0	\$ 0
○ CN \$ 0	<u>\$ 0</u>	<u>\$ 0</u>
	\$ 46,815	

### Project Schedule:

MOA Executed	May 2018
IMR Conditional Approval	August 2019
NEPA Approval	December 2019

### Project Status:

- Completed preliminary environmental data collection
- Held project team kick-off meeting
- Traffic data collection and field observations underway
- Began IMR Framework Document and IMR development
- Baseline existing traffic volumes and begin traffic modeling and calibrations



## Bowers Hill Interchange

### Study Scope:

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

### Study Financial Summary:

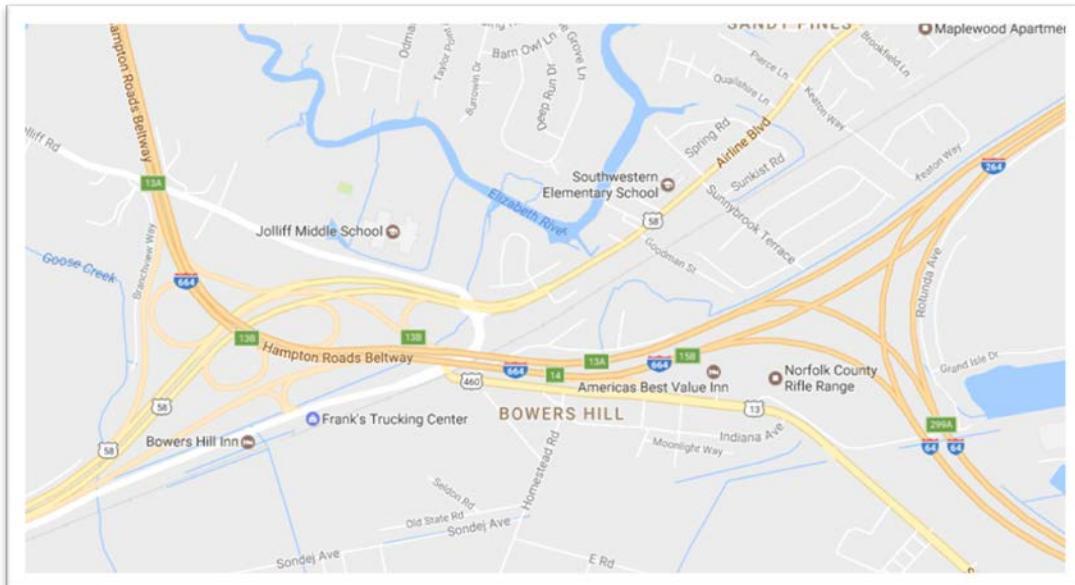
<u>Project Budget (\$4,000,000):</u>	<u>Funds Expended (as of 5/30/18):</u>	<u>Projected Cost Over/(Under):</u>
o PE \$4,000,000	\$ 125,238	\$ 0
o RW \$ 0	\$ 0	\$ 0
o CN \$ 0	\$ 0	\$ 0
	\$ 125,238	

### Study Schedule:

Begin NEPA Process	January 2018
Completion	January 2020

### Study Status:

- o Methodologies concurrence anticipated by June 5<sup>th</sup>
- o Purpose and Need will be introduced to the agencies on June 13<sup>th</sup>
- o Preliminary alternatives are being developed.
- o Virtual Public Meeting was made available on April 25<sup>th</sup>. The public comment period will end on June 9<sup>th</sup>. As of May 29<sup>th</sup>, 297 responses have been received





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

Hampton Roads District  
1700 N. Main Street  
Suffolk

**Ft. Eustis Interchange**

Project Scope:

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

Project Financial Summary: TBD

Project Schedule: TBD

Project Status: TBD

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

Project Scope:

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

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

Project Financial Summary: TBD

Project Schedule: TBD

Project Status: TBD



Hampton Roads Bridge-Tunnel

VDOT

**Hampton Roads Bridge Tunnel Expansion  
Project Update  
to  
Hampton Roads Accountability Commission  
June 21, 2018**

**James S. Utterback  
HRBT Project Director  
Virginia Department of Transportation**





Hampton Roads Bridge-Tunnel

VDOT

## Overview of HRBT Expansion Project

- Settlers Landing in Hampton to I-564 Norfolk (9.5 Miles)
- I-64 improvements include 6 lanes of highway and construction of 4 lane bridge/tunnel
- New 4 lane HRBT tunnel will serve Eastbound traffic
- 2 existing HRBT tunnels will serve Westbound traffic
- Project Estimate: \$3.66B



