

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the December 13, 2018 Regular Meeting**

The Hampton Roads Transportation Accountability Commission (HRTAC) Regular Meeting was called to order at 12:36 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
Linda T. Johnson, Vice Chair
Rick West, CH
Frank Rabil, FR
Donnie Tuck, HA
Joel Acree, IW
McKinley Price, NN
Kenneth Alexander, NO
John Rowe, PO

Herbert Green (in for Eugene Hunt), PQ
Barry T. Porter, SH
Thomas G. Shepperd, YK
Bob Dyer, VB
Delegate Chris Jones, VGA*
Delegate Christopher Stolle, VGA
Senator Frank Wagner, VGA*
Delegate David Yancey, VGA

HRTAC Executive Director

Kevin Page

HRTAC Ex-Officio Members in Attendance:

John Malbon, CTB
Stephen Brich, VDOT

Cathy Vick, VPA

Other Participants:

Earl Sorey, CH
Shep Miller, CTB
Clarence Monday, FR
Nick Donohue, Governor's Office
Morteza Farajian, Governor's Office
Sec. Shannon Valentine, Governor's Office
Mary Bunting, HA
Randy Keaton, IW
Cynthia Rohlf, NN
Wynter Benda, NO

Bob Baldwin, PO
J. Randall Wheeler, PQ
Michael Johnson, SH
Patrick Roberts, SU
Dave Hansen, VB
John Lawson, VDOT
Christopher Hall, VDOT
Neil Morgan, YK
Tom Inglima, Willcox & Savage

HRTAC Voting Members Absent:

Senator John Cosgrove, VGA

Paul Freiling, WM

HRTAC Ex-Officio Members Absent:

Jennifer Mitchell, DRPT

* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Bridgette Parker, Bryan Stilley, Jerri Wilson (NN); Doug Beaver, Amy Inman, Andria McClellan, Morgan Whayland (NO); Sherri Neil (PO); Randolph Cook (SH); Leroy Bennett (SU); Robert Matthias (VB); Jim Calpin, Scott Detar (Bank of America/Merrill Lynch); Kevin Johnson, Kirsten Krug (Citigroup); Diana Howard (CTAC); Doug Wilson (ERC); Todd Childress (HNTB); Eric Ballou, Megan Gilliland (Kaufman & Canoles); Beth Arnold (Michael Baker); Karen McPherson (McPherson Consulting); Delceno Miles (Miles Agency); Robert Bowen (Norfolk Airport Commission); Michael Giardino (Peninsula Airport Commission); Nelson Bush, David Miller, Liang Shan (PFM); Barbara Nelson (Port of Virginia); Mark Geduldig-Yatrofsky (PortsmouthCityWatch.org); Jim Long (RK&K); Chuck Wall (Seyfarth Shaw); Merades Hollard (U.S. Navy); David Wickersham (U.S. Representative Elect Elaine Lauria's Office); Diane Kaufman (U.S. Senator Kaine's Office); Holly Christopher, Robin Grier, Dawn Odom, Pete Reilly, Eric Stringfield (VDOT); Paula Greer (Veteran Reporters); Tyson Rosser (VHB); Andy Fox, Rob Rizzo (WAVY-TV); Mark Burns (Wells Fargo Securities); Brett Spain (Willcox & Savage); Scott Lovell (WSP); Joshua Mickle, Erin Miller (WTKR); John Gergely, Michelle Murtin (Citizens); Kelli Arledge, Keith Cannady, Greg Grootendorst, Danetta Jankosky, Mike Long, Cynthia Mulkey, Matt Smith, Joe Turner, Chris Vaigneur, Sheila Wilson (HRPDC); Jennifer Hodnett (HRTAC); Sam Belfield, Rob Case, Rob Cofield, Shirley Core, Bob Crum, Kathlene Grauberger, Mike Kimbrel, Sharon Lawrence, John Mihaly, Joe Paulus, Jeffrey Raliski, Dale Stith (HRTPO)

HRTPO Executive Director, Robert Crum indicated the regularly scheduled HRTAC meeting was going to be a concurrent meeting held with the Hampton Roads Transportation Planning Organization (HRTPO). He reviewed the agenda and outlined the goals of the meeting.

Chair Hipple called the meeting of HRTAC to order.

The Hampton Roads Transportation Planning Organization called its meeting to order at 12:37 p.m.

Approval of HRTAC Agenda

Mr. Kenneth Alexander Moved to the agenda, Mr. David Yancey seconded. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

Two members of the public addressed the Hampton Roads Transportation Accountability Commission.

Mr. Mark Geduldig-Yatrofsky, Portsmouth Citizen, acknowledged the Elizabeth River Crossings would be increasing the toll rates again and stated a legislative solution needed to be found to mitigate the tolls at the midtown and downtown tunnels.

Mr. John Gergely, Newport News Citizen, thanked Senator Frank Wagner and Delegate Chris Jones on their position in regards to HRTAC financing the trestle work for the Hampton Roads Bridge Tunnel (HRBT) project.

