

**Hampton Roads Transportation
Accountability Commission (HRTAC)
Summary Minutes of the September 19, 2019 Regular Meeting**

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

HRTAC Members in Attendance:

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| Linda T. Johnson, Chair | John Rowe, PO |
| Donnie Tuck, Vice Chair | Herbert Green (in for Eugene Hunt), PQ |
| Rick West, CH | Barry T. Porter, SH |
| Frank Rabil, FR | Thomas G. Shepperd, YK |
| Donnie Tuck, HA | Bob Dyer, VB* |
| Joel Acree, IW | Senator John Cosgrove, VGA* |
| Michael Hipple, JC | Senator Monty Mason, VGA* |
| David Jenkins (in for McKinley Price), NN | Delegate Christopher Stolle, VGA |
| Kenneth Alexander, NO | Delegate David Yancey, VGA* |

HRTAC Executive Director

Kevin Page

HRTAC Ex-Officio Members in Attendance:

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| Stephen Brich, VDOT | Barbara Nelson, VPA |
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Other Participants:

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| Stephen Johnson, CTB | Chip Filer, NO |
| Shep Miller, CTB | Bob Baldwin, PO |
| Nick Donohue, Governor's Office | J. Randall Wheeler, PQ |
| James Baker, CH | Patrick Roberts, SU |
| Amanda Jarratt, FR | Tom Leahy, VB |
| Brian DeProfio, HA* | Andrew Trivette, WM |
| Randy Keaton, IW | Christopher Hall, VDOT |
| Scott Stevens, JC | Neil Morgan, YK* |
| Cynthia Rohlf, NN | Tom Inglima, Willcox & Savage |

HRTAC Voting Members Absent:

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| Delegate Chris Jones, VGA | Paul Freiling, WM |
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HRTAC Ex-Officio Members Absent:

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| John Malbon, CTB | Jennifer Mitchell, DRPT |
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* Denotes Late Arrival or Early Departure

Others Recorded Attending:

Elie Alshoufy, Earl Sorey, Ella Ward (CH); Bridgette Parker, Bryan Stilley, Jerri Wilson (NN); Amy Inman, (NO); Sherri Neil (PO); Randolph Cook (SH); Leroy Bennett (SU); Robert Matthias, Tara Reel (VB); Scott Detar (Bank of America/Merrill Lynch); Kirsten Krug (Citigroup); Sherry Earley, (Clark Nexson); Diana Howard (CTAC); Dave Ress (Daily Press) Phil Lohr, Mike Snare (HNTB); Rick Dwyer (HRMFFA); Jeree Grimes (Joint Base Langley-Eustis/USAF); Raj Paradkar (Kimley Horn); Eric Ballou, Megan Gilliland (Kaufman & Canoles); Karen McPherson (McPherson Consulting); Robert Bowen (Norfolk Airport Authority); Michael Garber (PB Mares); Nelson Bush, David Miller, (PFM); Mark Geduldig-Yatrosky (PortsmouthCityWatch.org); Michael King, (U.S. Navy); Caleb Smith (U.S. Representative Elaine Lauria's Office); Diane Kaufman (U.S. Senator Kaine's Office); Robin Grier, Faizan Habib, Sonya Hallums-Ponton, Tim Haynan, Dawn Odom, Eric Stringfield (VDOT); Camron Jordan (Veteran Reporters); Mark Burns (Wells Fargo Securities); Courtney Gilmore Whelan (Willcox & Savage); Latasha N. Chambers, Samuel Hayes, Judy Hinch, Pamela Lima, Althea D. Maxwell-Hunter, Christina McLoed, Samantha Rosas, Doug Wilson, Lui Zukosky (Citizens); Kelli Arledge, Keith Cannady, Greg Grootendorst, Andrew Margason, Katherine Painone, Tiffany Smith, Joe Turner, Chris Vaigneur, Sheila Wilson (HRPDC); Lynn Coen, Jennifer Hodnett (HRTAC); Theresa Brooks, Natalie Brown, Rob Case, Rob Cofield, Bob Crum, Kathlene Grauberger, Mike Kimbrel, Sharon Lawrence, John Mihaly, Keith Nichols, Jeffrey Raliski, Dale Stith (HRTPO)

HRTAC Executive Director, Mr. Kevin Page, informed the Commission the meeting was going to be a concurrent meeting with the Hampton Roads Transportation Planning Organization (HRTPO). He referenced the chronological agenda and stated the collective agenda item was the I-64 Regional Express Lane Update.