The Next Connection



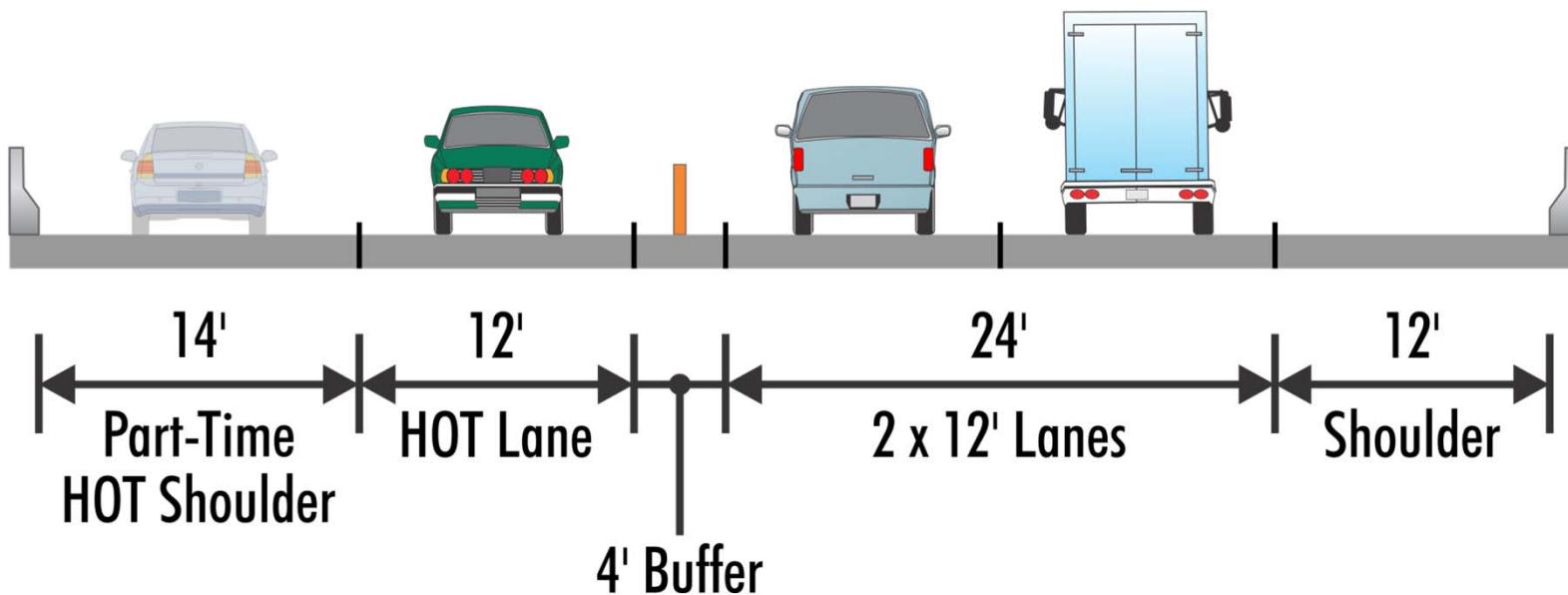
## Scope Options Included:

- Three scope options included in Draft RFP:
  - Direct connect ramps from I-64 HOT to I-564
  - Increase height clearance at the existing WB Tunnel
  - Replace existing marine approach bridges



## Proposed Lane Configuration for Tunnel and Approach Bridges

- **2+1+1 concept in each direction:**
  - **2 free General Purpose lanes**
  - **1 full-time HOT lane**
  - **1 peak-hour HOT lane on left shoulder**





## Landside Construction Considerations

- **Landside work is broken into two parts - Hampton and Norfolk**
- **Environmental, Right of Way and Maintenance of Traffic provide biggest challenges for construction in both Cities**
- **Hampton**
  - **I-64 Interchange at Mallory Street to be reconstructed**
  - **Construction of roadway to approach bridges will require phasing**
  - **Cultural Resources include Federal Cemetery, Hampton University and Phoebus**
- **Norfolk**
  - **Constraints at Bayville Interchange and Willoughby Bay Bridges**
  - **Four interchanges impacted (Bayville, 4<sup>th</sup> View, Bay Ave, New Gate)**
  - **Naval Air Station borders western side I-64 (vertical & horizontal)**



## Marine Construction Considerations

- **Marine bridges have risks but are largely conventional**
- **Tunnel work is less conventional and will generate greatest risks from cost and schedule standpoint**
- **This is a rare location where both immersed-tube and bored-tunnel construction methods are feasible**
  - All ten Hampton Roads tunnels to date have been immersed tubes
  - Until recently, bored tunnels were not feasible in soft soils
  - But recent advances in technology now make bored tunnels possible in soft soils
- **Both tunnel methods were directly compared in the nearby CBBT - Thimble Shoal Tunnel procurement in 2015**
  - Received Bored Tunnel proposals only



## Marine Stakeholder Involvement

- **Initial discussions held with a number of Stakeholders:**
  - Maritime Security Council
  - Harbor Safety Committee
  - US Navy Staff Level
  - Virginia Maritime Association (including VPA)
  - USACE Section 408
  - USCG
  - US Navy Senior Level
- **Concerns over Construction Impacts to Federal Channel**
  - Commercial Vessels (size and number)
  - Coordination with Channel Widening
  - Naval Vessels (impeding transit could impact National Security)
- **Contractor ability to access/work in Federal Channel**
  - Project Cost/Schedule Risk



## Procurement Milestones

ACTIVITY	DATE
PPTA Steering Committee	Dec 12, 2017
RFQ Issued	Dec 15, 2017
Shortlist Announced	Apr 26, 2018
PPTA Steering Committee	May 9, 2018
Draft RFP Release	May 22, 2018
Proprietary/ATC Meetings #1	Jun 11-12, 2018
Proprietary/ATC Meetings #2	Jul 17-18, 2018
Proprietary/ATC Meetings #3	Aug 7-8, 2018
Proprietary/ATC Meetings #4	Sept 5-6, 2018
Final RFP Release	Sept 10, 2018
Proprietary/ATC Meetings #5 (if needed)	Sept 26-27, 2018



## Procurement Milestones

ACTIVITY	DATE
Addenda to Final RFP	Oct 26, 2018
Technical Proposal Submission	Nov 30, 2018 at 5:00 PM
Price Proposal Submission	Jan 10, 2019 at 5:00 PM
Selection of Best Value Proposal	Jan 18, 2019
CTB Briefing	Feb 2019
PPTA Statutory Audit	Feb 2019
Execute Comprehensive Agreement	Mar 2019
PPTA Steering Committee	NLT 60 days from execution of CA
Contractor NTP	Mar 2019
Construction Complete	Dec 2024