The Public Comment Period ended and Chair Hipple invited Shannon Valentine, Virginia Secretary of Transportation, to make a presentation to the HRTAC and HRTPO Boards. Secretary Valentine began by emphasizing that the Hampton Roads Bridge Tunnel (HRBT) expansion project is the largest, most important project currently in the Commonwealth of Virginia. She stated that the Commonwealth recognizes and respects the work the HRTAC and HRTPO Boards are doing on this important project. She noted that the Secretary's office and representatives of HRTAC have discussed approaches to pay for the rehabilitation of the existing "south" trestles at the HRBT. Secretary Valentine announced VDOT recently met with contractors and would be moving forward with an "A" and "B" procurement for the HRBT project. The procurement will allow the project to move forward with getting a full scope of work. She noted the existing South trestles are part of the "B" procurement and could be severed and removed from the contract. This procurement process allows additional time to identify potential solutions for funding that work. Secretary Valentine indicated that the Commonwealth is committed to finding a resolution regarding a funding source, but noted that options are limited and even if the General Assembly supplies a funding source, the Commonwealth Transportation Board would have to approve any plan. Secretary Valentine further expressed a desire to adopt a tolling policy that is compliant with the Virginia Code and makes economic sense.

Chair Comments

HRTAC Chair, Michael Hipple, thanked Secretary Valentine, reiterated the importance of the HRBT project, and thanked the HRTAC members for all of their hard work and dedication to the completion of the project.

Consent Items

- A. Minutes of the November 15, 2018 HRTAC Regular Meeting
- B. Amendment to the Approved HRTAC FY2019 HRTAC Administrative Budget

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

Joint HRTAC and HRTPO Discussion Items

A. HRBT Decision Making Critical Path

HRTPO Executive Director, Mr. Robert Crum, outlined a critical decision path forward for the Hampton Roads Bridge Tunnel (HRBT) Expansion Project as follows:

- **December 13, 2018**
 - HRTPO and HRTAC briefed by VDOT on Operational Analysis for water crossing (HRBT & High-Rise Bridge)
 - Existing Trestle Financing Decision (Update)
 - HRBT New Capacity Funding (Update)
 - Consideration of TIP Amendment for the HRBT project

- **January 2019- June 2019**
 - SMART SCALE Funding Decision for HRBT Project (potential \$200M)
- **January 15, 2019**
 - Technical Proposals due to VDOT
- **February 8, 2019**
 - Price Proposals due to VDOT
- **February 19, 2019**
 - CTB Briefing
- **March 21, 2019**
 - HRTAC approval of HRBT related agreements
- **March 31, 2019**
 - VDOT signs agreement and issues notice to proceed
- **June 2019**
 - Full Express Lane System Operational Analysis
 - Briefing to HRTAC and HRTPO
- **July 2019**
 - HRTPO Policy decision on Full Express Lane System

This item was for informational purposes only.

B. Operational Analysis of Proposed High-Occupancy Toll (HOT) Lanes at the HRBT and High-Rise Bridge Projects

VDOT District Engineer, Mr. Christopher Hall, provided an update on current and proposed HOT facilities. He reported the first year gross revenue for Segment I of the I-64 Express Lanes is estimated to be \$1.9 million. Average toll rates during peak periods for the eastbound lanes is \$0.83 and westbound lanes \$0.71. Mr. Hall noted 25% of total traffic volumes are using the Express Lanes which has increased efficiency in the general purpose lanes. He then moved to the I-64 Southside and High Rise Bridge project which is currently designed to include a HOT Lane in each direction. He noted this is currently the largest design-build program in the state. He reported the pilings were currently being installed and VDOT had just received the permit to allow work to begin in the river soon. The January 2017 Operational Traffic Analysis for the I-64 Southside and High Rise Bridge Project showed 30% of total traffic volume is projected to use HOT Lanes during peak times. Mr. Hall then provided projected performance for the HOT Lanes for the proposed Hampton Roads Bridge Tunnel (HRBT) Project. Projected HOT lane a.m. usage eastbound is 38% during the morning peak periods and 31% during the afternoon peak period. In the westbound direction, projected HOT lanes usage is 26% in the morning and 42% in the afternoon. The facility will include one full time HOT lane and a managed HOT shoulder lane during peak hours. He noted the part time HOT shoulder is projected to increase capacity.

In connection with the presentation, Mr. Hall received and responded to questions raised by Mayor Tuck, Delegate Yancey and Mr. Sheppard.