The HRTPO called its meeting to order at 12:32 p.m.

Approval of Agenda

Mr. Michael Hipple Moved to approve the agenda, Mr. John Rowe seconded. The Motion Carried.

Public Comment Period (limit 5 minutes per individual)

A member of the public addressed the HRTAC

Mr. Mark Geduldig-Yatrosky, Portsmouth Citizen, highlighted the climate strike activities being held around the country and stated the Commission should try to compensate for the negative impacts its projects are having on the environment.

Senator Monty Mason arrives.

The HRTPO stood at ease at 12:42 p.m.

Chair Comments

HRTAC Executive Director Mr. Page reviewed the agenda and noted the milestone actions included in the meeting agenda and indicated that the actions of the HRTPO and the Virginia Department of Transportation (VDOT) exhibited the ability for the region to unite and improve the quality of life in Hampton Roads.

Consent Items

- A. Minutes of the June 20, 2019 Annual Organizational Meeting
- B. Amendment to the Approved HRTAC FY2020 HRTAC Administrative and Project Development Budget – Authorization to Conduct a Public Hearing
- C. Administrative Offices Lease Extension
- D. Amendment to the HRTAC Accounting and Policies Procedure
- E. Fiscal Year 2019 Annual Report to the Joint Commission on Transportation Accountability Relating to the Hampton Roads Transportation Fund

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

Action and Discussion Items of the Commission

A. HRTAC Fiscal Year 2019 Audited Financial Statement

PB Mares Partner, Mr. Michael Garber, stated the 2019 audited financial statements were in draft form; however; the final version was on schedule to be delivered by September 30, 2019 to the Auditor of Public Accounts. He stated the Commission had received an unmodified opinion and only three minor audit adjustments were made. These included amortizing bond premiums, recording of interest expense and income for the debt service fund, and recording of the VRS pension liability.

Mr. Bobby Dyer Moved that the Commission approve the HRTAC FY2019 Audited Financial and Compliance Report and authorize the Executive Director to work with the Auditor of Public Accounts to finalize and provide its distribution of the report document for public access and viewing; seconded by Mr. Christopher Stolle. The Motion Carried.

Senator John Cosgrove arrives.

B. Authorization of Commission Chair and Staff to Complete and Execute the HRTF Backed TIFIA Loan Agreement, Bond Anticipation Note (BAN) Issuance, Supplemental Indenture for TIFIA, and Related Engagement Documents - Resolution 2019-03

PFM Managing Director, David Miller, reminded the Commission of the projects included the FY2020-FY2026 Plan of Finance were under contract agreement with VDOT and identified the sources of the \$5.3B in the FY2020-FY2026 funding plan. He informed the Commission that the 2019A TIFIA loan application was submitted and the loan agreement was being negotiated with an anticipated closing in mid-October. Additionally, he stated the 2019A TIFIA Bond Anticipation Note (BAN) had been assigned underwriters and was expected to be issued in early October and closed in concurrence with the 2019A TIFIA Loan.

Mr. Miller noted the market conditions were still favorable for a TIFIA BAN and explained the TIFIA BAN was being utilized as construction loan. He highlighted the anticipated economic benefit was \$7.1M in savings to the region.

A table detailing the 2019A BAN and 2019A TIFIA Loan sources and uses was shown to the Commission and Mr. Miller outlined a loan schedule for the two loans respectively. He reminded the Commission the 2019A BAN and 2019A TIFIA were financing the six initial projects and the HRBT funding would be a separate issuance of debt.

He reviewed the annual debt financing program from CY18 to CY25 and identified HRBT financing considerations. He acknowledged the considerations had been thoroughly discussed with, and will continue to be monitored by, the HRTAC Finance Committee.