C. Update on HRTAC Plan of Finance and I-64 HRBT New Capacity Expansion Project – TIP Amendment

HRTAC Executive Director, Mr. Kevin Page, reported the current funding plan for the I-64 HRBT New Capacity Expansion Project is \$3.562 billion excluding the south trestles and owner's cost associated therewith. He noted moving forward with the plan of finance still has the caveats that were in the assumptions as follows:

- The amount of financing from each source varies based on different toll revenue projections
- HOT lanes assumed at HRBT and High Rise Bridge water crossings
- Hampton Roads Transportation Funds (HRTF) VDOT 6-year revenue projection then historical trend line
- Pending \$200M SMART SCALE application/award will reduce HRTF funds
- HRTAC funding capacity is based on assumptions regarding HRTF revenue growth interest rates, credit rating, and other subject to change variables
- HRTF funding to be used for new capacity only

The funding amounts are conditioned on revenue projections, and only assume tolling of the HRBT and High Rise Bridge HOT lanes. Mr. Page confirmed with PFM that \$3.562 billion is still available and current. He reported that to date, HRTAC has provided VDOT \$30 million to develop the project. The base scope of the project includes the new capacity construction and the existing north trestles plus the additional roadway. Also in the design build contract are the existing south trestles. The funding for the existing south trestles is not covered by the \$3.562 billion. HRTAC and VDOT have engaged in discussions regarding the existing trestles and have yet to identify a solution. Mr. Page explained that VDOT did express a desire to reimburse HRTAC for the cost of the work from the Hampton Roads region's share of the State of Good Repair Program; HRTAC expressed openness to that approach if it can be accomplished in a manner that would not adversely affect HRTAC. He said HRTAC and VDOT continue to work together to identify a potential solution. In order to keep the project moving forward, the HRTPO must provide FHWA with an amendment to the Transportation Improvement Program (TIP) which includes the HRBT expansion project. He stated that for a project to be in the TIP, it must be fiscally constrained with a financial plan demonstrating it can be implemented. Mr. Page reported that he recommends HRTAC deliver a letter to the TPO requesting the amendment that validates the funding for the HRBT Expansion Project without the replacement of the existing south trestles. Under the final Request for Proposal (RFP), the south trestles replacement work can be described as optional work that VDOT and HRTAC may sever from the contract if a funding solution is not identified in the coming months.

Discussion among the members, Executive Director Page and VDOT ensued for several minutes.

*Senator Frank Wagner arrives

D. Operational Analysis for a Potential High-Occupancy Toll (HOT) Network throughout Hampton Roads

VDOT District Engineer, Mr. Christopher Hall, provided a report on an operational analysis to be conducted on a potential HOT Express Lanes Network throughout Hampton Roads. He noted that the HRTPO Board had approved studies in the following areas:

- I-64 Express Lanes (reversible – in operation)
- High Rise Bridge (under construction)
- HRBT (in procurement)

The HRTPO also endorsed the concept of an I-64 Regional HOT network running approximately 39.5 miles from I-64 near Hampton Coliseum to the Bowers Hill Interchange (I-664/I-264). The operational analysis time horizon will be looking at 2025 modeling as a base line. VDOT will be analyzing two scenarios.

The first scenario on I-64 as planned and approved:

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

The second scenario – Regional HOT Network

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

Mr. Hall stated the key objectives of the analysis were to identify operational challenges between segmented projects and as a HOT network, and to clarify access and transition points. The analysis will also evaluate HOT Lane and General Purpose Lane performance.

*Delegate Jones Departs

Linda T. Johnson:	Yes
Bobby Dyer:	Yes
Paul Freiling:	Absent
Thomas G. Shepperd:	Yes
Senator John A. Cosgrove:	Absent
Senator Frank Wagner:	Yes
Delegate S. Chris Jones:	Absent
Delegate Christopher P. Stolle:	Yes
Delegate David E. Yancey:	Yes

The Motion Carried.

B. Amendment to the HRTAC Investment Policy

HRTAC Executive Director, Mr. Kevin Page, summarized the proposed changes to the HRTAC Investment Policy and noted they were endorsed by the Finance Committee. Mr. Page indicated that Nelson Bush of PFM, HRTAC's financial advisor, was in attendance and available to answer any questions.

HRTAC Finance Committee Chair, Senator Frank Wagner, indicated the changes would allow the Commission to continue to maintain safe investments but seek a higher rate of return on certain investments.

Senator Frank Wagner Moved to adopt the proposed, modified Statement of Investment Policy in the form presented at the meeting, seconded by Mr. Herbert Green. The Motion Carried.

Information Items

A. HRTAC as a Component Unity of the Commonwealth

HRTAC Executive Director, Kevin Page, noted due to time constraints the agenda item needed to be deferred.

B. HRTAC Monthly Financial Report

HRTAC Executive Director, Kevin Page, acknowledged the HRTF Financial Report included in the agenda packet.

C. VDOT Project Updates

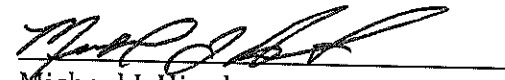
HRTAC Executive Director, Kevin Page, noted the VDOT Project Update report was included in the agenda packet.

Next Meeting

Chair Hipple announced that the next HRTAC Regular Meeting will be held on March 21, 2019 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 2:21p.m.


Michael J. Hipple
HRTAC Chair