The Commission's Bond Counsel, Mr. Eric Ballou of Kaufman & Canoles, explained the proposed HRTAC Resolution 2019-03 which would approve the form of the BAN and TIFIA documents, delegate power to the Executive Director to approve final bonds terms, and approve the engagement of the underwriters.

He summarized the supplemental documents and the purposes of the 2019A BAN and 2019A TIFIA loans. Mr. Ballou reiterated the maximum principal amounts, interest rates and maturity dates for each loan. The BANs cannot exceed \$ 500 million in principal amount, can be issued at a fixed interest rate resulting in an average yield not greater than 5%, and are short term with a maturity date five (5) years from their issuance. The BANs have a bullet principal payoff, meaning, when proceeds from the TIFIA loan are drawn to pay the BANs, the entire amount of outstanding BANs will be paid off and they will not amortize during their life. The TIFIA obligation cannot exceed \$ 550 million in principal amount, and the interest rate is based on the U.S. Treasury 30-year rate and is calculated by adding one (1) basis point (.01%) to the U.S. Treasury rate. The TIFIA loan is long term, permanent financing for the project, it matures not later than 40 years from the date of issuance, and it will have an amortizing structure in place. Mr. Ballou noted that amendments and supplements to the existing Master Indenture Agreement allow proceeds

from the 2018A series indenture to also be used for HRBT financing. In addition, if the Commission and VDOT are no longer pursuing transportation projects in Planning District 23, then the TIFIA Loan Agreement requires that 50% of excess revenues (i.e., revenues remaining at the bottom of the funds flow used to pay debts, fund Commission operating expenses, and supply a general fund) be used to retire TIFIA debt on an accelerated basis.

Mr. Hipple Moved to adopt Resolution 2019-03 authorizing the issuance of HRTAC Subordinate Lien Revenue Bonds for up to \$550 million and Intermediate Lien Bond Anticipation Notes for up to \$500 million and authorized the Commission Chair and Staff to Complete and Execute the HRTF Backed TIFIA Loan Agreement, Bond Anticipation Note (BAN) Issuance, Supplemental Indenture for TIFIA, and Related Engagement Documents; Seconded by Mr. Herbert Green. The Motion Carried.

Information Items of the Commission

A. HRTAC Monthly Financial Report

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

HRTAC Finance Committee Chair, Mr. Hipple, introduced the new member of the Finance Committee, Senator Monty Mason, and recognized all the hard work of the Committee in regards to the advancement of the regional projects.

B. VDOT Project Updates

HRTAC Executive Director, Mr. Page, noted the VDOT Project Update report was included in the agenda packet. Mr. Page explained the positive economic impact of HRTAC on the Hampton Roads economy. He stated 196 aggregate lane miles were under construction or being improved, an aggregate of 905 people were employed by the first six projects and the HRBT project will create 28,000 jobs.

C. Next HRTAC Regular Meeting

HRTAC Executive Director, Kevin Page, stated the agenda listed the next meeting as occurring on October 17, 2019 at 9:00 a.m.

The HRTAC stood at ease at 1:15 p.m. to allow the HRTPO to take action on agenda items and then HRTAC reconvened at 1:16 p.m.

Concurrent HRTAC and HRTPO Discussion Item

A. I-64 Regional Express Lanes Update

Mr. Robert Crum, HRTPO Executive Director, stated that following the discussion at the July 18, 2019 HRTPO Board meeting, HRTPO and VDOT staff worked collaboratively to provide

information to assist Board members on a decision regarding the I-64 Regional Express Lanes. Mr. Crum stated that the I-64 Express Lanes Concept 2040 Analysis, which is based on HRTPO staff modeling of system performance in 2040, is comprised of the following:

- Baseline – All new capacity at HRBT and High Rise Bridge projects as general purpose lanes (GP)
- Managed lanes network – Begin at Mercury Boulevard or further west

Mr. Crum reported that while the VDOT analysis indicates how the managed lanes will perform in conjunction with the opening of the Hampton Road Bridge Tunnel (HRBT) in 2025, the HRTPO analysis will show the following:

- Growth in transportation between now and 2040
- All general purpose lanes at the HRBT and High Rise Bridge projects
- Current managed lanes remain managed lanes
- Impact on local roadways in the city of Hampton

Mr. Kimbrel, HRTPO Deputy Executive Director, acknowledged the HRTPO project team. Mr. Kimbrel briefed the Board on the HRTPO staff analysis of the proposed managed lanes network using 2040 projected traffic data. He noted Hampton Roads currently has two types of managed lanes:

- HOV – 2
 - 2+ Occupants in Vehicle (Free)
 - HOT – 2
 - 2+ Occupants in Vehicle (Free)
 - Single Occupancy (Toll)

Mr. Kimbrel reported the managed lanes network as analyzed would include HOT-2 lanes on I-64 from Jefferson Avenue to Bowers Hill and part-time HOT-2 shoulder lanes adjacent to reversible HOT lanes, which will allow for two-way HOT operation throughout the day.

Mr. Kimbrel reported that the volume of traffic will increase by 20% by 2040. He stated that using the baseline (general purpose) scenario, severe congestion will occur by 2040. Using the managed lanes (HOT-2) network provides reliable trips for high occupancy vehicles (HOV-2), single-occupancy vehicles willing to pay tolls and transit vehicles.

Mr. Kimbrel showed an example of how using the HOT lanes could provide significant travel time savings in 2040, noting that the trip along I-64 from Settlers Landing Road through the Hampton Roads Bridge Tunnel to I-564 would take less than 12 minutes, versus approximately 28 minutes in the general purpose lanes.

Mr. Kimbrel reported that the model indicates the managed lanes scenario does not induce traffic diversion onto Mercury Boulevard, Woodland Road, Mallory Street and Settlers Landing Road in Hampton.

Mr. Stephen Brich, VDOT Commissioner, reported that VDOT staff modeled system performance based on the HRBT opening year of 2025 using its proposed scenario of a managed lane network. He indicated that the entrance into the express lanes has been moved from LaSalle Avenue to Mercury Boulevard, with the potential to move it further west to Jefferson Avenue. Maps were presented to illustrate that traffic was less congested with the construction of the I-64 Regional Express Lanes. Mr. Brich suggested working with the contractor who is currently constructing the High-Rise Bridge to discuss the ability of creating a HOT part-time shoulder lane as timing is crucial. He stated VDOT plans to analyze hours of operation and tolling policy and will brief the Board at the October 17, 2019 meeting.

Mayor Robert Dyer departs

Mayor Donnie Tuck asked if lanes are being created on the east bound lanes of the HRBT out of the median.

Mr. Brich advised that there will be eight lanes on the Norfolk side; four HOT-lanes and four general purpose lanes.

HRTAC Chair Linda Johnson expressed concerns about what will happen past Bowers Hill to the Monitor-Merrimac.

Chair Shepperd stated that VDOT will need to improve the interchange at Bowers Hill. Mayor Rowe advised that the analysis is incomplete without looking at I-664 and the impact that it has on both the north and south bound traffic.

Mr. Hipple expressed support to rework the High Rise Bridge to save funding.

Mr. Shep Miller advised that with the scenario presented we are losing very few general purpose lanes, and that is acceptable to him.

Mayor Tuck expressed concerns about the HOT Lanes going into the tunnel creating congestion.

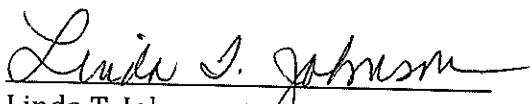
Mayor Barry Cheatham, Mayor Kenneth Alexander and Ms. Amanda Jarrett depart

Chair Shepperd advised that VDOT has extended the HOT lanes away from the water and the cost will be reevaluated.

Mr. David Jenkins expressed concerns about extending the HOT Lanes to Jefferson Avenue.

Adjournment

With no further business to come before the Hampton Roads Transportation Accountability Commission, the meeting adjourned at 2:49 p.m.



Linda T. Johnson
HRTAC Chair